

AGREEMENT

BY AND BETWEEN

ACME MARKETS, INC.  
AND

UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 1360

37 pp Contract  
10 pp (MOA)  
44 pp

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9/2/04

EFFECTIVE DATE: April 25, 2004  
EXPIRATION DATE: April 25, 2009 ~

## AGREEMENT

This AGREEMENT by and between ACME MARKETS, INC. (hereinafter referred to as "Employer") and UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL 1360 (hereinafter referred to as "Union").

### ARTICLE I PURPOSE

The Employer and the Union have reached agreement with each other in regard to wages, hours and other conditions of employment which are set forth, with particularity, in this Collective Bargaining Agreement.

Whenever a word is used in the masculine gender, it is intended to and does include both men and women equally.

### ARTICLE II RECOGNITION AND JURISDICTION

The Employer recognizes the Union as the exclusive representative of all employees, except meat, delicatessen, seafood employees, store managers and other supervisors in its retail food stores served by the Warehouse located in Denver, PA within the geographical jurisdiction that currently exists.

All work and services connected with or incidental to the handling or selling of merchandise offered for sale in Employer's stores shall be performed by the employees referred to above, except that the Employer may use any direct store delivery assistance available to the trade. Upon a written request by the Union, the Company will provide the Union with the total monthly hours and total monthly sales for a store for the preceding (3) three months. If the proportion of hours compared to sales has been significantly reduced in the preceding (3) three months, then restrictions on vendor utilization for that particular store shall revert back to the restrictions in place under the parties' contract dated April 24, 1999 through April 24, 2004.

In the event there is, during the term of this Agreement, a merger or other similar consolidation between Local 1360 and another Local of the United Food and Commercial Workers International Unions, AFL-CIO, effecting the employees of Acme under the terms of this Agreement, the parties to this Agreement will establish a Special Committee to resolve any and all seniority and/or contractual questions which may arise as a result of such merger or consolidation.

### ARTICLE III MANAGEMENT RIGHTS

All rights and powers not expressly restricted or limited by the terms and conditions of this Agreement shall remain in full force and be exercised at the sole discretion of the Employer.

ARTICLE IV  
UNION SHOP - PAYROLL DEDUCTIONS

1. It shall be a condition of employment that all employees covered by this Agreement shall become and remain members in good standing in the Union. New employees shall become members of the Union on the thirty-first (31st) day following their date of employment. These conditions shall be enforced and applied in accordance with the provisions of Section 8(A)3 of the National Labor Relations Act as amended. At time of hire, all necessary Union forms will be completed and forwarded to the Union on a monthly basis.
2. Employer agrees to discharge any employee for non-payment of dues and/or initiation fees, upon seven (7) days' written notice from the Union to do so.
3. The Employer shall check-off uniform initiation fees, regular union dues and delinquent dues, upon presentation to it of a lawful check-off authorization. The Union shall certify to the Employer the amount to be deducted. Said deductions shall be on a weekly basis and will be remitted to the Union on a monthly basis by name and amount.
4. The Employer agrees to deduct authorized Credit Union payments from the wages of employees upon receipt of proper written authorization. All such deductions and remittances shall be forwarded to the Credit Union Office on a weekly basis.
5. It is further recognized that the Union has a Political Action Committee and is entitled to voluntary contributions by its members. Upon receipt of a proper written authorization from an employee, the Employer agrees to deduct weekly payments in the amount of twenty-five cents (\$.25) or more from the wages of said employee.
6. Union agrees to indemnify and save the Employer harmless against any and all claims, demands, suits or liability that might arise out of or by reason of action taken or not taken in respect to all deductions made pursuant to the provisions of this Agreement.

ARTICLE V  
UNION ACTIVITIES

1. There shall be no discrimination against any employee because of race, color, creed, age, sex, sexual preference or Union membership. It is agreed Union duties and activities will not be carried on during hours of work. During hours when store is closed, proper security measures shall be taken. This shall not prevent the Union Officials from entering stores to satisfy themselves that this Agreement is being observed.
2. Complaints and grievances will be discussed with Officials of the Employer. All discussions with associates pertaining to complaints and grievances must take place during non-working hours or while on break, in the break room or other approved meeting area, except for very brief conversations about the nature of the complaint or grievance or to arrange a future meeting.

3. Bulletin boards in the Employer's stores may be used by the Union provided any notices posted are first approved by the Employer, except for Union meeting notices which only contain time, place and date of meeting.

## ARTICLE VI SENIORITY

1. Seniority lists shall be established twice (2x) each year and submitted to the Union.
2. Seniority shall be calculated by continuous service from the last date of employment within the bargaining unit. Employees who are involuntarily laid off and subsequently rehired shall retain their former seniority regardless of any change in their place of employment as follows:

Up to 2 years of continuous service -  
One (1) Year from layoff date  
2 Years and up to 10 years of continuous service -  
Number of years equal to number of years of service  
10 or more Years of continuous service -  
All former seniority.

Employees being recalled shall report for work no later than seventy-two (72) hours after receiving notice. Any employee who refuses a notice of recall shall no longer retain their former seniority or right to recall.

3. a. Employees with six (6) months of continuous service who are absent on account of ill health shall retain their seniority for a period of eighteen (18) months from the date of absence.

b. Employees absent due to a work-related accident shall retain full seniority upon a duly authorized release from Worker's Compensation, a personal physician and a Company physician.

4. In accordance with the current Veterans Reemployment Rights Act, employees returning from military service shall have their wages and classification determined provided they apply for work within the required period.

5. Employees who are upgraded will carry their seniority for purposes of wage rates and they will not suffer a reduction in their rate of pay.

## ARTICLE VII PERSONNEL TRANSACTIONS

### A. PROMOTIONS:

1. All promotions shall be based on the employee's qualifications, availability, and seniority. A ninety (90) day probationary period will apply for promotions to a classified position and a thirty (30) day probationary period will apply for all other promotions.

2. Permanent job openings will be posted in all stores within the District for a seven (7) day period during which time employees will notify their Store Supervisor of an interest to fill the opening. An employee may be temporarily assigned to fill the position. A rated job may be reposted after ninety (90) days, if there are still no bidders, it may be filled from any source.
3. Employees with two (2) or more years of service who are denied a promotion other than a rated classification due to a lack of training may request and be offered the opportunity for cross training.
4. Union to receive a copy of all posting and bid forms which shall be retained for a period of six (6) months.
5. For purposes of filling full time day clerk jobs only, part time employees will receive one (1) year full time seniority credit for each two (2) years of part time service. The offering of full time day jobs will be alternated between full time night crew and part time employees (day/evening).
6. Full time seniority shall commence the date the employee became full time. Upon such upgrading employee will receive full credit in determining their proper wage and vacation benefits.
7. The Company will conduct a survey twice a year between March 1 to March 21 and September 1 to September 21 of all baggers requesting a promotion to clerk. Each bagger will designate three (3) stores where they would accept a clerk's position. All clerk positions will be offered to those who requested promotion in seniority order. Any bagger refusing such a promotion will not be considered until the next six (6) month survey becomes effective. When the survey list has been exhausted, all baggers, regardless of their length of service, will be considered for available openings on a store-by-store basis before seeking outside applicants.

B. DEMOTIONS:

Demotions from a higher rated classification shall be worked out in conjunction with the Union.

C. LAYOFFS:

1. In the case of layoff due to lack of work, of a full time or part time employee, the Employer shall first recognize seniority within the job classification. The employee with the least seniority in the store shall have the right to displace the least senior employee within ( a ) the District Manager's territory within the Union jurisdiction; ( b ) the adjoining District Manager's territory within the Union jurisdiction; ( c ) within the Union jurisdiction.

When an employee has exercised their rights in accordance with the above paragraphs, said employee shall have the right to return to that area if a similar position becomes available within a period of twelve (12) months.

2. The Employer shall give one (1) week's notice of an intended layoff of full time employees, and seventy-two (72) hours notice of a permanent layoff of part time employees to the Union and the employee.

3. In the case of temporary layoff caused by strikes, acts of God, power failure or other reasons beyond the control of the Employer, advance notice need not be given in regards to daily or weekly work schedules.

4. In the event of a reduction from full time to part time, due to lack of work, the least senior full time employee within the job classification shall be the first to be reduced. Such employees, based on their seniority, shall receive all available straight time hours up to the maximum part time hours within the store. In an effort to prevent layoff or reduction, upon discussions with the Union, these employees may be scheduled to work three (3) straight time nights.

5. The Employer shall combine existing part time assignments within each store so as to provide the maximum part time employment per individual within the definition of part time employment and seniority of the employee (provided the part time employee is regularly and continuously available to work such hours); and further to create as many forty (40) hour positions as possible.

D. TRANSFERS:

All transfers provided for herein shall be within the employee's job classification with the least senior qualified employee being transferred when necessary.

Permanent transfers shall be by seniority in accordance with ability, practicability, transportation and travel time. Where possible, transfers will be within the District Manager's territory.

Temporary transfers will be based on the needs of the business. Employees will be reimbursed the difference in cost of transportation if there is an increase in their normal cost of carfare.

In stores which are in jeopardy, parties agree to meet and work out a program to improve operations in these stores.

Based on needs of business, employees who submit written notice to the Company and the Union will be given the opportunity to be transferred before new employees are hired.

E. REHIRING:

Employees on layoff shall be the first to be rehired, within their classification, in the event of a job opening, in accordance with Article VI

The Employer will notify the Union monthly of all new hires, promotions, demotions, layoffs, and permanent transfers of bargaining unit members during the previous weeks.

F. RETURN AFTER ILLNESS OR ACCIDENT:

Where an employee has been absent from work due to illness or accident for one (1) week or more, employee shall be required to give Employer not less than forty-eight (48) hours notice excluding Sunday, of his intention to return to work. Such employee shall have the right to displace a junior employee either full or part time, regardless of the posted schedule, without notice.

ARTICLE VIII  
LEAVE OF ABSENCE WITHOUT PAY

1. Employees who are appointed or elected to a Union position shall be granted a leave of absence upon proper written notice from the Union. At the end of such service with the Union, if physically qualified, they shall be returned without loss of seniority, and at their former wage rate, plus any increase or less any reduction that may have become effective during such absence. Time spent on temporary Union leave will be considered as time worked for seniority, vacation, personal holidays and other terms and conditions of employment.
2. Employees appointed to a management position may, at the discretion of the Employer, be returned to the bargaining unit following a meeting with the Union to determine their seniority and classification.
3. Employer will comply with mandated State Law, unless superseded by Federal Law, to grant an unpaid leave of absence of up to twelve (12) weeks in any twenty-four (24) month period to parents of a newborn or adopted child, or to employees who need to care for a sick parent, child or spouse. Additionally, for the purpose of caring for a newborn, a leave of absence not to exceed six (6) months may be granted.
4. Any employee may be given a leave of absence not to exceed one (1) year for any reason acceptable to the Employer. This decision shall not be withheld arbitrarily or capriciously.

ARTICLE IX  
LEAVES OF ABSENCE WITH PAY

JURY DUTY:

All employees actually summoned and serving on juries will be granted time off, when needed, and will receive the difference between their straight time basic weekly pay and the amount received while on jury duty except on their normally scheduled day off. They will be expected to work when the jury is not in session, but under no circumstances shall the application of this clause result in a change in the basic weekly pay or normal weekly schedule. Night crew employees shall be excused from their daily or nightly schedule without loss of earnings.

UNION ORIENTATION LEAVE:

Following the completion of sixty (60) days of employment the Employer will schedule employees two (2) hours off with pay to attend an Orientation Program. The employee will receive an explanation of the terms and conditions of their employment, fringe benefits and union policy.

Proof of attendance from the Union must be presented to the Store Supervisor.

Union agrees to indemnify and hold harmless the Employer from any claims arising out of injury to or by the employee while driving to or from the above session.

#### ARTICLE X BEREAVEMENT LEAVE WITH PAY

In the case of a death of an employee's spouse or child they shall be granted four (4) days off. In the event of a death of the employee's parent, brother, sister, mother-in-law, father-in-law, grandparent or grandchild, step-parent or step-child, they shall be granted three (3) days off. The time off shall be within the scheduled work week, not counting Sunday or their regular day off. The application of this clause shall not result in a change in the employee's basic weekly pay. The term "grandparent" shall be construed to include step-grandparents, provided that the total of grandparents and step-grandparents shall not exceed six (6).

#### ARTICLE XI GRIEVANCE AND ARBITRATION PROCEDURE

The parties agree with the following principles, concepts, and expressions of intent:

To solve all disputes concerning the interpretation and application of the Agreement as expeditiously as possible.

To create an atmosphere of problem solving designed to contribute to the success of the Company and the well being of the Union's members and the protection of their contractual rights.

To not change the actual procedural steps of this Article without the approval of the Executive Board of Local 1360.

##### 1. GRIEVANCE PROCEDURE

The parties will meet and agree to a side letter regarding the grievance procedures.

The parties agree with the following principles, concepts, and expressions of intent:

To solve all disputes concerning the interpretation and application of the Agreement as expeditiously as possible.

To create an atmosphere of problem solving designed to contribute to the success of the Company and the well being of the Union's members and the protection of their contractual rights.

To not change the actual procedural steps of this Article without the approval of the Executive Board of Local 1360.



All grievances or disputes arising during the term of this Agreement concerning the interpretation or application of the provisions of this Agreement shall be handled in the manner set forth below:

**STEP ONE:** All such grievances or disputes must be brought to the attention of the other party within two (2) weeks after the occurrence.

**STEP TWO:** Should the matter remain unresolved either party may file its grievance in writing with the other party. (A "party" is defined as the Employer or Union, not an individual employee).

#### ARBITRATION

1. If any such grievance cannot be resolved, than no later than 90 days from the filing of the grievance, and upon five (5) days notice to the other party, the matter may be submitted to an impartial arbitrator, or the American Arbitration Association, who shall handle the matter in accordance with its rules.
2. The arbitrator shall not have the authority to amend, modify or in any manner change this Agreement. The cost of the Arbitrator shall be shared by the parties. The decision of the Arbitrator shall be final and binding on the parties and the employee(s) involved.
3. The right of the Employer or the Union to seek legal recourse against action in breach of Article XXIV without submission to the grievance and arbitration procedures of this Article is expressly recognized by the parties.
4. As determined by Company and Union Representatives, certain grievances raised to the level of arbitration may be processed through an alternative method. In such use the parties will select an Arbitrator or Mediator, from an established list and the case will be presented by employees of the parties.
5. Alternatively, either party in the event of an alleged or asserted breach of Article XXVI may institute expedited arbitration by telegram to American Arbitration Association and the other party, and an Arbitrator shall be designated within twenty-four (24) hours. The hearing shall be held promptly, but not later than twenty-four (24) hours of the notice. The Arbitrator shall issue an award three (3) hours after the hearing, it shall be in writing, with or without an opinion, however, either party may request a written opinion. The Arbitrator may award injunctive or other relief. Enforcement of such an Award by a Court of Law is not precluded by election of this alternative procedure.
6. The question of damages shall be exclusively for the Arbitrator and not for a Court of Law, except as it may be part of an Award enforced by a Court.
7. This Article is the exclusive method of determining employee grievances or disputes concerning the interpretation or application of the provisions of this Agreement. No employee or former employee shall have any right under this Agreement with respect to any claim, proceeding, action or otherwise on the basis of or by reason of any claims that the Union or any

Union Officer or Representative has acted or failed to act relative to presentation, prosecution, or settlement of any grievance or other matter as to which the Union or any Union Officer or Representative has authority or discretion to act or not to act under the terms of this Agreement.

ARTICLE XII  
RIGHT OF DISCHARGE AND APPEAL

1. The Employer shall have the right to discharge any employee for good and sufficient cause. Any employee working for a competitor while on vacation or time off shall be considered terminated.
2. Any employee with more than sixty (60) or ninety (90) days (where applicable) of continuous service shall have the right to appeal a discharge to the Union, who must make an appeal in writing within two (2) weeks of the discharge. Failure to do so will result in the matter being considered closed.
3. Upon such appeal, the Employer and the Union shall jointly investigate the reasons and justification of the discharge. If the parties cannot reach an agreement, then the matter shall be handled in accordance with Article XI.
4. In the event that the discharge is found not to be justified, the employee may be reinstated with or without back pay and restoration of privileges and seniority.

ARTICLE XIII  
WAGES

During the term of this Agreement, the following wage increases and bonus payments shall be granted in accordance with the terms and provisions as noted below:

Effective April 25, 2004, the wage rates for all employees at or above top rate (except baggers in progression) shall be increased to the closest \$.50 increment. (Example: An associate at a rate of \$15.07 will be increased to a rate of \$15.50.) If such wage increase is \$.20 or less for an employee, then such employee shall receive a lump sum bonus equal to \$.20 per hour times the actual number of hours paid (up to a maximum of 40 hours per week) in the preceding year.

The following Across-the-Board (ATB) increases shall apply to employees at or above the top of their progression on the date of the increase:

Date	<u>7/24/05</u>	<u>10/22/06</u>	<u>1/20/08</u>
ATB Increase per hour	\$.35	\$.40	\$.40
Baggers	\$.20	\$.20	\$.20

The following minimum wage scales will be effective during the term of this Agreement:

CLASSIFIED POSITIONS

	<u>4/25/04</u>	<u>7/24/05</u>	<u>10/22/06</u>	<u>1/20/06</u>
ATB		.35	.40	.40
Assistant Manager	19.00	19.35	19.75	20.15
Produce Manager	19.00	19.35	19.75	20.15
Head Cashier	18.50	18.85	19.25	19.65
Dairy Manager	18.00	18.35	18.75	19.15

Duties of the bagger shall include cleaning, bagging, filling bag bins, carrying out orders, returning shop backs, picking up carts, parcel pickup, bottle returns, and general store cleaning, excluding waxing and buffing of store floors.

Effective April 25, 2004, the wage rates for all employees in scale (except baggers in progression) shall be increased to the closest \$.50 increment. If such wage increase is less than \$.20 for an employee, then such employee shall receive a lump sum bonus equal to \$.20 per hour times the actual number of hours paid (up to a maximum of 40 hours per week) in the preceding year.

The following minimum wage scales will be effective during the term of this Agreement:

CLERKS

Start	6.50
After 6 months	7.00
After 12 months	7.50
After 18 months	8.00
After 24 months	8.50

Clerks Who Are Checker Qualified Continue on Scale

After 30 months	9.00
After 36 months	9.50
After 42 months	10.50
After 48 months	11.00

BAGGER

Start	6.15
After 6 months	6.30
After 12 months	6.60
After 18 months	6.85
After 24 months	7.10

In the event an employee is hired at a rate above the starting rates listed in this Agreement, such employee shall move through the applicable progression scale every six (6) months at the rates specifically listed in the scale.

ALL GENERAL MAINTENANCE CLERKS WILL BE RED CIRCLED

GENERAL CLERK CLASSIFICATION:

Start	\$5.50
After 30 Days	5.70
After 6 Months	6.00
After 18 Months	6.50
After 24 Months	7.00
After 30 Months	7.50
After 36 Months	8.00

The duties of a General Clerk may include work in the bakery, salad/melon bar, floral, bulk food, general merchandise, "Skyline", photo lobby, cosmetics, movie rentals, garden centers (seasonal), as well as spotting loads and pallets, price changes, price checks, signs, cardboard (pulling and baling), blocking shelves, scan tests, general cleaning, demonstrators (including preparation) and cigarettes over the counter.

Acme agrees that within the jurisdiction of Local 1360 on aggregate no more than four (4) General Clerks per store will be used at any time during the life of this Agreement. General Clerks shall be permitted to progress to any clerk position after eighteen (18) months. Such movement shall be based on seniority, qualifications and consistent with the needs of the business. Any general clerk moving into the regular clerk classification shall slot into the regular clerks progression at the next highest rate. General Clerk benefits will be the same as those for baggers. In the event of a layoff, these employees shall be laid off prior to any clerks.

The General Clerks classification will not be implemented until the buy-out is completed (August 1, 1997) unless existing part time employees are unavailable to work the hours. The number of General Clerks employed in conventional stores shall be limited as follows:

VOLUME	NUMBER GENERAL CLERKS
UP TO \$100,000.00	1 GENERAL CLERK
\$200,000.00	2 GENERAL CLERKS
\$300,000.00	3 GENERAL CLERKS
\$400,000.00	4 GENERAL CLERKS

The Union and the Company agree that the General Clerk Classification is not intended to eliminate hours that were available to employees on the payroll as of April 27, 1997.

PHARMACY TECHNICIAN CLASSIFICATION:

Employees in this classification shall receive an additional thirty cents (\$.30) per hour premium.

The Employer will have the right to select the candidates for this classification. Such selection shall be based on: skill, experience, training and the needs of the business. Openings for this position shall be posted in accordance with the terms and conditions provided under the "bid procedure" as outlined under Article VII-PERSONNEL TRANSACTIONS.

This classification will not be subject to "bumping" from any other classification, except in the event of a layoff.

SCAN COORDINATOR:

Employees in this classification shall receive an additional sixty cents (\$.60) per hour premium. Those currently assigned as Scan Coordinators will remain in this position and current FT/PT status.

DEPARTMENT MANAGERS:

The following will receive additional sixty cents (\$.60) hourly premium: Customer Service Representative and Frozen Food Manager in stores with average weekly volume of \$275,000 or more, General Merchandise Manager, in store with average weekly volume of \$35,000 in general merchandise sales.

Bakery Manager in store with oven and proofer will receive seventy-five cents (\$.75) per hour premium.

All specified store volumes to be determined on the basis of six (6) consecutive months.

When any department manager or an employee in a higher rated job is absent from work for vacations, illness and temporary absences of three (3) days or more, they shall be replaced by another full time employee who shall be paid in accordance with the rates noted in this Article from the first day of replacement.

The Employer agrees to the establishment of the following uniform classifications:

Assistant Manager  
Produce Manager  
Head Dairy Clerk  
Head Cashier (front end)

In stores to a volume of \$60,000.00 there shall be one (1) rated classification.

In stores with a volume of \$60,000.00 to \$100,000.00 there shall be two (2) rated classifications.

In stores with a volume of \$100,000.00 and over there shall be four (4) rated classifications.

Store volume to be determined on basis of six (6) consecutive months.

When reduction of store volume permits certain classifications in stores to be eliminated, the affected employees shall be removed only by attrition.

Any store that drops below the stated volume for a period of six (6) consecutive months shall result in the elimination of excessive classifications by attrition.

ARTICLE XIV  
HOURS AND OVERTIME

1. Employees will be given the opportunity to advise their Store Supervisor of their preference for early-late, morning, afternoon or evening hour schedule. On a regular and continuous basis the store supervisor shall attempt to accommodate these requests based on employee's seniority and subject to business requirements.
2. The basic straight time work week for full time employees shall consist of forty (40) hours to be worked in five (5) eight (8) hour days, Monday through Saturday. By mutual agreement, and/or for purposes of creating a full time job, employees may be scheduled three (3) eight (8) hour days, one (1) six (6) hour day and one (1) ten (10) hour day.
3. Work between 5:00 A.M. and 6:00 P.M. shall be at the straight time rate of pay, except as provided below.

a. Employer may schedule full time employees to work straight time night(s) within the forty (40) hour work week as follows:

HIRED/PROMOTED	NUMBER OF NIGHTS
before 9/9/74	One (1) to 10:00 P.M., 12 Midnight by mutual agreement, includes employees reduced to part time before 9/9/74 and later restored to full time.
Between 9/9/74 4/18/87	Two (2) to 12 Midnight
After 4-19-87	Three (3) to 12 Midnight, except when the needs of the business may require up to five (5) nights which will be rotated and scheduled by inverse seniority.

4. The straight time work week for part-time Employees shall be Monday through Saturday, 5:00 am to 12:00 midnight, except Sunday to 2:00 am up to a maximum of thirty (30) hours per week.

Time and one-half (1-1/2) shall be paid to part-time employees for hours worked in excess of thirty (30) hours in one week, and for work in excess of eight (8) hours in one (1) day, or work in excess of five days in any work week.

5. Full and part time employees may be scheduled to work up to thirty (30) minutes after store closing within the straight time limit.

6.a. Employees regularly and continuously assigned to night crew shall receive a premium for actual hours worked as follows:

BEFORE JUNE 3, 1984

Up to three (3) years, ten percent (10%) of basic straight time hourly rate of pay, up to a maximum of \$1.075 per hour.

Three (3) to six (6) years, eleven percent (11%) of basic straight time hourly rate of pay, up to a maximum of \$1.182 per hour.

Six (6) or more years, twelve percent (12%) of basic straight time hourly rate of pay, up to a maximum of \$1.30 per hour.

AFTER JUNE 3, 1984

Ten percent (10%) of basic straight time rate, or fifty cents (\$.50) per hour whichever is the lesser.

b. The employee in charge of and responsible for the work of the Night Crew shall receive an additional premium of twenty dollars (\$20.00) per week. Employees filling in for this position for more than one (1) scheduled night in a week shall receive one-fifth (1/5th) of the rate per night.

c. Part time employees may be assigned on a night shift of at least eight (8) hours per night up to four (4) nights at the straight time rate plus applicable night premium.

d. Part time employees may work any combination of day, evening, or night hours in the same work week provided there are no split shifts.

e. Full time employees assigned to the night crew prior to April 19, 1987, shall receive two (2) consecutive work nights off, one of which shall be Sunday (10:00 P.M. Saturday to 9:00 A.M. Sunday). However, consistent with the above, to meet the needs of the business, part time employees may be scheduled by inverse seniority to the night shift. They will not lose day hours as a result of or not accepting night crew work.

f. The night crew shift may not start before 10:00 P.M. and finish no later than 9:00 A.M. Full time night crew clerks may be scheduled to work five (5) eight (8) hour nights, three (3) nights, two (2) days, or three (3) days, two (2) nights, on a regular basis. Also by mutual agreement they may work four (4) ten (10) hour nights, and they may start work on Sunday at 10:00 P.M. at the straight time rate.

7. There shall be no pyramiding of overtime or premium pay. Hours worked at premium pay on Sunday and holidays shall not be included in the computation of weekly overtime.

8. All meal periods may not be less than thirty (30) minutes nor more than one (1) hour. When required on a regular basis and upon the request of the employee, the meal period will be one (1) hour.

9. There shall be no split shifts worked by any employee.

10. Employees working more than six (6) hours in a work day shall receive two (2) daily rest periods of fifteen (15) minutes each, without loss of pay, one to be in the first and second half of the work day, as near as possible to the middle of the shift. Employees working six (6) hours or less shall receive one (1) fifteen (15) minute rest period as near as possible to the middle of the shift.

11. Part time employees hired prior to April 25, 1999 and baggers hired prior to April 25, 1999, shall receive a guarantee of four (4) hours per day when scheduled, and a minimum of twenty (20) hours per week provided the employee is available on a regular and continuous basis. Part time employees hired on or after April 25, 1999 shall receive a guarantee of four (4) hours per day when scheduled and a minimum

of sixteen (16) hours per week provided the employee is available on a regular and continuous basis. Any sixteen (16) hour employee receiving hours over their minimum would then entitle a twenty (20) hour employee to receive the same amount of hours over their minimum. Baggers hired on or after April 25, 1999 shall receive a guarantee of four (4) hours per day when scheduled and a minimum of twelve (12) hours per week, provided the employee is available on a regular and continuous basis. The weekly minimum is not applicable to probationary employees, students, and employees holding another job.

12. A daily working schedule for each employee shall be prepared in ink and posted in a conspicuous place by Friday noon of the week preceding the week for which the schedule is effective.

13. Upon agreement between the Store Supervisor and employee, exceptions to the provisions of this Article may be made, which shall be reduced to writing and approved by the Union.

#### ARTICLE XV SUNDAY WORK

1. For work performed on Sunday the following premiums shall apply:

All full time employees and part time employees hired before January 24, 1993 time and one half (1-1/2).

All other employees will be eligible for premium as noted below:

Start	\$1.00
After 12 Mos.	\$2.00
After 24 Mos.	\$3.00
After 36 Mos.	\$4.00

2. Sunday work shall be rotated by classification, among those who are qualified to perform the work, as determined by the Employer. If there are an insufficient number of qualified part time employees to staff the store then full time employees, upgraded or hired after April 19, 1987, will be scheduled by inverse seniority, and will not be required to work more than every other Sunday.

3. All employees scheduled for Sunday work will be scheduled for a minimum of four (4) hours.

#### ARTICLE XVI HOLIDAYS

1. Work performed on specified legal holidays shall be compensated at one and one-half (1-1/2) times the straight time hourly rate, in addition to the straight time holiday pay.

2. Upon the completion of thirty (30) days' service, full time employees shall be eligible for eight (8) hours pay. Upon the completion of sixty (60) days, but less than one (1) year of continuous service, part time employees shall be paid four (4) hours holiday pay provided one (1) of the holidays falls on a day they would normally be scheduled. Part time employees with one (1) or more years of service regardless of whether or not they are scheduled to work shall receive four (4) hours holiday pay. All employees must work the scheduled day before and after the holiday, Sunday excepted. Part time employees must work one



(1) day during the holiday week. Schedules will not be changed to avoid holiday pay.

3. The following holidays or the days observed as such shall be recognized: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day.

The Employer may open the store on Christmas Day for business. In the event the Employer is open on Christmas, under no circumstances will any employee be required to work. The store will be staffed by volunteers only. Those employees who do volunteer to work on Christmas Day will be paid for all hours worked on Christmas Day at double time (2x).

When requested, employees may schedule a personal holiday to celebrate Martin Luther King's birthday. However, the Employer shall receive two (2) weeks notice and the day off shall be granted on a seniority basis within the store, based on the needs of the business. Temporary transfers will be arranged to meet scheduling needs of the store.

4. Upon the completion of three (3) months' service with the Employer, all full and part time employees shall be entitled to three (3) personal holidays (full time eight (8) hours; part time four (4) hours) each calendar year. One (1) holiday shall be taken in each four (4) month period, selection will be by mutual agreement and restricted to the first four (4) working days of the week.

5. All time worked in holiday weeks in excess of thirty-two (32) hours for full time, and thirty-one (31) hours for part time employees shall be compensated at the rate of time and one half (1-1/2X) the straight time hourly pay.

6. In a week which includes any specified holiday, the work week for full time employees shall be thirty-two (32) hours of work in four (4) days, however by mutual agreement, the employee may work forty (40) hours at straight time, plus holiday pay. Also, by mutual agreement, a part time employee may work thirty-five (35) hours at straight time, plus holiday pay.

7. Holiday work will be offered by seniority with the least senior qualified employee being required to work.

## ARTICLE XVII VACATIONS

The Employer will grant a paid vacation subject to the conditions of this Article to eligible employees.

### A. TYPES OF VACATION GRANTS

LENGTH OF CONTINUOUS ON-THE-JOB SERVICE	REGULAR FULL TIME EMPLOYEES	REGULAR PART TIME TIME EMPLOYEES
1. More than three (3) months but less than one (1) year on May 1 of the calendar year.	1/12th of a week's basic straight time wage for each full month's service prior to May 1.	None

2. One (1) year or more but less than three (3) years on May 1 of the calendar year.	One (1) week	The number of weekly hours normally worked.
3. Three (3) years or more but less than eight (8) years on the Saturday nearest September 30 of the calendar year.	Two (2) Weeks	Twice the number weekly hours normally worked.
4. Eight (8) years or more but less than fourteen (14) years on the Saturday nearest September 30 of the calendar year.	Three (3) Weeks	Thrice the number of weekly hours normally worked.
5. Fourteen (14) years or more but less than twenty (20) years on the Saturday nearest September 30 of the calendar year.	Four (4) Weeks	Quadruple the number of weekly hours normally worked.
6. Twenty (20) years or more on the Saturday nearest September 30 of the calendar year.	Five (5) Weeks	Five times the number of weekly hours normally worked.

Baggers hired after May 10, 1999, shall be eligible for vacation as follows:

LENGTH OF CONTINUOUS ON-THE-JOB SERVICE

One (1) year or more, but less than five (5) years on May 1 of the calendar year	One (1) Week	The number of weekly hours normally worked
Five (5) years or more but less than fifteen (15) years on the Saturday nearest September 30 of the calendar year	Two (2) Weeks	Twice the number weekly hours normally worked
Fifteen (15) years or more on the Saturday nearest September 30 of the calendar year	Three (3) Weeks	Thrice the number weekly hours normally worked

## B. CONDITIONS

1. For vacation purposes only a regular full time employee is defined as one who is regularly and continuously scheduled to work at least forty (40) hours a week; a part time employee is one who works less than forty (40) hours per week.
2. The "vacation period" shall be defined as being May 1 through the Saturday nearest September 30, except that the third, fourth and fifth weeks vacation will be scheduled as business operations permit.
3. Employees who are eligible for three (3) or more weeks of vacation may schedule one (1) week of vacation in days with the mutual consent of the store supervisor. These days may not be scheduled the day before or the day after a scheduled holiday or vacation.
4. Unused vacation grant may not be carried over to the next year.
5. All vacation pay shall be calculated on the employee's straight time hourly rate, which shall include a fixed night differential.
6. Eligible employees who have changed from a part time to a regular full time basis, or vice versa, will be entitled to vacation consisting of the weekly credits earned for part time service and monthly credits for full time work during the vacation year.
7. Vacation selections will be granted on a seniority basis, where possible. Vacation schedules must be arranged so as not to interfere with the efficient conduct of the business.
8. Based on the needs of business, vacation up to and including two (2) weeks will be in consecutive days within the vacation period.
9. Employees whose vacation includes a paid holiday may be granted one (1) day's pay or an additional day of vacation, to be scheduled immediately before or after the vacation.
10. Eligible employees absent from work due to on-the-job (Worker's Compensation) injury sustained during the year, will be entitled to their vacation for that particular vacation year.

Eligible employees absent from work due to non-occupational accident and sickness, for a cumulative period not to exceed six (6) months within the vacation year will be entitled to their vacation grant for that particular vacation year.

In the event of absence in excess of six (6) months, employees will be entitled to six-twelfths (6/12ths) of the annual vacation, plus one-twelfth (1/12th) for each full month actively on the job during the vacation year.

11. Employees entering the U.S. Armed Forces will be paid their earned prorata vacation grant through the last day of the month of active employment.

Employee veterans who re-entered the Employer's service within the vacation period will be paid the full amount of their vacation as of the date of their scheduled vacation.

Employee veterans returning after the final day of the vacation period will become eligible for the payment of the full amount of their vacation in the next vacation period.

Employee on-the-job service interrupted by induction in the U.S. Armed Forces will be considered as continuous in determining the length of on-the-job service.

### ARTICLE XVIII MISCELLANEOUS WORKING CONDITIONS

1. The Employer will furnish all uniforms required to be worn in the stores. Employees shall launder drip-dry uniforms.
2. Any changes in the dress code will be communicated to the Union prior to implementation and the Employer will furnish at no cost all uniforms or clothing with Acme logo required to be worn in the store.
3. No employee handling cash shall be held responsible for any shortage (being cash or cash equivalent) unless:
  - a. The employees are given their own register till.
  - b. The employees are given the opportunity to count their own cash and to initial the checker accountability readings at the beginning and close of the work day, to count all pickups and receive a receipt, and review their final balance report (if requested).
  - c. Only one (1) employee shall be permitted to ring up on the cash drawer for which the clerk is responsible.
  - d. The employee has failed to secure the register when it is not in use.
4. All privileges not covered shall continue as before, and shall not be eliminated by virtue of the signing of this Agreement.
5. Time clocks and time recording devices will be provided in all stores.
  - a. The Employer and the Union agree that all employees must punch their time card and that a proven violation of established time clock rules, including working before punching in or after punching out, may subject such an employee to disciplinary action up to and including discharge.
  - b. All time during which an employee is required to be at work or is required to be on duty or on the Employer's premises or at a given work place shall be considered hours worked, and recorded on the time cards.
6. If a physical examination or health permit is required by the Employer or Local Government, the cost of the examination or permit shall be borne by the Employer.
7. No employee shall be required to take a polygraph test (lie detector) or any other similar examination.

8. a. Should the Employer intend to substitute scanning checkout systems for existing equipment in any store, the Employer agrees to notify the Union in advance and to provide the Union with a list of all employees regularly assigned to the store on the effective date of the utilization of said system.

b. Said employees shall not be removed from the Employer's payroll as a result of the installation of such a system. Employees may continue to be transferred, assigned to other work, or laid off in accordance with the seniority provisions of this Agreement provided the layoff is for reasons other than the installation of such a system.

#### ARTICLE XIX HIRING EMPLOYEES

1. Employer may hire employees from any source. Employees with individual recall rights shall have first preference. Union has right to refer applicants, who shall not be rejected by the employer for arbitrary or capricious reasons.
2. The first seventy (70) calendar days or one-hundred (100) calendar days in case of a new store opening or major remodel shall be considered a probationary period. Employer may discipline or terminate any employee for any reason whatsoever during the probationary period and there shall be no right to appeal.
3. The parties agree that there may be circumstances where applicants with similar prior experience in the area supermarket industry may need to be hired in classifications and/or wage/fringe benefits levels other than available to new hires. In these instances, employees hired after the ratification (April 24, 2004) of this Agreement may be given credit for previous similar supermarket (retail food) store experience acquired within four (4) years of the time in which application for employment is made, provided this experience is declared at the time the application for employment is made. However, the basic rate of pay as determined by the application of this clause shall not exceed the maximum rate of pay which was paid in acquiring the previous experience. The Employer and the Union will agree on how to implement this section.
4. In the event marketplace conditions, competition, and/or state or federal minimum wage provisions should change during the term of this Agreement, the parties may agree to a modification in the wage rates. Such changes and modification will be in writing and approved by the Executive Board of the Union.

#### ARTICLE XX UNION STEWARDS, ENFORCEMENT OF STANDARDS

1. The Union will use its best efforts to secure as Stewards a high caliber of employee, who shall be required to conform to the standards and qualifications required by the Union and the Employer. Union Stewards shall be the last to be laid off within their full time or part time classification if reasonably able to perform the work.
2. The Union shall furnish the Employer with a complete list of the Stewards, which list shall be supplemented from time to time as necessary.
3. The Union shall do everything within its power to enforce the rules and regulations of the Employer and through advice, instructions and example, to maintain the highest standard of work.

4. The Union shall furnish to the Employer at least one (1) official Union Emblem for each of the Employer's stores covered by the Agreement, to be displayed in the customer area of the premises. Such official emblems shall remain the property of and shall be surrendered to the Union on demand.
5. The Stewards or other individual employees covered hereby shall not be considered agents of the Union for the purpose of calling strikes or slowdowns.
6. No transfers will be made without the consent of the Union, which shall not be withheld for arbitrarily or capricious reasons.
7. Full-time Shop Stewards shall be entitled to sixteen (16) hours of leave and part-time Shop Stewards to eight (8) hours of leave in each calendar year with pay for Shop Steward Training and Education. The Union will give the Employer two (2) weeks advance notice. The Shop Steward must, upon returning from the leave, present the Store Supervisor with written evidence from the Union that the Steward has used the leave for the purpose for which it was intended.
8. Any person designated as a Steward by the Union shall receive any and all rights, benefits, duties and privileges of such position and the Union agrees not to designate more than one (1) person per store, unless such store is regularly open twelve (12) or more hours per day, where the limit will be two (2) persons, one of which shall be part time (or alternate). In a store with a night crew, a third (3rd) Steward may be designated, but only two (2) Stewards shall be paid for attendance at training and education sessions.
9. In addition to the other benefits for Stewards, (e.g. sixteen (16) hours yearly paid training for full-time and eight (8) hours for part-time), they shall have super-seniority for layoffs, vacation schedules and shifts, provided in the latter instance, it shall be applied only where mutually agreeable to the Employer, based upon the qualifications and availability of such Steward.

ARTICLE XXI  
HEALTH AND WELFARE

1. During the term of this Agreement, the Employer agrees to contribute to the United Food and Commercial Workers Union and Participating Food Industry Employers Tri-State Health and Welfare Fund as follows:

2. Effective May 1, 2003 rates of contribution shall be as follows:

PLAN	ELIGIBILITY	RATE OF CONTRIBUTION	
		Pennsylvania	New Jersey
Part Time			
Option 1 / 2	12 months - two years	NA	NA
Plan G	After two years service	\$552.52	\$536.94
Full Time			
Plan H	6 months through 4 years Full time service	\$601.04	\$545.33
Plan I	After 4 years Full time Service	\$811.82	\$756.11

Part time employees and baggers hired after May 10, 1999 will receive the following benefits:

<u>MONTHS</u>	<u>PART TIME BENEFITS</u>	<u>BAGGER BENEFITS</u>	<u>RATE</u>
After 6 months	Vision	Vision	\$ 1.90
After 12 months	+ Dental	+Dental	\$35.21
After 18 months	+ Prescription	+Prescription	\$97.77
After 24 months	+ Life Insurance	+ Life Insurance	\$99.40
After 30 months	+ Legal		\$137.20
After 36 months	+ Major Medical		\$193.45
After 42 months	+ Single Medical		\$231.42
After 60 months	Dependent coverage Plan G	\$552.52 (PA) \$536.94 (NJ)	

Baggers promoted to the Clerk classification shall receive credit for the Clerk contribution based on their original hire date.

Effective May 1, 2004, May 1, 2005 and May 1, 2006, The Employer agrees to increase contributions up to a maximum of 9% per year as determined by the Fund Administrator. Effective May 1, 2007 and May 1, 2008, The Employer agrees to increase contributions up to a maximum of 10% per year as determined by the Fund Administrator. If the actual cost of benefits is less than the maximum increase allowed in any year, then the remaining percentage may be carried over to the next year as long as the five (5) year total does not exceed 47%.

#### **FULL TIME EMPLOYEES**

To remain eligible for H&W Benefit coverage and for a contribution to be made by the Employer on the Employees behalf, the full time employee must have worked and/or received holiday or vacation pay for at least one hundred and twenty (120) hours during the preceding fiscal month. There shall be no more than twelve (12) monthly contributions during any twelve (12) consecutive calendar months.

#### **PART TIME EMPLOYEES**

To remain eligible for H&W Benefit coverage and for a contribution to be made by the Employer on the Employees behalf, the part time employee must have worked and/or received holiday or vacation pay for at least fifty-six (56) hours during the preceding fiscal month. There shall be no more than twelve (12) monthly contributions during any twelve (12) consecutive calendar months.

3. The Plan shall conform to the legal requirements of the law, both State and Federal. It shall include coverage under New Jersey Temporary Disability Law.
4. The Health and Welfare Fund shall be governed by a Board of Trustees consisting of equal numbers from the Employers and the Unions.
5. Eligible full time employees reduced to part time status shall continue to be eligible for full time Health and Welfare contributions and benefits for a period of six (6) months following their reduction in status.

6. If any benefits provided by the contribution required under the terms of this Article are at any time in the future provided in full or in part, individually or collectively, by any other source as a result of Federal or other legislation, the contribution applicable to the benefit provided by such legislation shall be applied, commencing with the effective date of such legislation in the following manner:

Contributions applicable to the benefits replaced by legislation shall be applied to offset any operating deficit in the Welfare Fund and if any of such amounts so released are not required to offset the operating deficit of the Welfare Fund, the remainder shall be added to then current Pension contribution rate to accelerate the payments of Past Service Costs.

7. It is agreed that all questions involving Health and Welfare not specifically set forth herein shall be determined by the provisions of the Agreement and Declaration of Trust governing the Plan.

ARTICLE XXII  
PENSION PROVISIONS

1. For the term of this Agreement the Employer shall contribute to the United Food and Commercial Workers and Participating Food Industry Employers Tri-State Pension Fund for eligible employees as provided below. Employees will be eligible for contributions if they have actual hours worked during the previous month. Hours worked shall include reasons such as, vacations, personal holiday, funeral and jury leave.

FULL TIME EMPLOYEES

First of the month following completion of ninety (90) days of continuous full time service. There shall be no more than twelve (12) such monthly contributions during any twelve (12) consecutive calendar months.

After 90 Days.....	\$125.00
After 4 Years.....	188.00
After 10 Years.....	214.00

ALL PART TIME CLERKS AND THOSE BAGGERS HIRED BEFORE APRIL 25, 1999

1. For part time clerks, the first of the month following completion of ninety (90) days of continuous service. For baggers hired before April 25, 1999, the first of the month following completion of six (6) months of continuous service. There shall be no more than twelve (12) such monthly contributions during any twelve (12) consecutive calendar months. Subject to the determination of the actuary of the Tri-State Pension Fund that the actuarial soundness of the Fund is not adversely affected.

PART TIME CLERKS:

90 Days or 6 Months to 4 Years.....	\$15.00
4 Years to 10 Years.....	47.00
Over 10 Years.....	59.00

BAGGERS:

After 6 Months.....	15.00
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2. For purposes of this Article, a full time employee is defined as an employee who is regularly and continuously scheduled to work a forty (40) hour week.
3. It is further understood and agreed that the Pension Plan as amended shall be considered as Appendix I of the Agreement and Declaration of Trust.
4. The Pension Plan as adopted must have the continuing approval of the Internal Revenue Service as an exempt Plan.
5. It is agreed that all questions involving pensions not specifically set forth herein shall be determined by the provisions of the Agreement and Declaration of Trust governing the Plan.

ARTICLE XXIII  
SEVERANCE FUND

1. The parties agree to the establishment of an Industry Severance Fund. Effective February 5, 1995 and for the duration of this and the next successor agreement, the Employer shall contribute the sum of ten cents (\$.10) per hour for all employees on the payroll as of January 23, 1993. Contributions shall be made for every straight time hour actually worked up to a maximum of forty (40) hours per week for full time employees and thirty-five (35) hours per week for part time employees.
2. All employees at the top of their wage scale on October 26, 1997, will receive \$.25 per hour contribution rate to the Severance Fund for all straight time hours worked beginning October 26, 1997. No contributions will be required for employees who have not reached the top of their wage progression or for those employees in the bagger classification.
3. All employees at the top of their wage scale on April 26, 1998, will receive \$.25 per hour contribution rate to the Severance Fund for all straight time hours worked beginning April 26, 1998. No contributions will be required for employees who have not reached the top of their wage progression or for those employees in the bagger classification.
4. All employees at the top of their wage scales on or before April 26, 1998 and eligible for Supplemental Pension (Severance) Fund contributions shall receive a \$.05 increase in contributions to the Supplemental Pension (Severance Fund) on January 20, 2008.

The Plan shall at all times be such that contributions thereunder by participating Employers are deductible as an item of business expense of such Employers for income tax purposes under the provisions of the Internal Revenue Service, United States Treasury Department with respect to the deductibility as an item of business expense of the Employer's contributions thereunder.

It is agreed that all questions involving severance not specifically set forth herein shall be determined by the provisions of the Agreement and Declaration of Trust governing the Plan.

ARTICLE XXIV  
NO LAYOFF

All employees on the payroll as of April 27, 1997, with four (4) or more years of service, calculated each year from their anniversary date of employment, shall not be laid off or reduced from full time to part

time for the duration of the Agreement provided that:

- A. The employee is qualified and continuously available to perform work consistent with the provisions of Article VI - Seniority.
- B. This provision will not be valid in unusual situations beyond the employer's control, such as fire, flood or a catastrophe affecting several of the employer's facilities. Store closings for business reasons shall not be construed as a catastrophe.
- C. This provision shall not apply to any employee hired after April 27, 1997.
- D. This provision shall not apply in case of a strike against the Employer in the area covered by Article XXVI of this Agreement. In case of a strike by one (1) or more U.F.C.W. Local Unions in this jurisdiction, this provision will not apply for the duration of the strike.
- E. If the number of stores covered by this agreement at the time of its ratification is reduced by any means by fifty per cent (50%) or more, this no layoff provision shall have no force or effect.

#### ARTICLE XXV STORE CLOSINGS

- 1. Employer shall give Union twenty (20) days advance written notice when it intends to close permanently or dispose of any store or group of stores, except where a closed store will be replaced.
- 2. The parties agree to meet as soon as possible to negotiate the effect of the store(s) closing on employees.
- 3. If Employer fails to give notice, all affected employees shall be paid their regularly weekly pay for the period between the notice and the twenty (20) days before the closing.
- 4. The Union agrees to maintain this information as confidential. It will only be used for purposes of negotiations with the Employer and any assistance given to the affected employees.

#### ARTICLE XXVI NO STRIKES, NO LOCKOUTS

- 1. The parties agree that there shall be no strikes, stoppages of work, slowdowns, lockouts, or any other interferences of whatever nature during the life of this Agreement.
- 2. Nothing herein contained, however, shall compel any employee to walk through a picket line set up by Philadelphia Teamsters Locals Nos. 500, 169, Bakery, Confectionery and Tobacco Workers Local No.6 and United Food and Commercial Workers Union Local Nos. 56, 1776, 1358 and 27(1349); provided said strike has received written approval of the International Unions affiliated with the Local Unions indicated above.
- 3. In the event of a threat of, preparation for or the actuality of an unauthorized work stoppage, walkout or strike, the Union and all of its officials will take every reasonable action to prevent and to stop such proceedings by any of its members.

ARTICLE XXVII  
SEPARABILITY

Should any Article, part or paragraph of this Agreement be declared by a Federal or State Court of competent and final jurisdiction in the premises to be unlawful, invalid, ineffective or unenforceable, said Article, part or paragraph shall not affect the validity and enforceability of any other Article, part or paragraph hereof, and the remainder of the Agreement shall continue in full force and effect.

ARTICLE XXVIII  
DURATION OF AGREEMENT

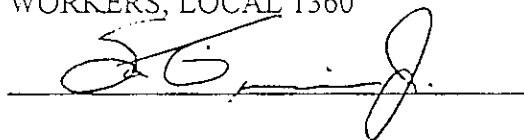
This Agreement shall be effective from April 25, 2004, and shall continue in full force and effect through April 24, 2009 and shall continue from year to year thereafter unless or until either party serves notice, in writing, at least sixty (60) days prior to the expiration of the original or any subsequent period of a desire to change, modify, or terminate this Agreement. In the event either party serves notice with respect to changes in or modification or termination of the Agreement, it is agreed that the parties shall begin negotiations promptly. Pending the outcome of such negotiations, this Agreement shall continue in full force and effect beyond the expiration date, subject however, to the right of either party to terminate the entire Agreement upon at least seven (7) days prior written notice to the other party, which notice may not be given until after the expiration of the Agreement.

SIGNED THIS 23<sup>rd</sup> th day of July, 2004.

FOR: ACME MARKETS, INC.

  
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FOR: UNITED FOOD & COMMERCIAL  
WORKERS, LOCAL 1360

  
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## EXHIBIT I

### SIDE LETTER ON NONTRADITIONAL STORES

The Employer hereby agrees that if it or any of its subsidiaries owns or operates any food store (like Plus), non-food department stores (like K-Mart), or convenience stores in the jurisdictional area of the Union, it will recognize the Union as collective bargaining agent for all employees in said store, provided, however, that the employees to be included in the unit and the terms and conditions of employment to be applied to such employees shall be only such as may be expressly agreed upon between the Employer and the Union. It is agreed that such agreement shall be based upon the competitive wages and benefits being paid for comparable stores in the jurisdictional area of the Union.

It is understood that if the parties are unable to reach agreement on any matters as to which agreement is required by this letter, the Union may strike or picket only the specific food convenience store involved, but may not engage in any strike or picketing of or engage in any interference whatsoever with any Employer or any of its subsidiaries.

The terms of this letter constitute a separate and distinct side agreement between the parties and shall not in any way be subject to arbitration.

This letter shall not apply to any food store (like Plus), non-food department stores (like K-Mart) or convenience stores whose employees are represented by other Unions at the time such specified operations is acquired.

## EXHIBIT II

In accordance with our recent negotiations satisfactorily concluded with a Collective Bargaining Agreement between Acme Markets, Inc. and United Food and Commercial Workers Union Local No. 1360 certain understandings were reached as follows:

1. Except as otherwise provided for in Article 2, if a Shop Steward or Union Representative finds a salesman stocking or pricing merchandise or performing any other clerks' work, the Local Union will immediately send a letter to the Employer setting forth the particular specified incident. The Employer, at its option, may request a meeting with a Union Representative on the alleged violation. If this alleged violation is substantiated by the facts, then the Employer will acknowledge the Union's letter as a formal warning.

Should a Shop Steward or Union Representative find a salesman stocking or pricing merchandise or performing any other clerks work within six (6) months from the date of warning letter citing the original violation, then the Local Union will seek compensation time to be paid to members of the bargaining union.

2. If the Company opens its stores for business on Thanksgiving Day or Easter Sunday the Union will be given thirty (30) days advance notice in order to discuss the effect of such opening on employees. However, in the event that the opening is due to a major competitor being open, then the Company will give the Union as much notice as possible.

3. Effective April 25, 1999, a minimum of twenty-seven percent (27%) full time employment shall be maintained. Effective April 25, 2000, a minimum of twenty-six percent (26%) full time employment shall be maintained. Effective April 25, 2001, a minimum of twenty-five percent (25%) full time employment shall be maintained. Bagger positions shall not be included in the formula used to calculate the minimum. No employee who is full time as of April 24, 1999 shall be reduced.

4. If it becomes necessary to increase the starting rate in any store then current employees will be offered the opportunity to transfer to that store.

5. Special Addendum, as approved by the Union and the Company may be added to the Agreement for the purposes of experimenting with new concepts, approaches and to address the need to increase starting rates in some stores.

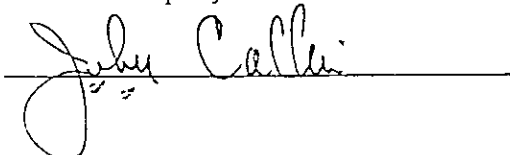
EXHIBIT III

Any current and future stores in the geographical jurisdiction of Local No. 1360 shall encompass the following in the state of Pennsylvania: the southeast portion of Bucks County, within the following boundary: from New Hope on the Delaware River southwest to Buckingham on U.S. 202. From Buckingham south on Highway 413 through Newton to Penndel. From Penndel south on a secondary road through Hulmesville to Croydon. East on Bristol Pike to Bristol then south on Highway 413 to the Delaware River. From Buckingham south, the boundary is in 1360's jurisdiction

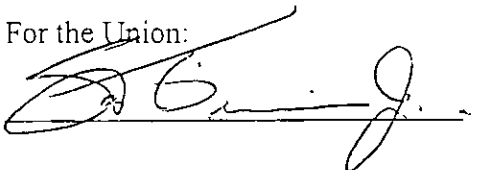
In the State of New Jersey: the Counties of Salem, Mercer, Burlington, Gloucester and Camden. That portion of Monmouth and Ocean Counties that lies south and west of the boundary of: Highway 33 to Freehold, then along Highway 9 to Toms River, then a straight line south to and including Beachwood and Seaside Park. That portion of Middlesex County which is south of Highway 33: the northwest portion of Cumberland County southeast to but not including towns of Northeast Vineland, Vineland, Southeast Vineland and Cedarville. List below are all current stores in 1360's jurisdiction.

ABS#	Street	ABS#	Street
7904	350 Young Ave.	7908	18 Broadway
7910	Main & Lippincott St.	7917	29 Cornell Drive
7913	48 West Road	7920	857 Route 45
7914	4400 South Broad St.	7923	222 Bridgeton Pike
7919	953 Route #33	7925	Delsea Dr. & Clayton Ave.
7926	2095 Route 130 North	7931	Route 168 & Nicholson Rd.
7948	64 Princeton-Hightown Rd	7933	Delsea Drive & Heston Road
7952	545 West Trenton Ave.	7943	1619 Center Square Rd.
7958	119 Chester Avenue	7945	Walnut & Ellis Streets
7963	300 S. Lenola Rd, Suite 1	7956	515 Cross Keys Road
7973	2200 Mount Holly Rd.	7964	Sharp Run Plaza 175 Route 70
7977	6800 New Falls Rd.	7970	631 Mantua Avenue
7979	Route 1 & Texas Ave.	7974	400 Cuthbert Road
7982	531 High Street	7992	700 Haddonfield-Berlin Rd.
7983	Rt 130 & Farnsworth	7994	415 Egg Harbor Road
7991	1103 Route 130 South	7995	251 North Broadway
7902	46 Florence Ave.	7998	501 Evesham Road

For the Company:



For the Union:



ADDENDUM 1

PENSION

Acme and Local 1360 agree to the following pension improvements:

1. Implementation of a permanent "Rule of 90" benefit, providing an unreduced pension for participants achieving any combination of years of service and age which equals or exceed 90, and who retire from active service.
2. The monthly pension credit for full time service earned before 1985 will be increased from \$24.00 to \$30.00 per year of service.
3. On or after the later of (1) January 1, 1994 or (2) the date a participant earns 30 years of part time and/or full time service, the monthly pension credit for full-time service after such date will be increased from \$40 to \$50, and the monthly pension credit for part time service earned after such date will be increased from \$20 to \$25.
4. Adoption of a "cash balance" option for participants who retire after meeting the Rule of 90 criteria, whereby eligible participants may elect to reduce their monthly pension by up to 30% and take the balance in the form of a lump sum distribution. The lump sum distribution will be determined using government prescribed factors, based on an annuity commencing at the later of age 65 or the participant's current age.
5. A permanent five percent (5%) increase for all retirees whose award date is prior to 1990.

FOR UFCW LOCAL 1360

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

FOR ACME MARKETS, INC.

BY:  \_\_\_\_\_

DATE: 7/23/04 \_\_\_\_\_

## LETTER OF AGREEMENT

This will confirm the agreement between UFCW Local 1360 and Acme Markets, Inc., that on account of Acme agreeing as part of the May 10, 1999 Memorandum of Agreement between the parties to provide additional wages and benefits to employees covered by the Collective Bargaining Agreement between the parties, Acme's obligation to make pension contributions pursuant to Article XXIII of the Collective Bargaining Agreement between the parties will be suspended for twelve (12) months beginning June 1, 1999, or as soon thereafter as is practicable.

This will further confirm that the parties agree that upon ratification of the new Collective Bargaining Agreement between the parties, the parties representatives will be instructed to develop an agreement setting forth the details of the suspension based on the understandings of the parties in negotiations of the new Collective Bargaining Agreement, and on the conclusion of the actuary of the Tri-State Pension Fund that such a suspension will not adversely affect the actuarial soundness of the Fund or its ability to provide existing benefits.

At such time as the funding period of the Tri-State Pension Fund returns to seven (7) years for a period of twelve (12) months based on the current actuarial assumptions of the Fund, the Trustees of the Employer will be directed to consider with the Union Trusteed increases in the benefits provided by the Fund to eligible employees. The cost of such benefit increases shall not increase the funding period of the Fund to more than thirteen (13) years.




Acme Markets, Inc. & UFCW Local 1360  
LETTER OF UNDERSTANDING

Acme Markets & UFCW Local 1360 agree to the following:

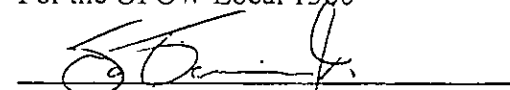
1. Associates shall be permitted to "bump" the schedules of less senior associates in their classification to maximize hours for purposes of maintaining eligibility for benefits, provided that the associate's availability is not unreasonably limited.
2. UFCW Local 1360 agrees to furnish Acme Markets with any and all side letters and side agreements in its possession.

For Acme Markets, Inc.

  
John Galleri, Vice President

Dated: 7/23/04

For the UFCW Local 1360

  
Sam Ferraino, Secretary-Treasurer

Dated: 7/23/04

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Acme Markets, Inc. & UFCW Local 1360  
LETTER OF UNDERSTANDING

The Company and the Union agree to meet should a problem arise regarding the interpretation of Article II Recognition and Jurisdiction and definition of DSD.

For Acme Markets, Inc.

John Callen  
John Callen, Vice President

Dated: 7/23/04

For the UFCW Local 1360

Sam Ferraino  
Sam Ferraino, Secretary-Treasurer

Dated: 7/23/04

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