

**TENTATIVE AGREEMENT FOR SUCCESSOR COLLECTIVE BARGAINING  
AGREEMENTS BETWEEN  
UFCW LOCALS 101, 120, 373R, 428, 648, 839, 870 AND 1179 AND  
SAFEWAY, ALBERTSONS, AND RALPHS GROCERY CO.**

The following shall set forth the parties' Tentative Agreement for a successor Collective Bargaining Agreement to the 2001-2004 Food division and the 2001-2004 Meat Agreements. Except as specifically modified by the provisions listed below, the provisions of the September 2, 2001 through September 11, 2004 Collective Bargaining Agreements shall remain in full force and effect. In the event there is any conflict between the provisions listed below and any provision of the September 2, 2001 through September 11, 2004 Collective Bargaining Agreements, the terms of this Tentative Agreement for Successor Collective Bargaining Agreements shall prevail.

Section 1.2.4 Clerks Work

Modify Section as follows: "Such work as is performed under Industry practice, prevailing and existing as of the date of ratification of this Agreement, within the geographical jurisdiction of this Union by a driver/salesman engaged in servicing the retail food stores at the point of delivery, soft drink merchandisers, ice cream merchandisers, cookie/cracker merchandisers, chips/salty snacks merchandisers, frozen pizza merchandisers, Hispanic foods merchandisers, beer merchandisers, an outside supplier or reset crew."

Section 1.3.1 Definition of Food and Non-Food Merchandise

Amend where appropriate to provide for the movement of the following items from the Food Clerk definition to the Non-food or General Merchandise definition:

- Plastic wrap, sandwich bags, plastic trash bags, aluminum foil, wax paper, and paper bags
- Diapers,
- Feminine hygiene items
- Gum, candy and tobacco product in any location within the store

Section 1.3.3.1 – Replace first 3 paragraphs as follows:

General Merchandise/Non-Food Clerk: An experienced General Merchandise Clerk/Non-Food Clerk is an employee that has gained 7,800 hours' experience in the retail food industry.

Previous experience: If an experienced GMC/Non-food clerk has been out of the industry between five (5) and ten (10) years, he will be allowed to start at the 5th apprentice non-food/general merchandise clerk rate of pay.

If an experienced GMC/Non-food clerk has been out of the industry ten (10) or more years, he will be allowed to start at the 3<sup>rd</sup> Apprentice Non-Food/general merchandise clerk rate of pay.

Section 1.12: Enforcement

In the event of a violation of Section 1.2.4, the Union shall notify the Store Manager and the Company's Labor Relations Department in writing of such violation and it shall be corrected. If there are any further violations, by the same vendor/non-bargaining unit person, the Store shall be liable in damages payable to a recognized charity mutually agreed to by the parties in the amounts below for each proven violation, on a store-by-store basis:

1.12.1 At the time of the first violation, an amount equal to one (1) day's wages at the experienced clerk's rate plus health and welfare and pension contributions.

1.12.2 At the time of the second violation, an amount equal to two (2) day's wages at the experienced clerk's rate plus health and welfare and pension contributions.

1.12.3 An additional day's wages plus the equivalent health and welfare and pension contributions shall be added cumulatively for each subsequent violation.

Section 3.3 and 3.3.1: Modify as follows:

3.3: The Employer shall have the right to discharge any employee for just cause. If the employee feels he has been unjustly discharged, he shall have the right of appeal, in writing, to be submitted to the Employer through action of the Union within ten (10) business days after the date of said discharge.

3.3.1: Add a new sentence to para. 2 of the section with the following: Written warnings need not be processed beyond the union filing a grievance in order to preserve the union's right to challenge the warning if it is used as progressive discipline in the future.

Article II E(c) Meat– Change reference from three (3) days to seven (7) days.

Section 4.3.1: Clerks agreement only: Add new sentence to end of para. 1: "However, regardless of any self-demotion permitted under the foregoing, the Employer may impose disciplinary action for conduct preceding an employee's decision to self-demote."

Section 4.3.1: Movement from GMC Progression to Food

Delete last sentence of the last paragraph which requires the employee's rate of pay shall be frozen until the employee completes the hours necessary to warrant an increase under the progression rate.

Section 4.7: Upon request by the Union, the Employer will provide a legend of Company job titles and what classification they fall within the collective bargaining agreement. (meat – Article XVIII (k))

Section 5.9: Union business regarding annual education meetings: Modify notice period in first paragraph to "two (2) weeks." (Art. XXI (f) in meat)

Section 6.2.1 Time and One-Third:

Create new subsection as follows: "Work performed on Sunday shall be paid at a rate of one and one-third (1.33x) times the straight time hourly rate. Courtesy clerks hired after ratification are not entitled to Sunday premium."

Delete old 6.2.1 section 10

(Reflect changes in Wage Rate sheets)

Section 6.2 Double Time the Straight-time Hourly Rate, item 4:

Change to read "Work performed on a holiday in this Agreement (in addition to holiday pay if entitled) regardless of which day of the week the holiday falls, for employees hired prior to or on ratification date. For employees hired after the ratification date, work performed on the holiday (in addition to holiday pay if entitled) will be paid at their straight-time hourly rate and an additional one (\$1) per hour premium."

Make same holiday and Sunday premium changes to the Meat Contract and Wage Sheets (Art IV(c))

Section 7.1: Agree to post schedule by three p.m. on Thursday and employees will have until 6 p.m. to bring problems to manager's attention (or three (3) hours after the schedule is posted). Integrate with current contract language. This change will become effective four weeks following ratification.

(Meat) - Article III, sec. (a) – Use existing meat language but delete 5 p.m. on Friday and replace with 3 p.m. on Thursday.

Section 7.4: Modify paragraph one as follows: "No employee shall be required to work after 7:00 p.m. on Christmas Eve except those necessary to service the customers in the store at 7:00 p.m. and to properly close and secure the store. This shall not apply to employees in the Liquor Department where the Liquor Department may be isolated from the Grocery Department."

No change to current contract language of paragraph two, except add the additional provision as proposed by the Union, "The employer will post a sign-up sheet for volunteers, in a conspicuous location at least two weeks in advance of the New Years Eve or Christmas Eve."

(Meat) - Article VI, Holidays

Add a new sentence to the end of the first (1<sup>st</sup>) paragraph of section (a):  
No employee will be required to work on Christmas Day.

Rewrite section (g) to read: Locals 101 & 120: "Between 7:00 pm and midnight on Christmas Eve or New Years Eve, the store will be staffed with volunteers. If insufficient employees volunteer on New Years Eve, assignment shall be by inverse seniority."

For Local 428 Only: No employees will be required to work after 7:00 p.m. on Christmas Eve and New Year's Eve.

Meat Art. VI (a): Holidays – modify para. 6 to provide that a holiday is observed on a Sunday if it falls on Sunday (July 4<sup>th</sup> example).

Section 7.5: Meal period

Modify language to reflect change:

In accordance with state law, the Employer may schedule up to a six (6) hour shift without a lunch period. If said scheduled shift is greater than five (5) hours, the overtime rate shall not apply and shall include two unscheduled ten minute breaks.” Meat Art. III(g)

Section 9.1.3 Experienced Clerks: An Experienced Food Clerk is an employee who has gained 7800 hours experience in the retail food industry.

Previous Experience: If an Experienced food clerk has been out of the industry between five (5) and ten (10) years, he will be allowed to start at the 6th Apprentice Food Clerk rate of pay.

If an Experienced employee has been out of the industry ten (10) or more years, he will be allowed to start at the 3<sup>rd</sup> Apprentice Food Clerk rate of pay.

Section 9.1.4 Apprentice Clerks: Modify current language to read “An Apprentice Clerk is an employee who has less than 7800 hours experience in the retail food industry. The Union agrees to negotiate with the Employer an appropriate rate, during the probationary period, for employees who have gained food store experience outside of the jurisdiction of the Northern California Retail Clerks Unions. The appropriate Apprentice or Experienced Food Clerk rate shall be determined by the parties according to the employee’s comparable previous retail grocery store experience. An Apprentice Food Clerk may perform the duties of any classification except Managing Clerk or Head Clerk.”

Section 9.1.4.1 and 9.1.4.2 – Delete

Section 9.1.4.3 –Modify as follows: “It shall be understood that Apprentices shall be guaranteed full training within the apprenticeship period, including thirteen (13) weeks’ work at the check stand and at least thirteen (13) weeks’ work in shelf stocking assignments.”

Meat Article IX (a) – Replace with two apprentices shall be allowed for every one (1) journeyman meat cutter. A journeyman shall continue to be defined as an apprentice who has completed 4160 hours, with the understanding that this definition will have no application to the new hire/promoted wage progression.

Meat Article X(A)(b) - Expand the duties of meat clerks to include all types of cleaning, including heavy cleaning and breaking down meat loads. Only meat cutters shall disassemble and assemble equipment.

Section 9.1.5.1:

Maintain current language but add: "A courtesy clerk may remove and return product from the shelf to the same location in order to clean shelving. The parties agree that they will meet and discuss any additional proposed courtesy clerk duties. In the event the parties are unable to agree that these duties are appropriate for courtesy clerks, the issue will be subject to resolution under Section 18 of this agreement."

Section 9.1.5.1.8: Delete and modify as follows: "Courtesy clerks shall not be allowed to work more than 1 hour before the opening or 1 hour after the closing of the store to the public."

Section 10.1 Holidays: Modify to provide that employees hired on or after ratification of this agreement shall be entitled to the birthday holiday after one (1) year of employment, and a floating holiday and anniversary holiday after the completion of three(3) years of employment."

(Art. VI(a) meat and clarify): Entitlement to the birthday holiday shall commence with the employee's first (1) birthday following completion of one (1) year of employment with the Company.

Section 10.1.1: Modify as follows:

No employee shall be required to work on Christmas Day.

Section 10.1.2:

Paragraph two: "If the Employer elects to open on New Year's Day, Labor Day, or Thanksgiving Day, the store shall be staffed first with volunteers. If more employees than are needed volunteer, assignment shall be by seniority."

Section 10.4: Delete current language and replace with "Employees desiring time off on Good Friday to attend bona fide religious services shall request such time off at least 2 weeks in advance. All such requests for time off shall be granted, provided that a sufficient number of qualified employees are still available to properly staff the store as determined by the Employer. If due to an excessive number of requests for time off it becomes necessary to require employees to work on Good Friday, such assignments shall be made by inverse seniority from among those employees requesting the time off who possess the qualifications necessary to perform the required work. An employee taking such time off will receive straight-time pay for scheduled working time during this period and shall not be required or permitted to make up such time off.

Section 10.5 –Employees with at least 25 years of service with the Employer will receive 2 additional holidays. The one holiday will be earned June 1 and the second will be earned on October 1 of each year. (Meat Art. VI(a))

Section 11: Vacations

Make appropriate change to reflect new employees hired after ratification will receive one (1) week after one (1) year of employment; two (2) weeks after 3 years of employment and then follow current vacation schedule. (Meat - Article VII (a))

Section 11.5: "All employees taking scheduled vacation shall receive their vacation pay allowance on the pay check immediately preceding the employee's scheduled vacation. This change will take place when administratively feasible by the Company." Meat Article VII

Section 11.7: Add in as last sentence, "The Employer will post a copy of the final approved vacation dates." Meat Article VII(e)

Section 11.10: Pro Rata Vacation: Delete and replace with "Any employee who is discharged, laid off or who resigns after one (1) year or more of employment shall receive vacation wages prorated on the basis for the period worked at the time of said interruption or termination of employment." Meat Art VII

## SECTION 12. HEALTH AND WELFARE AND SICK LEAVE

1. **EMPLOYER ACCEPTANCE:** No Change to this Section.
2. **EMPLOYER CONTRIBUTIONS:** Delete this Section in its entirety, and replace with the following:

Effective with hours worked in January 2005, payable in February 2005, the Employer agrees to contribute \$5.41 for all classifications under the term of this Agreement. This rate shall remain effective through the term of this Agreement.

Such contributions shall be made on all straight-time hours worked, including Sundays, and/or hours compensated, such as vacations and holidays. Contributions shall be made on or before the 20<sup>th</sup> of the month for covered hours worked during the previous month. It is understood that the contributions required on behalf of any employee shall not exceed forty (40) straight-time hours per week or two thousand eighty (2,080) straight-time hours in any calendar year.

3. **PROMPT PAYMENT:** The following provisions shall be added at the end of this Section.

Notwithstanding the above, interest on unpaid contributions will accrue at the rate of 10% per annum, commencing with the first day of the month following the month in which the contribution is due. In addition, if legal action is pursued to collect delinquent contributions, the statutory provisions in ERISA will apply and liquidated damages shall be assessed in an amount equal to the greater of 20% of the unpaid contributions at the time the legal action is commenced or interest at the above rate on the unpaid contributions from the due date through the date the contributions are paid. The Trustees shall have the authority to adopt and to amend from time to time written Delinquency Collection Procedures which shall specify the interest, liquidated damages and other amounts to be assessed on any delinquency, and the procedures for collecting same, and such Procedures shall be binding on the employer.

4. **BENEFITS:** Delete this Section in its entirety and replace with the following:

The Trustees are authorized and directed to modify benefits, for both active employees and retirees, in the manner set forth in the Letter of Understanding and otherwise consistent with this Agreement. The Trustees shall implement and maintain over time a schedule of benefits and plan design, including a prudent operating reserve that can be supported by the applicable hourly contribution rate. These changes shall be made by the Trustees as soon as possible following ratification of this Agreement, except that plan changes for those hired prior to or on ratification shall become effective March 1, 2005.

Effective for all employees hired after the ratification date of this Agreement, the Trustees shall establish a new Plan C. Plan C shall include the following attributes:

The initial eligibility rule will be modified to require 5 months of qualifying hours, of which the first two months must be met consecutively. Single coverage will begin the first day of the second month following the fifth month of qualifying hours.

- Plan C shall cover the employee only (no dependent coverage) during the first eighteen months of initial eligibility in Plan C. Dependents, as currently defined by the Plan, shall commence coverage under Plan C beginning with the 19<sup>th</sup> month of eligibility.
- Plan C employees (and their dependents) shall commence coverage under Plan B after the employee has completed 36 months of eligibility in Plan C.
- There shall be no HMO medical plan option under Plan C, unless the trustees agree to an acceptable plan design.
- Effective for all employees who are not participants in Plan A as of the ratification date of this Agreement, the period of required participation in Plan B (before becoming eligible for Plan A coverage) shall be increased from 24 months to 36 months.

The Plan's current monthly straight-time work hours requirements for each classification of employment, as they related to eligibility, shall continue to apply.

Effective March 1, 2005 and thereafter, any employer that desires to cover all of its employees under plan A shall pay an employer contribution rate for those additional employees sufficient to cover the projected cost of that plan as determined by the co-consultants during the term of this Agreement.

5. FUND MERGER: Delete this Section in its entirety.
6. LEGISLATION: No Change to this Section.
7. COST CONTAINMENT: No Change to this Section.
8. USE OF CONTRIBUTIONS: Delete this Section in its entirety.
9. RETIREE BENEFITS: Add to this Section.

The Trustees are authorized and directed to require that retirees contribute \$70 per month per retiree toward the cost of retiree health care benefits. This

provision shall not impact the retirees' cost for the self-pay retiree plan. Any retiree who does not make the required monthly premium shall lose coverage under the Plan in accordance with such rules and regulations adopted by the Trustees.

The retiree eligibility will be modified to require that a participant is eligible for retiree health and welfare if they meet the following:

- 15 years of credited service in the Bay Fund, or
- A combined 15 years of service with either the Bay Fund or Valley Fund, provided a majority of service (i.e. more than 7.5 years) was in the Bay Fund.

10. BUSINESS EXPENSE: No Change to this Section.

11. ACTIVE DENTAL PLAN: (New Section)

The Trustees are authorized and directed to modify the dental plan, in addition to those changes set forth in the attached Benefit Summary for Plans A, B and C as follows:

- (a) Replace Delta Dental with the "UFCW Dental Plan" model that includes the retention of dental consultants to manage and review dental claims, or
- (b) Implement a dental PPO program (Delta Dental or any other qualified provider).

This change will become effective by July 1, 2005, or as soon as possible thereafter. The purpose of this program is to achieve administrative cost efficiencies beyond the plan design changes outlined in the Benefit Summary.

12. TRANSFER OF PARTICIPANTS: (New Section)

Effective March 1, 2005, all participants in the UFCW Northern California and Employers Health and Welfare Trust Fund (herein "Valley Fund") who are members of UFCW Local Unions 101 and 839 shall become participants of the UFCW Bay Area Health and Welfare Trust Fund (herein "Bay Fund"). These participants shall participate in the Bay Fund on the same basis as other participants, and Employers shall contribute to the Bay Fund on their behalf as provided herein. The Trustees of the Bay Fund and Valley Fund are authorized and directed to effectuate this transfer in a manner consistent with the terms of this Agreement.

The Trustees of the both the Bay Fund and Valley Fund are instructed to develop a plan and strategy to accomplish this transfer in a manner that is both fair and equitable to both plans and to the participants including if determined appropriate a transfer of assets and liabilities attributable to the transferred participants.

The transition of eligibility shall be handled in a manner that is seamless such that all transferred participants from the Valley Fund shall be eligible to participate in the Bay Fund in the same manner as though no transfer had occurred. No transferred participant shall lose eligibility they would have otherwise been entitled to receive in the absence of this transfer. Likewise, no



participant will gain eligibility that they would not have otherwise if no transfer had occurred.

**13. SECTION 125 FLEXIBLE SPENDING ACCOUNTS: (New Section)**

The Trustees are authorized and directed to establish a study committee to review the legality, feasibility and desirability (including the administrative difficulties, expense and level of expected Employer participation) of setting up and maintaining an employee funded Section 125 Flexible Spending Accounts ("FSA"). If an FSA is determined to be legal, feasible and desirable in this context, the trustees are further authorized and directed to establish such an arrangement and offer it to Employees covered by this Agreement; provided that the FSA shall not be offered to Employees of any Employer who is unwilling or unable to permit Employee participation in the FSA.

**14. MODIFICATIONS TO LOCAL 101'S NORTH COAST FOOD STORE CONTRACT AND LOCAL 839'S FOOD AGREEMENTS: (New Section)**

Section 12 of Local 101's North Coast Food Store Contract and Local 839's Food Agreements shall be amended to provide for contributions being made to the UFCW Bay Area Health and Welfare Trust Fund, effective with March 2005 contributions based on February 2005 hours worked.

**15. MODIFICATION TO THE TRUST AGREEMENT: (New Section)**

Indemnification; Limitation on Liability.

(a) Neither the Trustees collectively nor any individual Trustee shall be liable personally to anyone for any action taken or omitted by any one or more of them, or by their agents or other representatives, in connection with the administration of the Trust Fund; provided, however, that nothing herein shall exempt the Trustees from liability arising out of their individual or collective acts done or suffered in violation of the duties and responsibilities imposed on Trustees by Title I, Part 4 of the Employee Retirement Income Security Act of 1974 ("ERISA").

(b) The Trust Fund shall to the maximum extent permitted by law exonerate, reimburse, indemnify and hold harmless the Trustees, individually and collectively, against all claims, actions, suits, costs, damages, expenses, losses and liabilities arising from their acts or omissions as Trustees.

(c) The Trustees shall have the power to and may in their discretion pay legal fees and other expenses of litigation incurred by any Trustee or Trustees in defending a civil or criminal action, suit or proceeding against him or them in advance of the final disposition of such action, suit or proceeding, and as such fees and expenses are incurred, on approval by the Trustees in each specific case if the Trustees determine that such Trustee or Trustees acted in good faith within what he or she reasonably believed to be the scope of his or her duties or authority, and upon receipt of an undertaking by or on behalf of the Trustee, to repay all amounts so advanced, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Trust Fund as authorized in this Section 15.

(d) If any of the foregoing provisions should be held by a court of competent jurisdiction to go beyond what is legally permissible, the provision at issue shall be enforced and applied to the maximum extent legally permissible, and the remaining provisions shall be given full effect insofar as the law permits, it being the intention of the Trustees that any invalid provisions be severable from the others.

E-Commerce & Fuel Station Addendums – no language changes except that there will be no health and welfare contributions on e-commerce employees hired after ratification for their first 12 months of employment.

SECTION 13. PENSION (Art XIII – Meat)

**13.1 EMPLOYER ACCEPTANCE:** Replace the fund name “Northern California Retail Clerks Union and Food Employers Joint Pension Trust Fund” with the fund name “UFCW – Northern California Employers Joint Pension Trust Fund”. No other changes.

**13.2 EMPLOYER CONTRIBUTIONS:** Delete in its entirety and replace with the following:

Effective with hours worked March 2005 (or, if later, the first day of the month in which the benefit changes become effective, or if those changes become effective on a day other than the first day of the month, then the first day of the following month, this is referred to as the “contribution effective date”), the Employer agrees to contribute to the Trust Fund for the term of the Agreement based on the following rates:

- a. One dollar and twenty-nine cents (\$1.29) per straight-time hour for the first twelve months following the contribution effective date for Clerks (“Pharmacy Clerks and Pharmacy Technicians”), and one dollar and ninety Cents (\$1.90) per straight-time hour for the first twelve months following the contribution effective date for Meat Cutters
- b. One dollar and forty two cents (\$1.42) per straight-time hour for the thirteenth (13<sup>th</sup>) month through the twenty-fourth (24<sup>th</sup>) month following the contribution effective date for Clerks (“Pharmacy Clerks and Pharmacy Technicians”), and two dollars and three cents (\$2.03) per straight-time hour for the thirteenth (13<sup>th</sup>) month through the twenty-fourth (24<sup>th</sup>) month following the contribution effective date for Meat Cutters
- c. One dollar and fifty six cents (\$1.56) per straight-time hour for the twenty-fifth (25<sup>th</sup>) month following the contribution effective date for Clerks (“Pharmacy Clerks and Pharmacy Technicians”), and two dollars and seventeen cents (\$2.17) per straight-time hour for the twenty-fifth (25<sup>th</sup>) month following the contribution effective date for Meat Cutters

The seven- (7) month deferral of contributions for accounting and actuarial purposes, first implemented for the Trust Fund's 1999 fiscal year, continues to be in effect.

Such contributions shall be made on all straight-time hours worked by all employees covered by the Collective Bargaining Agreement, including Sundays, and/or all hours compensated, such as vacations and holidays. Contributions shall be made on or before the 20<sup>th</sup> of the month for covered hours worked during the preceding calendar month. It is understood that the contributions required on behalf of any employee shall not exceed forty (40) straight-time hours per week or two thousand and eighty (2,080) straight-time hours in any calendar year.

An employee shall receive both vesting and benefit accrual credit for all hours compensated (including those for which no contribution is due to the Trust) to a maximum of forty (40) hours per week and two thousand and eighty (2,080) hours per year. For employees who are hired on or after ratification of this agreement their benefit accrual credits will not begin until they have met the eligibility requirements described below.

In the event that the contributing Employers are required to make any additional contributions above the negotiated contribution rates in order to avoid funding deficiencies, the contributing Employers will receive a dollar for dollar credit for additional contributions in any subsequent plan year where there is sufficient excess funding exceeding the minimum funding level required to offset the additional contribution provided this offset does not create a minimum funding deficiency the following plan year. In other words the employer payments in excess of the negotiated contributions will create future contribution suspensions that will be taken as soon as possible as long as the minimum funding concerns outlined above are met.

**13.3** TERMINAL VACATION PAY: No change.

**13.4** PROMPT PAYMENT: No change

**13.5 BENEFITS:** Delete in its entirety and replace with the following:

The Trustees are authorized and directed to modify benefits in accordance with the following provisions, and otherwise in accordance with the provisions of this Agreement:

Effective March 1, 2005, future benefit accrual rates will be:

- a. For the first ten years of benefit credit the benefit accrual rate will be \$33.68
- b. For all years of benefit credit after the first ten years the benefit accrual rate will be \$44.90
- c. Other benefit accrual rates for lower contribution rates will be adjusted in a similar manner by the Trust Fund's Co-Consultants

The Trustees shall implement and maintain over time a pension plan design that can be supported by the contribution rates called for in this Agreement. The Trustees are further authorized and directed to make necessary amendments to avoid any funding deficiencies and otherwise in accordance with the provisions of any long term funding policy for the plan, that may be adopted by the Trustees.

The Trust Fund shall prepare and distribute an ERISA Section 204(h) notice, and any other required notices and filings, to Trust Fund participants in order to implement the above referenced changes by March 1, 2005.

The following additional changes will be implemented for those employees who are hired on or after ratification of this agreement (referred to as "New Hires"):

- i. New Hires must be at least age 21 and have one year of service to meet the eligibility requirements for participation
- ii. For New Hires, one year of service for eligibility purposes is defined to be at least 750 hours of service
- iii. New Hires will be 100% vested after five years of service
- iv. New Hires will not be eligible for the Rule of 85 retirement benefits
- v. New Hires normal retirement age will be age 65
- vi. New Hires early retirement eligibility will be age 55 with 5 years of service
- vii. New Hires who retire early (prior to age 65) will have their accrued benefits reduced on an actuarial equivalence basis

- 13.6 FUND MERGER:** Delete, if appropriate, in its entirety and replace with the following section:

**13.6 APPLICATION FOR EXTENDED AMORTIZATION EXTENSIONS UNDER INTERNAL REVENUE CODE SECTION 412(e)**

The Trustees shall cause the Trust Fund to apply for an amortization extension under Internal Revenue Code § 412(e).

In the event that the application under Internal Revenue Code § 412(e) is approved by the reviewing Government agency, the Trustees will adopt the following long term funding policy. In addition, the Trust Fund shall follow the recent guidance on how submit an application for amortization extensions under Internal Revenue Code § 412(e) including future changes that the Board of Trustees will have to consider (specifically future contribution increases as negotiated from time to time, future benefit reductions or some combination of the two).

*"UFCW – Northern California Employers Joint Pension Trust Fund  
Long Term Funding Policy*

*The co-consultants will produce with the annual actuarial valuations a seven-year actuarial projection with the goal of identifying future funding deficiencies (defined as where the negotiated contributions are not enough to satisfy the minimum required contributions under Internal Revenue Code Section 412). These annual projections will be based on the following:*

- Projections will take into account only negotiated contributions*
- Using the assumptions and actuarial methods in the then current annual actuarial valuation as jointly agreed to by the Fund's co-consultants*
- No unanticipated actuarial gains or losses during the projection time period*

*If the annual projection indicates any future funding deficiencies during the seven-year projection, the Board of Trustees is authorized and directed to amend future benefit accruals (or any other non-protected benefits), effective immediately, in order to eliminate the projected future funding deficiencies.*

*In the event that the contributing Employers are required to make any additional contributions above the negotiated contribution rates in order to avoid funding deficiencies, the contributing Employers will receive a dollar for dollar credit for additional contributions. When the Board of Trustees reduces benefits to eliminate the future funding deficiencies it shall take into account that these contribution credits will be taken as reductions in the negotiated contributions in the next plan year. In other words the employer payments in excess of the negotiated contributions will create future contribution suspensions that will be taken as soon as possible and the Co-Consultants will reflect this with the annual seven-year projections.*

*In the event that the application under Internal Revenue Code 412(e) is denied by the reviewing government agency, the Trustees shall not be required to adopt the above long term funding.*

*Any deadlocked Trustee motion relating to a reduction in benefits required under the long term funding policy shall be arbitrated on an expedited basis with the arbitration to take place no later than sixty (60) days following the Trust meeting in which the deadlock occurs."*

- 13.7 (renumbered) OTHER PLANS: No change.
- 13.8 (renumbered) REGULATIONS: No change.
- 13.9 (renumbered) BUSINESS EXPENSE: No change.
- 13.10 (renumbered) LIMITATION: Delete any reference to 13.6, which was deleted above. Otherwise no changes.
- 13.11 (renumbered) LEGISLATION: No change.
- 13.12 (renumbered) DEFINED CONTRIBUTION PENSION PLAN: The Trustees have established a Defined Contribution Pension Plan and Trust effective March 1, 1987, in addition to and supplemental to the Pension plan described in this Section. The Employer shall not have any obligation to contribute effective for March 2005 hours (or, if later, the contribution effective date as described in Section 13.2). Delete remainder of paragraph and following paragraph.
- 13.13 (renumbered) BENEFIT MODIFICATIONS: Delete in its entirety.
- 13.14 (renumbered) USE OF CONTRIBUTIONS: No change.
- 13.15 (renumbered) OPERATIONAL PLAN RULES: (New section to be added and numbered sequentially with the prior changes). The Trustees are instructed to follow these operational plan rules, and the Plan shall be amended as necessary to implement such rules:
  - a. Where an employer is contributing at a rate that is less than the maximum allowed contribution level and later increases their contribution rate (but only up to the maximum contribution rate accepted by the pension fund), such increase will only increase future benefit accrual rates. Benefits accrued prior to the date that employer increases their pension contribution rate will not be affected, and will remain at the level based on the earlier employer contribution level.
  - b. The Board of Trustees will instruct the co-consultants to look at situations such as, but not limited to if an Employer attempts to decrease their contribution rate after a period of contribution suspension. Such review and approval shall include a consideration of whether the contribution rate is sufficient to support the benefits promised, as well as any subsidy or equity issues, all as may be identified by the Co-Consultants to the Fund.

**13.16 (new) RE-EMPLOYMENT RULE:** The bargaining parties agree to direct the Trustees to amend the Pension Plan rules for re-employment and the suspension of benefits to be consistent with the rules in effect during the 1997 collective bargaining agreement (i.e., 63 hour rule).

The Pension sections in the Memorandum of Agreement between Albertson's, Inc. and Safeway Inc. and UFCW Locals 101, 120, 373R, 428, 648, 839, 870, and 1179, dated September 25, 2001 will be deleted in their entirety with the exception of the Gemco language. The associated side letter of agreement is also deleted in its entirety with the sole exception of item number 5 (Gemco).

The Employers agree to vote to approve the currently deadlocked motion with respect to reciprocity with the UFCW National Meat Plan.

## **SECTION 18. ADJUSTMENT AND ARBITRATION OF DISPUTES**

**18.1** For the purpose of this Agreement, a grievance is a dispute, difference of opinion, between the parties, and grievances of employees involving or arising out of the meaning, interpretation, application or alleged violation of this Agreement, including the arbitrability of all such matters. All grievances as defined are to be processed in accordance with the terms of the section.

The parties will share all factual details regarding a grievance (or pre-grievance issue) as early as possible in the dispute resolution process. All disputes that are resolved at store level shall be considered settled on a non-precedent setting basis, unless otherwise expressly stated in writing.

**18.2 DISCIPLINARY GRIEVANCES:** Pursuant to Section 3 of this Agreement, any employee who feels he has been unjustly discharged or suspended shall file a grievance with the Union and thereafter within ten (10) business days of notice of the disciplinary action, the Union, if it desires to proceed with the grievance, shall notify the Employer or its Representative that an Adjustment Board shall be convened to hear the grievance. Within twenty (20) business days (Monday - Friday, holidays excluded) thereafter, the Union and the Employer shall meet as a Board of Adjustment, consisting of two (2) representatives of the Employer and two (2) representatives of the Union in an effort to settle the matter. The convening of the Adjustment Board may be waived or this time limit may be extended by mutual agreement of the parties. If the Employer fails to meet with the Union within the time limits herein specified, the grievance will be deemed substantiated and the employee shall be made whole. If the Union fails to comply with the time limits herein specified, such failure shall be deemed to be a conclusive waiver of the grievance. The request of either party to extend the time limit for the convening of the Board of Adjustment due to extenuating circumstances will not be unreasonably denied.

Following the completion of step one as contained in the Letter of Understanding referencing Section 18, the Union's request to hear a grievance through the Adjustment Board procedure may be denied by the Employer, and the Union may elect to proceed to arbitration. The Employer must notify the Union of such denial prior to the time limit or the extended time limit in which to convene Adjustment Boards as outlined in this Section. Adjustment Board requests will not be

unreasonably denied. Notwithstanding, the Union may request FMCS to mediate any denials for Adjustment Boards by telephone conference or as agreed, and the parties agree to accept the FMCS advisory decision as binding. In making such determination, the mediator shall take into account the overall relationship of the parties as well as the facts of a specific case.

If the grievance is not adjusted and is impasse, the Union, if it so elects, within twenty (20) business days following the meeting of the Board of Adjustment or denial thereof, shall proceed to arbitration. The Union's intention to proceed to arbitration shall be communicated in writing to the Employer or its representative within the twenty (20) business day time limit specified above. For disciplinary cases only the following expedited procedure shall be utilized: A panel of arbitrators will be assigned by lot to each Union for a six-month (6) period. At the expiration of each six-month period, the arbitrators will rotate in the following order: 101, 373, 428, 648, 839, 870, 1179, and back to 101, etc. The arbitrators selected will provide the parties with all hearing dates in advance of each period of assignment.

The parties shall be allotted a minimum of twenty (20) days from date of request to prepare the case for arbitration. Discharge cases will be heard first on the agenda followed by suspension cases based on date of occurrence unless mutually agreed otherwise.

Each disciplinary case will be argued orally. Post hearing briefs may be filed by mutual agreement of the parties. Either party may request a court reporter at their expense; however, if mutually requested, the cost will be shared equally. Briefs are to be prepared and mailed within fifteen (15) business days from receipt of transcript with leave to extend by mutual agreement. A written opinion and award will be furnished by the arbitrator, within thirty (30) days of the close of the hearing or receipt of post hearing briefs.

**18.3 INTERPRETATION OR APPLICATION DISPUTES:** Disputes as to the interpretation or application of the agreement shall be taken up by the party asserting it with the other party within twenty (20) business days of the date the asserting party has knowledge thereof. Said grievance shall be in writing, specifying in detail the basis for the dispute, including the applicable section(s) of the Agreement involved, to the best knowledge of the asserting party.

The parties shall have fifteen (15) business days in which to process and amicably adjust the dispute. By mutual agreement of the parties, the time periods provided herein may be extended.

If by the end of the period for amicable adjustment no resolution has been made of the dispute, there shall be fifteen (15) business days for the asserting party to request arbitration by an impartial arbitrator.



Within five (5) business days of the date arbitration has been requested, the parties shall move to select an arbitrator. Said selection shall be from the panel set forth above or shall be by mutual agreement. Should the parties fail to agree upon an arbitrator within the period herein provided, the arbitrator shall be chosen by lot from the panel named in Section 18.2 hereof. Failure of either party to meet within the time limits hereinabove specified, or failure to comply with the time limits, shall cause the dispute to be deemed substantiated or conclusively waived as the case may be. The request of either party to extend this time limit due to extenuating circumstances will not be unreasonably denied.

**18.4** The parties may, by mutual agreement, proceed to FMCS to mediate unresolved disputes. The hearing shall take place within thirty (30) business days following the receipt of a written request from either party. Either party may request a reasonable extension of time. The mediator will render a non-binding oral opinion at the conclusion of the hearing.

**18.5** Each party shall in good faith divulge to the other party all available material facts at the time said party acquires knowledge thereof concerning the matter in dispute. Nothing contained herein shall require either party to supply documents which are irrelevant.

**18.6** The award of the arbitrator or the Adjustment Board shall be final and binding on the Employer, the Union and the Employee(s). The losing party shall pay the cost of the arbitrator. The parties agree that the arbitrator has the authority to determine appropriate proration of the cost in the event of a split decision and award. The arbitrator should be made aware of the requirements of this provision at the conclusion of the arbitration hearing.

**18.7** The arbitrator shall not have the right to alter, amend, delete or add to any of the terms of this Agreement.

**18.8** Interest at seven percent (7%) shall be payable on all money claims awarded by the Adjustment Board or by an Arbitrator, and such interest shall commence as of the date the complaint is first submitted to the Adjustment Board or when the parties meet to amicably adjust the dispute, whichever is applicable.

**18.9 CLAIMS:** In the case of a direct wage claim or a claim for contributions to employee benefit plans which does not involve an interpretation of any of the provisions of this Agreement, either party may submit such claim for settlement to either the grievance procedure provided for herein or to any other tribunal or agency which is authorized and empowered to effect such a settlement.

The Employer is not required to pay any wage claim or portion thereof retroactively for a period of more than six (6) months immediately prior to the date of the Employer's receipt, or written notice from the Union, of such claim.

The parties agree that Local 839 and Local 101 North Coast shall adopt the Bay Section 18 language in its entirety.

Section 19: Term of Agreement (Meat Art. XXVII)

9/12/04 – 12/1/07

(Comparable Meat Proposals where applicable)

Additional Meat Proposals

Article X B(j): Add: "If a person has been out of the industry less than five (5) years and had not reached "thereafter" status, in the Meat clerk progression, he will be allowed to start at the same progression step as when they last worked in the industry."

Article XI: Delete (Superannuated Employees)

Article XII: The Employer is agreeable to work with the Trust Fund in developing a system for reporting hours regarding accumulated sick leave and accumulated vacation for terminated employees.

Appendix A: Wage Rates Clerks

Add a new 4th (4th) paragraph to A.1

"The company retains the right to terminate any non-contractual benefit including but not limited to gain sharing, discounts, awards, bonuses. This provision does not apply to over-scale wage rates."

No change to current sentence in Appendix A, "Premium wage employees shall maintain the same hourly wage differential they received over and above the previous contract rate." Article VIII - Meat

Voluntary Buyout Language:

"The parties agree that the Employer may offer voluntary buyout opportunities to employees at any time(s) during the term of this agreement. In the event such voluntary buyouts are offered, the Employer agrees to provide 30 days advance notice to the Union concerning the buyout components, the terms of the offer(s), and the timing of any offering(s), and to allow the union to attend employee meetings regarding this issue."

Article VIII - Meat

Create new Subsection A.2: "The experience and length of service wage adjustments provided for under Appendix A shall be placed into effect the first (1<sup>st</sup>) workday of the first (1<sup>st</sup>) workweek immediately following the workweek in which the employee qualifies for a higher rate of pay".

Article VIII - Meat

Create subsection A.4

Contract ratification bonus: Provided this offer is ratified by February 11, 2005 and the Union does not engage in any strike, picketing, consumer boycott or other economic action of any sort whatsoever against the Employer, a Ratification Bonus shall be paid as follows. All Bargaining unit employees hired prior to the ratification in all classifications and on the payroll as of September 11, 2004 and actively employed on the date of payment of this bonus, shall receive a contract ratification bonus, as provided below:

All classifications except courtesy clerks and utility clerks shall receive twenty-five (25) cents per hour for which the employee was compensated for the fifty-two (52) calendar weeks preceding September 11, 2004.

Courtesy clerks and utility clerks shall receive fifteen (15) cents per hour for which the employee was compensated for the fifty-two (52) calendar weeks preceding September 11, 2004.

This contract ratification bonus will be paid no later than thirty (30) days from date of ratification to employees who are actively employed on that date or thirty (30) days from when an employee returns to work from an approved leave of absence or layoff. Consistent with past practice, this bonus will not be calculated to include derived overtime.

This provision will apply to employees on approved leave of absence or layoff at the time of reinstatement who are actively employed at the time payment is due. This payment also will be made no later than thirty (30) days following the expiration of the employee's recall rights under the term of this Agreement.

Lump Sum Bonus: For each bargaining unit employee on the payroll as of December 4, 2005 and actively employed on the date of payment of this bonus, shall receive a bonus as follows:

All classifications except courtesy clerks and utility clerks who are at the thereafter rate or above shall receive twenty-five cents (25) per hour for which the employee was compensated for the fifty-two-(52) calendar weeks preceding December 4, 2005.

This lump sum bonus will be paid no later than thirty (30) days from December 4, 2005 to employees actively employed on that date or thirty (30) days from when an employee returns to work from an approved leave of absence or layoff. Consistent with past practice, this bonus will not be calculated to include derived overtime.

This provision will apply to employees on approved leave of absence or layoff at the time of reinstatement and actively employed at the time payment is due. This payment also will be made no later than thirty (30) days following the expiration of the employee's recall rights under the term of this Agreement.

Article VIII - Meat

### Wage Increase

Effective December 3, 2006 a twenty-five (25) cent wage increase to the journey person/thereafter rate only for all classifications (Food/GMC/Meat) except no increase to the courtesy clerks and utility clerks or clean up classification.  
Article VIII - Meat

### Letter of Understanding Office Addendum-Safeway Local 839/101 North Coast

Amend paragraph #5 to add the following sentence: In addition to the work in the office, the above employees may also make "pulls" from the registers, delivering change to the registers and take register readings in connection with their bookkeeping duties.

### Letter of Understanding Pharmacy Technician

No change to the progression length

### **Albertson's Only Proposals:**

#### **Clerks & Meat**

Initial Consideration: Former Lucky Stores, Inc. contracts shall be merged with original Albertson's, Inc. contracts and follows the terms and conditions of the Albertson's' contracts, except insofar as the non union pharmacies with Lucky Stores/ Sav-On shall not change that status by virtue of the integration of these agreements. T/A but Unions and Company will discuss transition issues.

### Preamble and Throughout Collective Bargaining Agreement:

Delete all references to "Lucky Stores, Inc."

#### **Meat**

Article II (A)(a) -UFCW Local 428 Meat: Albertsons only: Change the geographic seniority area for 428 meat (North and South). Divide between Santa Clara County (North) and Santa Cruz County, Monterey County and San Benito Counties (South).

- Local 101: Merger former Albertsons stores into the former Lucky stores seniority area in seniority area (B).

*In consideration of the terms and conditions set forth in this Tentative Agreement, including the Appendices hereto, the parties have agreed to settle and resolve all pending unfair labor practice charges arising out of the negotiation of a new collective bargaining agreement,*

*As part of this settlement, the parties hereby agree that any proposals made by either party which were withdrawn or modified in the course of these negotiations shall have no evidentiary value and shall not prejudice either party's position in any grievance or arbitration proceeding.*

*This Tentative Agreement represents the entire agreement of the parties with respect to the matters covered herein and shall be dispositive in the event of any conflict with any other written or oral understandings or agreements between the parties or other expressions of the parties' intent.*

*This Settlement is conditioned on the UFCW Locals recommending ratification of this Tentative Agreement and the Unions do not engage in any strike, picketing, consumer boycott or other economic action of any sort whatsoever against the Employers.*

*This Tentative Agreement, made and entered into this 23<sup>rd</sup> day of January, 2005, by and between UFCW Locals 101, 120, 373R, 428, 648, 839, 870 and 1179 and Safeway, Albertsons and Ralphs Grocery Company shall be submitted and fully recommended for ratification and will be effective upon its ratification date.*

\_\_\_\_\_  
Karen Casey, Albertsons

\_\_\_\_\_  
Mike Borstel, UFCW Local 101

\_\_\_\_\_  
Frank Jorgensen, Safeway

\_\_\_\_\_  
Tim Hamann, UFCW Local 120

\_\_\_\_\_  
Bruce Wright, Ralphs Grocery Co.

\_\_\_\_\_  
Linda Russell, UFCW Local 373R

\_\_\_\_\_  
Ron Lind, UFCW Local 428

\_\_\_\_\_  
Michael Sharpe, UFCW Local 648

\_\_\_\_\_  
John Briley, UFCW Local 839

\_\_\_\_\_  
Rich Benson, UFCW Local 870

\_\_\_\_\_  
Barbara Carpenter, UFCW Local 1179

**Zone A: Wage Rates**

**Food Agreement**

| Classification<br>Current<br>Employees | 07/06/03  | 12/3/06   | New Hire or<br>Promoted<br>Employee<br>Progressions | Rate | **Interim<br>Step |
|--|-----------|-----------|---|------|-------------------|
| Managing Clerks                        | \$ 20.168 | \$ 20.418 |   |      |                   |
| Senior Clerks                          | \$ 19.627 | \$ 19.877 |   |      |                   |
| Head Clerks                            | \$ 19.513 | \$ 19.763 |   |      |                   |
| Jny Food Clerk                         | \$ 19.084 | \$ 19.334 |   |      |                   |
| 4th 520 hours                          | \$ 14.607 | \$ 14.607 |   |      |                   |
| 3rd 520 hours                          | \$ 12.889 | \$ 12.889 |   |      |                   |
| 2 <sup>nd</sup> 520 hours              | \$ 11.170 | \$ 11.170 |   |      |                   |
| 1st 520 hours                          | \$ 9.452  | \$ 9.452  |   |      |                   |

|                   |          |          |
|-------------------|----------|----------|
| Jny Food Clerk    | \$ 19.08 |          |
|                   |          | \$ 18.04 |
| 9th (6761-7800)   | \$ 17.00 |          |
|                   |          | \$ 16.00 |
| 8th (5721-6760)   | \$ 15.00 |          |
|                   |          | \$ 14.25 |
| 7th (4681-5720)   | \$ 13.50 |          |
|                   |          | \$ 12.63 |
| 6th (3641-4680)   | \$ 11.75 |          |
|                   |          | \$ 10.88 |
| 5th (2601-3640)   | \$ 10.00 |          |
|                   |          | \$ 9.75  |
| 4th (1561-2600)   | \$ 9.50  |          |
|                   |          | \$ 9.25  |
| 3rd (1041-1560)   | \$ 9.00  |          |
|                   |          | \$ 8.85  |
| 2nd (521-1040)    | \$ 8.70  |          |
| 1st (0-520 hours) | \$ 8.50  |          |

|                |       |       |
|----------------|-------|-------|
| Courtesy Clerk | 8.395 | 8.395 |
|----------------|-------|-------|

| Courtesy Clerks |          | No Interim |
|-----------------|----------|------------|
| Thereafter      | \$ 8.395 |            |
| 1040-1560       | \$ 8.00  |            |
| 521-1040        | \$ 7.75  |            |
| 0-520           | \$ 7.50  |            |

**NOTE: \*\*At Promotion: Current employees promoted from GMC position to a food clerk classification are placed in the step above their present wage rate. Upon successful completion of 1040 hours, they receive an interim increase as reflected in the \*\*Interim step column above. Upon successful completion of an additional 1040 hours, for a total of 2080 hours since promotion to food clerk, the employee returns to the New Hire or Promoted Employee Progressions column and continues to the jrny rate without any further backfill of hours. Example: GMC @ 10.019 slots to 6th step @11.75, works 1040 hours and receives increase to \$12.63. Works additional 1040 hours and then receives step increase to \$13.50 and has 4680 hours credit. Moves through remaining progressions.**

**The 12/ 3/06 increase of .25 cents will apply to the new hire scale journeyman rate /thereafter excluding courtesy clerks**

### A: Wage Rates Agreement

| Classification Current Employees | 07/06/03  | 12/3/06   | New Hire or Promoted Employee Progressions | Rate     |
|----------------------------------|-----------|-----------|--|----------|
| Non-Food GMC Head                | \$ 13.605 | \$ 13.855 |  |          |
| Non-Food Jny GMC                 | \$13.205  | \$ 13.455 | GMC Non-Food                               | \$13.205 |
| 7th 520                          | \$11.350  | \$11.350  | 9th (6761-7800 hours)                      | \$ 11.75 |
| 6th 520                          | \$10.907  | \$10.907  | 8th (5721-6760 hours)                      | \$ 10.60 |
| 5th 520                          | \$10.462  | \$10.462  | 7th (4681-5720 hours)                      | \$ 10.10 |
| 4th 520                          | \$10.019  | \$10.019  | 6th (3641-4680 hours)                      | \$ 9.40  |
| 3rd 520                          | \$ 9.476  | \$ 9.476  | 5th (2601-3640 hours)                      | \$ 8.90  |
| 2 <sup>nd</sup> 520              | \$ 9.082  | \$ 9.082  | 4th (1561-2600 hours)                      | \$ 8.60  |
| 1st 520                          | \$ 8.743  | \$ 8.743  | 3rd (1041-1560 hours)                      | \$ 8.40  |
|                                  |           |           | 2nd (521-1040 hours)                       | \$ 8.20  |
|                                  |           |           | 1st (0-520 hours)                          | \$ 8.00  |

| PharmacyTech              |           |           |
|---------------------------|-----------|-----------|
| Experienced               | \$ 14.000 | \$ 14.250 |
| 4th 520 hours             | \$ 13.440 | \$ 13.440 |
| 3rd 520 hours             | \$ 12.880 | \$ 12.880 |
| 2 <sup>nd</sup> 520 hours | \$ 12.320 | \$ 12.320 |
| 1st 520 hours             | \$ 11.760 | \$ 11.760 |

| Fuel Clerks               |          |          |
|---------------------------|----------|----------|
| Experienced               | \$ 11.60 | \$ 11.85 |
| 8th 520 hours             | \$ 11.00 | \$ 11.00 |
| 7th 520 hours             | \$ 10.40 | \$ 10.40 |
| 6th 520 hours             | \$ 9.90  | \$ 9.90  |
| 5th 520 hours             | \$ 9.40  | \$ 9.40  |
| 4th 520 hours             | \$ 9.00  | \$ 9.00  |
| 3rd 520 hours             | \$ 8.60  | \$ 8.60  |
| 2 <sup>nd</sup> 520 hours | \$ 8.30  | \$ 8.30  |
| 1st 520 hours             | \$ 8.00  | \$ 8.00  |

| Fuel Clerks/Ecommerce |          |
|-----------------------|----------|
| Thereafter            | \$ 11.60 |
| 9th (6761-7800 hours) | \$ 10.80 |
| 8th (5721-6760 hours) | \$ 10.20 |
| 7th (4681-5720 hours) | \$ 9.60  |
| 6th (3641-4680 hours) | \$ 9.00  |
| 5th (2601-3640 hours) | \$ 8.60  |
| 4th (1561-2600 hours) | \$ 8.20  |
| 3rd (1041-1560 hours) | \$ 7.90  |
| 2nd (521-1040 hours)  | \$ 7.70  |
| 1st (0-520 hours)     | \$ 7.50  |

The 12/3/06 increase of .25 cents will apply to the new hire scale journey person rate/thereafter only.

**A: Wage Rates: MEAT**

| Classification Current Employees | 07/06/03  | 12/3/06   |
|----------------------------------|-----------|-----------|
| Head Cutter > 5                  | \$ 21.024 | \$ 21.274 |
| Head Cutter                      | \$ 20.774 | \$ 21.024 |
| Jny Cutter                       | \$ 19.524 | \$ 19.774 |
| <b>Apprentices</b>               |           |           |
| 4th 6 months                     | \$ 14.998 | \$ 14.998 |
| 3rd 6 months                     | \$ 13.226 | \$ 13.226 |
| 2 <sup>nd</sup> 6 months         | \$ 11.463 | \$ 11.463 |
| 1st 6 months                     | \$ 9.701  | \$ 9.701  |

| New Hire or Promoted Employee Progressions | Rate |
|--|------|
|--|------|

| <b>Meat Cutters</b>   |           |
|-----------------------|-----------|
| Thereafter            | \$ 19.524 |
| 9th (6761-7800 hours) | \$ 17.00  |
| 8th (5721-6760 hours) | \$ 15.50  |
| 7th (4681-5720 hours) | \$ 14.00  |
| 6th (3641-4680 hours) | \$ 13.00  |
| 5th (2601-3640 hours) | \$ 12.25  |
| 4th (1561-2600 hours) | \$ 11.75  |
| 3rd (1041-1560 hours) | \$ 11.50  |
| 2nd (521-1040 hours)  | \$ 11.00  |
| 1st (0-520 hours)     | \$ 9.50   |

| <b>Meat Clerks</b>                        |          |           |
|---|----------|-----------|
| Hired prior 11/2/79                       | \$17.428 | \$ 17.678 |
| Hired after 11/2/79 but prior 12/12/85    | \$15.011 | \$ 15.261 |
| <b>Meat Clerks (on or after 12/12/85)</b> |          |           |
| Thereafter                                | \$14.728 | \$ 14.978 |
| <b>Apprentices</b>                        |          |           |
| 8th 520 hours                             | \$12.480 | 12.48     |
| 7th 520 hours                             | \$11.970 | 11.97     |
| 6th 520 hours                             | \$11.478 | 11.478    |
| 5th 520 hours                             | \$10.984 | 10.984    |
| 4th 520 hours                             | \$10.349 | 10.349    |
| 3rd 520 hours                             | \$9.729  | 9.729     |
| 2 <sup>nd</sup> 520 hours                 | \$9.109  | 9.109     |
| 1st 520 hours                             | \$8.728  | 8.728     |

| <b>Meat Clerks</b>    |           |
|-----------------------|-----------|
| Thereafter            | \$ 14.728 |
| 9th (6761-7800 hours) | \$ 13.00  |
| 8th (5721-6760 hours) | \$ 11.50  |
| 7th (4681-5720 hours) | \$ 10.50  |
| 6th (3641-4680 hours) | \$ 9.50   |
| 5th (2601-3640 hours) | \$ 8.90   |
| 4th (1561-2600 hours) | \$ 8.60   |
| 3rd (1041-1560 hours) | \$ 8.40   |
| 2nd (521-1040 hours)  | \$ 8.20   |
| 1st (0-520 hours)     | \$ 8.00   |

|                 |          |          |
|-----------------|----------|----------|
| Clean-up worker | \$ 8.313 | \$ 8.313 |
|-----------------|----------|----------|

The 12/3/06 increase of .25 cents will apply to the new hire scale journey person rate/thereafter only. Extra workers pay is \$1.50 per hour, for all hours worked, above the straight time rate for the appropriate classification, effective first Sunday following ratification.



**Side Letter Between UFCW Locals 101, 120 and 428 and  
Safeway, Albertsons and Ralphs Grocery Company**

Meat cutters will not have their hours reduced or be laid off as a direct result of the expansion of Meat Clerk duties as outlined in Article X(A)(b).

\_\_\_\_\_  
Karen Casey, Albertsons

\_\_\_\_\_  
Mike Borstel, UFCW Local 101

\_\_\_\_\_  
Frank Jorgensen, Safeway

\_\_\_\_\_  
Tim Hamann, UFCW Local 120

\_\_\_\_\_  
Bruce Wright, Ralphs Grocery Co.

\_\_\_\_\_  
Phil Salgado, UFCW Local 428

\_\_\_\_\_  
Dated

**Side Letter Between  
UFCW Locals 101, 120 and 428 and Albertsons**

UFCW Locals 101, 120 and 428 and Albertsons agree to grandfather in current meat managers who receive three hours of weekly overtime. However, as of the date of contract ratification, said overtime is no longer mandated for persons newly hired or promoted into that position.

\_\_\_\_\_  
Karen Casey, Albertsons

\_\_\_\_\_  
Tim Hamann, UFCW Local 120

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Phil Salgado, UFCW Local 428

\_\_\_\_\_  
Mike Borstel, UFCW Local 101

**Side Letter Between  
UFCW Locals 101, 120, 373R, 428, 648, 839, 870 and 1179  
And Albertsons**

In the event of two or more store closures within a period of six (6) months, the Company and the union(s) will meet and discuss adjusting the full-time, part-time ratios for food clerks in light of these closures.

Upon request of the union, the employer will meet to discuss transfer requests on a quarterly basis as a result of employee layoffs, and monthly conference calls upon request.

\_\_\_\_\_  
Karen Casey, Albertsons

\_\_\_\_\_  
Michael Sharpe, UFCW Local 648

\_\_\_\_\_  
Mike Borstel, UFCW Local 101

\_\_\_\_\_  
John Briley, UFCW Local 839

\_\_\_\_\_  
Linda Russell, UFCW Local 373R

\_\_\_\_\_  
Rich Benson, UFCW Local 870

\_\_\_\_\_  
Ron Lind, UFCW Local 428

\_\_\_\_\_  
Barbara Carpenter, UFCW Local 1179

\_\_\_\_\_  
Tim Hamann, UFCW Local 120

\_\_\_\_\_  
Dated

**Side Letter Between  
UFCW Locals 101, 120, 373R, 428, 648, 839, 870 and 1179  
and Safeway, Albertsons and Ralphs Grocery Company**

Section 5.8 --There is an understanding between the parties that the Unions may put up bulletin boards in the stores so long as it comports with Albertsons Letter of Understanding with Local 839 and that the materials posted on these bulletin boards are consistent with Section 5.8 of Local 428's contract regarding official union notices. The Companies have the sole discretion to determine whether any such materials are "detrimental" to the company's interest.

Section 5.19 - The Union may select any employee(s) to be a SPUR. By mutual agreement, the selected employee(s) may serve as a SPUR for an initial period of up to six (6) months. Such leaves shall be requested and granted in writing. In the event the employee wishes to return to work prior to the scheduled end of the leave, the employer will be provided with at least two (2) weeks prior written notice. During the service period as a SPUR, the employee(s) will be considered to be on an approved personal leave of absence. After the service period ends, the employee(s) will be returned to his or her job or a comparable position with no loss of seniority. He or she will not, however, be credited any hours with the Employer toward advancement in the wage scale. He or she will be returned to the same wage as he or she made before becoming a SPUR and will be entitled to whatever benefits may be due under the terms of the documents and rules governing the applicable health and welfare and pension trusts.

All wages, benefits and the like during the service period will be the responsibility and sole obligation of the Union. The Employer will have no obligation for wages, benefits or the like during the service period. Additionally the Union will provide workers compensation coverage for the SPUR and comply with all Federal, State and Local laws applicable to the employment of the SPUR.

The period of service of the SPUR may be renewed by mutual agreement for additional periods of three (3) months up to an aggregate service period of twelve (12) months.

\_\_\_\_\_  
Karen Casey, Albertsons

\_\_\_\_\_  
Mike Borstel, UFCW Local 101

\_\_\_\_\_  
Frank Jorgensen, Safeway

\_\_\_\_\_  
Tim Hamann, UFCW Local 120

\_\_\_\_\_  
Bruce Wright, Ralphs Grocery Co.

\_\_\_\_\_  
Linda Russell, UFCW Local 373R

\_\_\_\_\_  
Ron Lind, UFCW Local 428

\_\_\_\_\_  
Michael Sharpe, UFCW Local 648

\_\_\_\_\_  
John Briley, UFCW Local 839

\_\_\_\_\_  
Rich Benson, UFCW Local 870

\_\_\_\_\_  
Barbara Carpenter, UFCW Local 1179

**LETTER OF UNDERSTANDING**

**Between**

**UFCW LOCAL 101, 373R, 428, 648, 839, 870 and 1179 and  
ALBERTSONS, INC., RALPHS GROCERY CO., AND SAFEWAY, INC.**

In the interests of developing a more effective and efficient process to avoid grievances and resolve a backlog of currently deadlocked grievances, the parties commit to the following phased approach:

**Step One:**

For the first twelve (12) months following ratification, the parties will continue to schedule Adjustment Boards pursuant to the Agreement. During this 12 month period, the parties will take appropriate steps, including scheduling additional meeting dates to work towards the reduction of the current backlog of pending grievances. The Federal Mediation and Conciliation Service (FMCS) may be utilized at the request of either party. For the purposes of this Letter of Understanding, the foregoing is referenced as step one. Notwithstanding the above, step one will not conclude until the disposition of all impasse grievances have been determined.

To facilitate settling disputes amicably, the parties agree to fully explore possible joint training assistance from FMCS.

**Step Two:**

Commencing at the conclusion of step one, the parties will commence meetings no less than once every three (3) months through the remainder of the Agreement. The purpose of such meetings is to further the mutual cooperation of the parties in matters related to Section 18. These meetings may be cancelled by mutual agreement of the parties. The FMCS will be requested to attend these meetings at the request of either or both parties.

The following individuals, or their designated representative, will attend on behalf of their respective entities: Karen Casey (Albertsons); Frank Jorgensen (Safeway); Bruce Wright (Ralphs); for the Unions, the President of each Local or their designated representative.

\_\_\_\_\_  
Karen Casey, Albertsons

\_\_\_\_\_  
Bruce Wright, Ralphs Grocery Co.

\_\_\_\_\_  
Frank Jorgensen, Safeway

\_\_\_\_\_  
Michael Sharpe, UFCW Local 648

\_\_\_\_\_  
Mike Borstel, UFCW Local 101

\_\_\_\_\_  
John Briley, UFCW Local 839

\_\_\_\_\_  
Rich Benson, UFCW Local 870

\_\_\_\_\_  
Ron Lind, UFCW Local 428

\_\_\_\_\_  
Linda Russell, UFCW Local 373R

\_\_\_\_\_  
Barbara Carpenter, UFCW Local 1179

\_\_\_\_\_  
Dated

**LETTER OF UNDERSTANDING**

**Between**

**UFCW LOCAL 101, 373R, 428, 648, 839, 870 and 1179 and  
ALBERTSONS, INC., RALPHS GROCERY CO., AND SAFEWAY, INC.**

In settling routine disciplinary and non-disciplinary cases handled by Union staff, written settlement agreements when requested, will be written as simply as possible for lay persons to understand. In these cases, decisions regarding what are "routine" cases as to which simplified settlement agreements are appropriate, are within management's sole discretion.

\_\_\_\_\_  
Karen Casey, Albertsons

\_\_\_\_\_  
Bruce Wright, Ralphs Grocery Co.

\_\_\_\_\_  
Frank Jorgensen, Safeway

\_\_\_\_\_  
Michael Sharpe, UFCW Local 648

\_\_\_\_\_  
Mike Borstel, UFCW Local 101

\_\_\_\_\_  
John Briley, UFCW Local 839

\_\_\_\_\_  
Tim Hamann, UFCW Local 120

\_\_\_\_\_  
Rich Benson, UFCW Local 870

\_\_\_\_\_  
Linda Russell, UFCW Local 373R

\_\_\_\_\_  
Barbara Carpenter, UFCW Local 1179

\_\_\_\_\_  
Ron Lind, UFCW Local 428

**LETTER OF UNDERSTANDING – JANUARY 23, 2005**

**INITIAL BENEFIT PLAN DESIGN SUMMARIES**

The Bargaining Parties agree that the attached benefit plan designs identified as Benefit Fund Appendices A, B and C summarize the initial benefit plan designs that will become applicable to Active and Retired Employees for Plans A, B and C.

If the specified contribution is subsequently determined to be adequate to improve benefit levels (assuming the Plan will maintain prudent operating reserves), the trustees are authorized to improve benefits. Furthermore, if the specified employer contribution is subsequently determined to be insufficient to maintain the benefit levels outlined in Benefit Fund Appendices A, B and C and a prudent operating reserve, the Trustees are authorized and directed to reduce benefits to the extent necessary. Any such benefit modifications may be rescinded by the Trustees, if and when, the financial position of the Fund improves to so allow. The Plan will cover all medically necessary treatment, subject to current plan exclusions.

Except for those changes described in, required by, or necessary to implement this Article, and subject to the right of the Trustees to amend, modify or eliminate any Plan benefit or feature at any time as provided herein, the existing Plan coverages shall initially be part of the new Plan design. This provision shall not be interpreted, applied or construed to: (a) create any expressed or implied obligation to maintain or preserve any benefit or plan feature under the Plan; (b) create any vested entitlement to any benefit or feature under the Plan; or (c) limit or restrict, directly or indirectly, the right of the Trustees to make changes in those benefits or features when they deem it necessary or appropriate under the Plan and/or as a matter of fiduciary duty.

Annual deductible and out-of-pocket limits shall be reduced proportionately with the number of months remaining in the calendar year at the time the benefit changes are implemented for Plans A and B (including retirees).

The current Retiree Health and Welfare eligibility rules shall be modified as follows: any employee who has had five consecutive calendar years with no reported hours shall, in addition to other requirements, be required to accrue at least 10 years of Credited Service under the Pension Plan after such absence, in order to be eligible for Retiree Health and Welfare.

\_\_\_\_\_  
Safeway, Inc.

\_\_\_\_\_  
Albertsons Inc.

\_\_\_\_\_  
Ralphs Grocery Company

\_\_\_\_\_  
UFCW Local 101

LETTER OF UNDERSTANDING – JANUARY 23, 2005

INITIAL BENEFIT PLAN DESIGN SUMMARIES (CONTINUED)

\_\_\_\_\_  
UFCW Local 120

\_\_\_\_\_  
UFCW Local 373R

\_\_\_\_\_  
UFCW Local 428

\_\_\_\_\_  
UFCW Local 648

\_\_\_\_\_  
UFCW Local 839

\_\_\_\_\_  
UFCW Local 870

\_\_\_\_\_  
UFCW Local 1179



**Bargaining Notes**

Section 2.1: The companies will work with the unions involving extenuating circumstances. Meat – Article II B (c)

Section 4.7: Employers agree that Unions may post in the break rooms the seniority list already provided to them on a semi-annual basis. (Meat – Article XVIII(k))