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**AGREEMENT TO EXTEND
COLLECTIVE BARGAINING AGREEMENT
Between Bruno's Supermarkets, Inc., d/b/a Bruno's Food and Pharmacy of
Alabama, and United Food and Commercial Workers
Union Local 1657, AFL-CIO**

Bruno's Supermarkets, Inc. (hereinafter referred to as the Company) and United Food and Commercial Workers Union Local 1657 (hereinafter referred to as the Union) hereby agree to continue the previously extended Collective Bargaining Agreement by further extending the Agreement through 12 o'clock midnight of October 29, 2005.

The Company and the Union agree that meetings will be held prior to October 29, 2005 with the express purpose of negotiating a successor contract. All terms and provisions of the extended Agreement shall remain in full force until 12 o'clock midnight of October 29, 2005.

FOR THE EMPLOYER

Bruno's Supermarkets, Inc.

Robert L. Baker
Vice President Labor Relations

05/27/05

Date

FOR THE UNION

UFCW Union Local 1657, AFL-CIO

Elaine L. Fox
President

6/6/05

Date



AGREEMENT TO EXTEND COLLECTIVE BARGAINING AGREEMENT

Between Bruno's Supermarkets, Inc., d/b/a Bruno's Food and Pharmacy of
Alabama, and United Food and Commercial Workers
Union Local 1657, AFL-CIO

Bruno's Supermarkets, Inc. (hereinafter referred to as the Company) and United Food and Commercial Workers Union Local 1657 (hereinafter referred to as the Union) hereby agree to extend the current Collective Bargaining Agreement through 12 o'clock midnight of July 30, 2005. Tentative Agreements dated 11/10/04 shall become part of the extended contract to be effective immediately or as otherwise agreed to by the Company and the Union.

The Company and the Union agree that meetings will be held prior to July 30, 2005 with the express purpose of negotiating a successor contract. All terms and provisions of the extended Agreement shall remain in full force until 12 o'clock midnight of July 30, 2005.

FOR THE EMPLOYER

Bruno's Supermarkets, Inc.

Robert L. Baker
Vice President Labor Relations

11/22/04
Date

FOR THE UNION

UFCW Union Local 1657, AFL-CIO

Elaise L. Fox
President

11/23/04
Date

11/10/04

TENTATIVE AGREEMENTS

**BRUNO'S SUPERMARKET'S, INC.
and
UFCW UNION LOCAL 1657**

1. PREAMBLE:

Change the date in the first paragraph as appropriate.

Change second paragraph to read as follows:

It is the intent and purpose of the Company and the Union to promote and improve labor and management relations. Both parties agree the Union is a positive entity in our workplace.

Together we are committed to facilitating the health of both organizations. Toward that end, the Company agrees to facilitate (to the extent permitted by law) membership sign-up and the Union agrees to promote good customer service.

2. ARTICLE 2 – DISPUTE PROCEDURE: Add to paragraph C:

Arbitrator Crissy Griffin Wright and Arbitrator John Joseph Smith, Jr.

3. ARTICLE 10 – SENIORITY, SECTION 10.3: Change to read:

Affected Department Managers whose store volume requires that they be displaced from their present job will be given notice and then will have six months from the date of notification in 2004 (six months from January 1 of each calendar year if made thereafter) during which time they **shall** be offered equivalent jobs by seniority, if such jobs are available.

4. ARTICLE 14 – MERIT RAISES:

In the last sentence change “three working days” to read, “ten calendar days”.

5. ARTICLE 36 – PRIOR EXPERIENCE:

Change the first sentence to read: New or rehired employees may be given credit for previous comparable grocery or produce experience with a supermarket, or previous comparable (at least six [6] months) experience other than in a supermarket.

In the second sentence, change “three (3) years” to read “five (5) years” for Bruno’s Supermarket’s, Inc. eligible rehires and four (4) years for all other credited experience.

BRUNO'S SUPERMARKETS, INC.
d/b/a
BRUNO'S FOOD & PHARMACY
UNITED FOOD & COMMERCIAL WORKERS UNION
LOCAL 1657, AFL-CIO

<u>ARTICLE</u>		<u>PAGE</u>
	Agreement	1
	Successorship	1
I	Intent and Purpose	1- 2
II	Management Rights	2
III	Discrimination	2
IV	Responsibility Of The Parties	2- 3
V	Coverage	3
VI	Check Off Of Dues	3- 4
VII	Vacations	4- 5
VIII	Hours And Working Conditions	5- 7
IX	Prior Experience Credit	7- 8
X	Holidays	8
XI	Union Security	9
XII	Seniority	9-10
XIII	Probationary Period	10
XIV	Dispute Procedure	10-12
XV	Leave Of Absence	12-13
XVI	Other Agreements	13
XVII	Merit Raises	13
XVIII	Jury Duty	14
XIX	Time Clocks	14
XX	Wages	14-15
XXI	Full-Time Employees, Part-Time Employees	15
XXII	Separability	15
XXIII	Shop Stewards	16
XXIV	Injury On The Job	16
XXV	Bulletin Boards	16
XXVI	Register Shortages	16
XXVII	Wage Statements	16-17
XXVIII	Health And Welfare	17-18
XXIX	Pension Plan	18-19
XXX	Term Of Agreement	20
	Signatures	20
	Wage Schedule A-BR-AL-1	21
	Wage Schedule B-BR-AL-2	22

TERM: September 28, 2003 thru September 25, 2004

AGREEMENT

This Agreement made and entered into effective **September 28, 2003**, by and between **Bruno's Supermarkets, Inc., d/b/a Bruno's Food and Pharmacy**, hereinafter referred to as the Employer, and United Food and Commercial Workers Union, Local 1657, AFL-CIO, chartered by United Food and Commercial Workers International Union, AFL-CIO-CLC, hereinafter referred to as the Union, wherein provisions herein are set forth:

SUCCESSORSHIP

This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, purchasers and assigns, all of whom, after the parties, are referred to in this article as "purchaser". In the event that any or part of the assets of the Employer are sold to a purchaser as a going concern, the Employer shall require the purchaser as a condition of the sale to recognize the Union, and assume all obligations of the Employer under this Collective Bargaining Agreement as of the sale closing date. Twenty (20) days prior to the closing of the sale the Union will be (i) notified of the name of the purchaser, date, time and location of the closing and extended the option to attend in order to receive written notice of recognition, and assumption, (ii) provided with true copies of all documents under which the purchaser will agree to assume this Collective Bargaining Agreement and recognize the Union, and (iii) provided with a memorandum executed by the Employer and the purchaser acknowledging that contemporaneously with, and as part of the closing of the sale, purchaser will recognize the Union, and assume all obligations under this Collective Bargaining Agreement. At the sale closing, and as part of the closing documents, the purchaser shall give written notice of such recognition, and assumptions to the Union, whereupon the Employer shall be released from all obligations arising hereunder after such sale closing date. Thereafter, the purchaser and the Union shall continue to be bound by this Collective Bargaining Agreement until the expiration of its term; provided, however, by mutual agreement the purchaser and the Union shall have the right to reopen this Agreement in all respects effective thirty (30) days after the date written notice is given to the other party, which notice must be given no later than sixty (60) days after the closing date of the sale of assets.

The term "sold" or "sale" includes any type of sale, lease, assignment or any other type of transfer transaction involving the Employer's facilities covered by this Agreement.

The Employer may require the Union to execute a confidentiality agreement as a condition to receipt of such documents.

ARTICLE I- INTENT AND PURPOSE

The Employer and the Union each represents that the purpose and the intent of this Agreement is to promote cooperation and harmony, to recognize mutual interest, to provide a channel through which information and problems may be transmitted from one to the other and to govern the relationship between the Union and the Employer, to promote efficiency and service and to set forth herein the basic agreement. **The Employer will meet with the Union on all grievances**

covering rates of pay, hours of work, and conditions of employment, assure dignity and respect in the work place for all employees.

ARTICLE II - MANAGEMENT RIGHTS

The operation, control and management of the Employer's Alabama stores and all activities of the Employer in connection therewith which are covered or affected by this Agreement and the supervision and direction of the working force are and shall continue to be solely and exclusively the functions and prerogatives of management. All rights, functions and prerogatives of management which are not expressly and specifically restricted or modified by one or more explicit provisions of this Agreement are reserved and retained exclusively by the Employer. In no event shall any right, function or prerogative of management ever be deemed or construed to have been modified, diminished or impaired by any past practice or course of conduct. Specifically, but without in any manner limiting or affecting the generality of the foregoing, it is distinctly understood and agreed that this Agreement does not affect and shall never be deemed or construed to impair or limit in any way the Employer's right in its sole discretion and judgment to: schedule and assign the work to be performed; make, change and enforce rules and regulations; hire or rehire employees; discipline, suspend or discharge employees for just cause; promote, transfer or demote employees; relieve employees from duty because of lack of work or for other legitimate reasons; regulate the quality and quantity of work; establish new shifts or discontinue existing shifts; determine the suppliers, contractors and customers with whom it will deal; determine the size and composition of its working force; change, combine, establish or discontinue jobs or operations; and determine when and if vacancies in the working force exist and whether or not they shall be filled.

ARTICLE III - DISCRIMINATION

The Employer agrees not to discriminate against, interfere with, restrain or coerce any employee in the right to form, organize, join or work for the Union. The Employer and the Union agree not to discriminate against any employee on account of race, creed, color, religion, national origin, sex, age and disability. Where the word "He" appears in this Agreement, the parties agree that it applies to both male and female employees.

ARTICLE IV - RESPONSIBILITY OF THE PARTIES

A. It is the intent and purpose of the parties to this Agreement that should any dispute arise, it will be resolved by the peaceful and amicable means set out in Article XIII of this Agreement, and for that reason during the life of this Agreement, there shall be no strikes, picketing, work stoppages, slowdowns, sitdowns, boycotts, or any other interruptions or interferences with the operations of the Employer, its operations, or its facilities.

B. During the life of the Agreement, the Employer agrees not to conduct any lockout or shutdown. A layoff or reduction of force for lack of work shall not be construed to be a "lockout or shutdown".

ARTICLE V - COVERAGE

The Employer hereby recognizes the Union as the sole and exclusive bargaining agent for all employees classified as a clerk in all present and future retail establishments of Bruno's Food and Drug, Inc. situated within the Jurisdiction of UFCW Union Local 1657 AFL-CIO with respect to rates of pay, hours of work, and all other conditions of employment, excluding the Store Manager, the Assistant Store Manager(s), the Co-Manager, Non-Food Manager(s), Grocery Manager, Market Manager, **Customer Service Manager**, all Pharmacist(s), all Intern(s), all Pharmacy Student(s), Bakery/Deli Manager, Produce Manager, Seafood Manager, Watchmen, Guard(s), and all other Supervisors as defined in the LMRA, as amended.

ARTICLE VI - CHECK OFF OF DUES

The Employer agrees to deduct from my wages, commencing with the next payroll period, an amount equivalent to dues and initiation fees as shall be certified by the Secretary-Treasurer of Local 1657 of United Food and Commercial Workers International Union AFL-CIO-CLC and remit same to said Secretary-Treasurer of the Union.

This authorization and assignment is voluntarily made in consideration for the cost of representation and collective bargaining and other activities undertaken by the Union and is not contingent upon my present or future membership in the Union.

This authorization and assignment shall be irrevocable for a period of one (1) year from the date of execution or until the termination date of the Agreement between the Employer and Local 1657, whichever occurs sooner, and from year to year thereafter, unless not less than thirty (30) days and not more than forty-five (45) days prior to the end of any subsequent yearly period I give the Employer and Union a written certified notice of revocation bearing my signature thereto.

The Secretary-Treasurer of Local 1657 is authorized to deposit this authorization with any Employer under contract with Local 1657 and is further authorized to transfer this authorization to any other Employer under contract with Local 1657 in the event that I should change employment.

In the event no wages are then due the employee or are insufficient to cover the required deduction, the deduction for such week shall nevertheless be made from the first wages of adequate amount next due to the employee and thereupon transmitted to the Union.

The sums so deducted by the Employer shall be remitted on a monthly basis to the Local Union. It is understood that the Employer's responsibility for the performance of this service is strictly limited to the delivery of such dues, initiation fees, and assessments to the Union, and that the Employer incurs no liability as the result of inadvertent failure to deduct sums authorized for

deduction by any employee. The Union will indemnify the Employer for all claims arising out of the Employer's compliance with the check-off provision.

The Employer shall forward each week, a copy of the amount deducted from the pay of each employee to the Secretary-Treasurer.

The Employer agrees that a uniform deduction will be made once each year on the same week of each year from employees who have signed an Active Ballot Club Check-Off card, and this money will be forwarded to the Secretary-Treasurer of UFCW Union Local 1657, at no cost to the Union to make these deductions. A separate check will be issued for these deductions.

ARTICLE VII - VACATIONS

A. Each employee shall receive vacations with pay as follows:

1. One (1) week vacation upon completion of one (1) year of service.
2. Two (2) weeks vacation upon completion of three (3) years of service.
3. Three (3) weeks vacation upon completion of eight (8) years of service.
4. Four (4) weeks vacation upon completion of twenty (20) years of service.

B. Vacations shall be granted from January 1 until December 31, inclusive. The week in which a holiday occurs shall be excluded from the above.

C. Part-time employees shall receive vacation based on the average number of hours worked in the qualifying year. Part-time eligibility shall be the same as full-time.

D. **Eligibility**

1. A full-time employee will be eligible for one (1) week vacation as of their first anniversary of their beginning date of employment.

2. After qualifying for their first one (1) week vacation, a full-time employee who has completed one (1) year of service (but less than three) prior to January 1, is eligible for one (1) week of vacation as of January 1.

3. A full-time employee will become eligible for a second week of vacation as of their third anniversary of employment.

4. After qualifying for their first two (2) weeks vacation, a full-time employee who has completed three (3) years of service prior to January 1, is eligible for a two (2) weeks vacation as of January 1.

5. A full-time employee will become eligible for a third week of vacation as of their eighth anniversary of employment.

6. After qualifying for their first three (3) weeks vacation, a full-time employee who has completed eight (8) years of service prior to January 1, is eligible for a three (3) weeks vacation as of January 1.

7. A full-time employee will become eligible for a fourth week of vacation as of their twentieth anniversary of employment.

8. After qualifying for their first four (4) weeks vacation, a full-time employee who has completed twenty (20) years of service prior to January 1, is eligible for a four (4) weeks vacation as of January 1.

9. Vacations will be figured on the average hours worked in a vacation qualifying year up to forty (40) hours per week. Employees who average at least thirty-six (36) hours will receive a forty (40) hour check.

10. Any employee discharged for proven or confessed dishonesty shall forfeit all rights to vacation pay.

E. Such vacation pay shall be paid to the employee prior to the start of his vacation, if requested, and when any holiday named in Article IX of this Agreement falls within the employee's vacation, an additional day off with pay shall be added to the employee's vacation, or pay given in lieu thereof, as if the employee had worked on such holiday.

ARTICLE VIII - HOURS AND WORKING CONDITIONS

A. The basic workweek for full-time employees shall be forty (40) hours, to be worked within five (5) days or less, but nothing contained herein is a guarantee of hours to any employee.

B. All work in excess of forty (40) hours per week or ten (10) hours per day shall be paid for at time and one-half (1-1/2).

C. Employees shall be paid for all time worked.

D. Part-time employees shall not be scheduled for less than fifteen (15) hours per week.

E-1. No employee shall be scheduled or called in to work less than four (4) hours per day, except by agreement between the employee involved and the Store Manager.

E-2. Employees 15 years of age shall not be scheduled for more than three (3) hours per day or past 7:00 p.m. when school is in session. On Saturday and Sunday they can work four (4) hours or more.

F. Employees shall be allowed one (1) hour without pay for lunch when scheduled more than five (5) hours in one (1) day. No employee shall be required to work more than five (5) hours without a meal period, except for the night stock crew.

G. Employees working four (4) hours per day up to seven (7) hours per day shall receive one (1) fifteen (15) minute rest period each day. Employees working seven (7) hours or more per day shall receive two (2) fifteen (15) minute rest periods per day.

H. Rest periods shall be scheduled in accordance with the needs of the business.

I. The Company will not schedule breaks during the first or last hour of the employee's work period.

J. Full-time employees will be scheduled to work forty (40) hours per week.

K. The Union card shall be displayed in the store.

L. Any uniform deemed necessary by the Employer for its employees shall be furnished and laundered by the Employer. (This does not apply to dress shirts and ties or blouses, etc. that the Company requires an employee to wear.) However, where Dacron or similar type uniforms (smocks, shirt jackets, etc.) are furnished by the Employer to employees, such uniforms shall be laundered by the employee.

M. No later than Friday noon preceding each work week, the Employer will arrange and post on a suitable bulletin board in the store a schedule of the employees' working hours for the following work week. Such schedules shall list all employees by name, with their starting and finishing times and days off.

N. Schedule changes shall not be made for any reason other than to meet the reasonable needs of the store and for emergencies.

O. No employee will be required to work a split shift.

P. Any employee whose work shift commences between the hours of 10:00 p.m. and 2:00 a.m. shall be paid a premium of forty cents (\$.40) per hour for all of the hours of his shift.

Q. If a full-time employee is scheduled to work on Sunday, then during the same work week they shall receive two (2) consecutive days off (i.e., employee works on Sunday, will be off Monday and Tuesday or Tuesday and Wednesday, etc.).

R. Each store will have a suitable rest area or lounge for its employees located within the store.

S. An employee who has completed the probationary period may request a permanent transfer. The request must be in writing to the Company's Director of Human Resources with a copy to the Union. Requests will be reviewed consistent with the needs of the business and remain active for consideration for six (6) months after the date of request.

T. The Company maintains the right to transfer an employee within county lines, unless the transfer creates an undue hardship for the transferred employee. In such cases of undue hardship the Company and the Union agree to meet and discuss the transfer. Two

weeks notice will be given to employees transferred involuntarily. An employee may be transferred outside county lines provided the distance of the transfer does not exceed forty (40) miles from the employee's current store. In cases of transfer outside county lines seniority will be considered but is not the governing factor. Furthermore, an employee shall not be transferred outside county lines more than once every twelve (12) months unless by mutual agreement.

ARTICLE IX – PRIOR EXPERIENCE CREDIT

New or rehired employees may be given credit for proven previous comparable grocery or produce experience with a nationally recognized supermarket chain, or proven previous comparable (at least six [6] months) experience in retail industry. The experience must be within the last three (3) years immediately prior to the date of hire or rehire. To qualify for the experience credit, the previous experience must be documented on the application. Evidence and the appropriate documentation of previous experience will be made accessible to the Union upon request. Where the experience credit is granted, the new employee will be placed on the appropriate published contract rate of pay, and will be based on his/her experience length of service, progress from that point based on the wage progression in the wage schedule.

Claims for adjustment can be made when an employee becomes aware they have not been correctly placed on the wage schedule given their level of experience. In any event, the claim must be made no later than one hundred twenty (120) days following the adjustment giving rise to the claim.

When individuals are hired or rehired who have prior experience as covered above, a minimum of ninety-five percent (95%) of those individuals will be hired within the provisions of the prior experience credit language.

Review Procedure

1. The Company will review, on a monthly basis, the new hires and rehires in Bruno's-Alabama.
2. The Company will record the total number of hires and rehires in that period.
3. The Company will then review the number of employees hired above the full-time or part-time start rate.
4. All employees who were not hired in accordance with the contract language on Prior Experience will have their rate adjusted, either up or down to the appropriate rate and retro will be paid to those underpaid.
5. This information will be made available to the Union for review.

The parties agree that this Article is subject to reopening at the request of either party at the end of any twelve (12) month period during the term of this Agreement. Upon such request being made, the parties agree:

1. To bargain in good faith in an effort to reach agreement on a new provision concerning the subject of this Article; or,
2. If the parties are unable to reach agreement on a new provision the parties will submit the issue to a neutral arbitrator. The arbitrator will have the authority to only decide (i), whether this Article shall be continued for an additional twelve (12) months, or (ii) if the arbitrator finds that the Company acted arbitrarily, capriciously, or discriminatorily in the application of the prior experience credit, the parties will revert to the requirements of Article 8-S & T and Article XIX of the 1994-1998 Collective Bargaining Agreement.

Nothing herein will prevent the filing of grievances at any time during the term of this Agreement.

ARTICLE X - HOLIDAYS

A. All full-time employees who have been on the active payroll for more than ninety (90) days shall receive eight (8) hours pay for the following holidays: New Year's Day, July 4th, Labor Day, Thanksgiving Day, and Christmas Day. All part-time employees who have been on the active payroll for thirteen (13) weeks or more shall receive four (4) hours pay for the holidays referred to above.

B. Add two (2) additional holidays as follows:

1. Effective 01/01/2000 full-time employees who have completed two (2) years of service from their date of hire, or last date of rehire, will be granted one (1) personal holiday of eight (8) hours per year.
2. Effective 01/01/2002 full-time employees who have completed four (4) years of service from their date of hire, or last date of rehire, will be granted one (1) personal holiday of eight (8) hours per year (maximum of [2] per year).

C. Employees who are scheduled to work on a holiday and who fail to report and perform such work shall not receive holiday pay.

D. Employees who work on the holidays above shall receive holiday pay plus compensation at their regular hourly rate for hours worked.

E. To be eligible for holiday pay an employee must work his last scheduled day preceding the holiday and his first scheduled day following the holiday, unless the employee is legitimately ill, injured, or excused by the Store Manager. Regardless of any provision in the preceding sentence, to be eligible for holiday pay an employee must be on the active payroll and performing work for the Employer during either the week before or the week of the holiday.

ARTICLE XI - UNION SECURITY

A. The Union Security proviso specified in the paragraph below is acknowledged by the Union and the Employer as presently inoperative because it is contrary to the statutes of the State of Alabama, enacted pursuant to Section 14(B) of the LMRA of 1947. However, should any Federal or State legislation hereafter legalize the operation of said Union Security proviso, or any other form of Union Security, the Employer and the Union agree that said proviso, or other form of Union Security in the maximum extent permitted by law shall be put into full force and effect as a part of this Agreement beginning upon the earliest date permitted by such enabling legislation.

B. It shall be a condition of employment that all employees covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing and those who are not members on the effective date of this Agreement shall, on the thirtieth (30th) day following the effective date of this Agreement, and hired on or after its effective date shall, on the thirtieth (30th) day following the beginning of such employment become and remain members in good standing in the Union. For the purpose of this paragraph only, the effective date of this Agreement as referred to above shall be determined in accordance with the provisions of the paragraph above.

ARTICLE XII - SENIORITY

A. Seniority is defined as length of continuous service, and applies Store, City, County, then Company wide.

1. Seniority shall be separate among full-time and part-time employees and shall be defined as the length of continuous employment with the Employer. Seniority for layoffs shall be administered in accordance with "B" of this Article.

B. In cases of layoff and recall involving employees whose past performance record and ability to perform the work without the necessity of training are relatively equal, seniority shall govern. The Employer agrees to use good faith in their judgment.

C. Employees being laid off shall not be permitted to roll to a promotable job but will be allowed to roll to a lesser job.

D. All laid off employees shall keep the Employer advised of their current address.

E. Seniority shall be broken upon the happening of any of the following events:

- (1) Employee(s) discharged;
- (2) Employee(s) not returning to work within five (5) working days after written notice of recall by certified mail;
- (3) Employee(s) leaving voluntarily (quit);

- (4) Employee(s) who absent themselves for two (2) days without notifying the Employer;
- (5) Employee(s) having been out of the Employer's employment due to reduction of the force for a continuous period of six (6) months.
- (6) Absence from work for any reason for a period of twelve (12) months.

F. Agreed upon seniority lists shall be established and maintained, and such lists shall be mailed to the Union semi-annually (January & July).

G. An employee promoted to a management position outside the bargaining unit can be returned to the bargaining unit without loss of accrued bargaining unit seniority rights for up to ninety (90) calendar days. Any request to return to the bargaining unit must be in writing.

H. An employee promoted to a management position outside the bargaining unit who remains outside of the bargaining unit for over ninety (90) calendar days may be returned to the bargaining unit at the discretion of the Employer, but will be granted seniority only for the actual time worked under the bargaining unit agreement prior to the promotion and will not accrue seniority for any time worked in the management position.

ARTICLE XIII - PROBATIONARY PERIOD

The first ninety (90) days of any new employees' tenure shall be considered as probationary. Employees may be terminated during such period for any reason other than for upholding Union principles or engaging in activities of the Union. Probationary employees shall have no seniority rights, but upon successful completion of said probationary period, seniority rights shall date back to the initial date of employment or last date of rehire, whichever is later. Newly hired employees shall not be qualified for holiday pay or other benefits whatsoever during the first ninety (90) days of employment.

ARTICLE XIV - DISPUTE PROCEDURE

A. A grievance is defined to be any disagreement between the Employer and the Union as to the interpretation or application of any provision of this Agreement. The Union reserves the right to present grievances through its authorized representatives on either an individual or collective basis.

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

STEP 1: Grievances must be taken up promptly, and no grievance shall be discussed unless the outlined procedure has been followed. Grievances must be presented or discussed at a conference between the aggrieved employee, the Shop Steward and/or

Union Representative, and the Store Manager within seven (7) days after the grievance has occurred, or the grievance will not be considered. If the grievance is not settled within three (3) days, it shall be reduced to writing and a copy of the grievance shall be given to the Store Manager and then it shall be processed in Step 2.

STEP 2: By conference between an official of the Union, and the District Manager of the Employer. If the grievance is not settled within five (5) days, it may be referred to the next Step.

STEP 3: By conference between an official or officials of the Union, and a representative of the Employer. If the grievance is not settled within five (5) days, it may be referred to the next Step.

STEP 4: In the event that the last Step fails to satisfactorily settle the grievance, and if the Union desires to arbitrate the issue, the Union shall give the Employer written notice of its decision to arbitrate said grievance. The parties shall make an earnest effort to agree on an arbitrator to hear said grievance and if they cannot agree on such arbitrator, a list of seven names of arbitrators will be requested from the Federal Mediation and Conciliation Service. Each party shall strike three (3) names from such list, and the person whose name remains on said list shall be the arbitrator. The cost of the arbitration shall be shared equally by the Employer and the Union.

C. The Company and the Union agree to refer all discharge and suspension grievances to the Expedited Arbitration Process. In cases of potential governmental filings (e.g. NLRB charges and EEOC charges), such cases will only be referred to the Expedited Process by mutual agreement between the Company and the Union.

- 1. All disputes referred to this process will be settled by the Parties or heard by an Arbiter within forty-five (45) days of first knowledge or receipt of the grievance. In such cases, a Union Representative or the Secretary-Treasurer and a Human Resources Director or a District Manager will present the facts of the case before the agreed to Arbiter.**
- 2. No briefs will be submitted but rather final arguments will be presented orally by the respective parties at the conclusion of the arbitration.**
- 3. The Arbiter will render a written decision and provide a copy to both the Union and the Company within five (5) days of the arbitration.**

D. No action by any employee may be maintained on this contract except by use of the above arbitration procedure with the right to enforce the arbitrator's decision in court.

E. Only grievances involving the same issue may be heard by the arbitrator at one time without the agreement of both the Employer and the Union.

F. The arbitrator shall not have the right to change any portion of this Agreement.

G. In the event the Union and the Employer disagree on the interpretation and/or application of a decision, then both parties shall request clarification from the arbitrator and such clarification shall become a part of the decision and shall be binding on the Union, the Employer, and the employee.

H. The Union shall have the right to determine if an employee's grievance is qualified to be submitted to arbitration by the Union, and such determination shall be binding on the employee and the Union.

I. The Employer shall have the right to call a conference with the Shop Steward or official of the Union for the purpose of discussing his grievance or criticism.

J. The Store Manager will grant access to the store and all work areas therein to an authorized Union Representative at any time that employees are working on the premises for the purpose of satisfying himself that the terms of this Agreement are being complied with.

K. It is agreed that Step 1, 2, and 3 of this Article may be waived if mutually agreed to by the Employer and the Union in writing.

ARTICLE XV - LEAVE OF ABSENCE

The Employer will grant leaves of absence to employees for the following reasons:

A. Injury and Illness

An employee shall be granted a leave of absence to begin at a time that the employee's physician determines such employee should no longer work. The leave will expire at such time as the employee's physician determines such employee may safely return to work.

Leaves under A above must be supported by medical evidence and shall be only for the duration of such illness or injury, but in no event for more than one (1) year, unless extended by the Employer.

Leaves under A above must be requested in writing.

B. Personal reasons acceptable to the Employer.

Leaves under B shall be granted for not more than thirty (30) days, unless extended by the Employer.

C. Any employee in the service under the provisions of Federal Law shall be returned to their job in accordance with such laws.

D. Union Business: The Employer shall grant the necessary time off without discrimination or loss of seniority rights and without pay to any employee designated by the Union: (1) to attend a Labor Convention or (2) serve in any capacity or (3) other official Union business

on behalf of the Local Union or International Union, provided the Employer is given at least one (1) week's notice in writing specifying the length of time off, but in no case shall the length of time off exceed one (1) year, nor more than one (1) per store, **nor more than two (2) per format.**

E. Funeral Leave: In case of a death in the immediate family of an employee, the employee shall be paid for a reasonable period of absence, depending upon the circumstances, but in no event to exceed three (3) days, provided he/she attended the funeral. In no case will he/she receive more than their normal week's pay. "Immediate Family" shall mean Spouse, Parent, Mother-in-law, Father-in-law, Child, Brother, Sister, Grandparents, Grandchildren, or any relative residing with the employee.

F. Time spent on leave of absence will not be counted as time worked for the purpose of wage computation, but will not result in loss of seniority. However, time loss due to injury on the job shall be considered time worked in wage computation. Failure to report back to work at the end of a leave of absence shall result in the employee being considered a voluntary quit. Any employee accepting employment elsewhere while on a leave of absence shall be considered a voluntary quit except in case such employee works for the Union. The first sentence of this paragraph shall not apply to "D" of this Article.

G. Upon return to work from a leave of absence, the employee shall be restored to the job previously held or a job comparable with regard to work and rate of pay.

H. Family Medical Leave Act: A leave of absence of up to twelve (12) weeks (unpaid) shall be granted to an employee who has had one (1) year of continuous service and who has worked at least 1250 hours in twelve (12) months prior to the request, pursuant to the basic provisions of the Family and Medical Leave Act. Any such employee desiring a leave of absence may be required to provide advance leave notice and medical certification prior to the leave of absence being granted, subject to the provisions of the Act. The length of the absence shall be commensurate with the need.

ARTICLE XVI - OTHER AGREEMENTS

The Employer agrees not to enter into any agreement or contract with its employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

ARTICLE XVII - MERIT RAISES

It is agreed and understood that no merit raise will be given without first receiving permission from the Union in writing if the raise is greater than one dollar (\$1.00) per hour. A merit raise may be given to an employee no more than one time in any six (6) month period. The Company will state the reasons for a proposed merit increase in writing to the Union at the time of making a proposal. The Company will not propose an increase for reasons based upon personal favoritism or other non-job related reasons. The Union will grant permission for merit increases as long as the Company has provided a reasonable basis for the increase. The Company will provide the written reasons to the Union by facsimile and the Union will have three (3) work days from the date of confirmed transmission to respond to the Company.

ARTICLE XVIII - JURY DUTY

A. In case any employee is called for jury duty, such employee shall be paid for hours necessarily absent from work, less jury duty pay. Such pay shall not exceed the pay for such employee's normal work week.

B. When an employee is excused from jury service, either temporarily or permanently on any scheduled work day, the employee shall promptly report to complete any remaining hours of his scheduled work day.

C. No employee reporting for jury duty shall be required to report to work on such day, provided they serve more than three (3) hours.

ARTICLE XIX - TIME CLOCKS

Time clocks will be installed in all stores covered by this Agreement. The Employer and the Union agree that a proven violation of established time clock rules, including working before punching in or after punching out, may subject such an employee, including management, to disciplinary action up to and including discharge.

Upon request from a Union Official (excluding Shop Stewards), the Store Manager will make every attempt to supply the Official with a copy of the current time records for the employee that are available from the store Labor Management System. The purpose of this request is to insure that the bargaining unit employee is being paid in accordance with the collective bargaining agreement and all applicable Federal Wage and Hour laws. **Information requested on an individual employee will be provided within 24 hours; on multiple employees within 45 days.**

ARTICLE XX - WAGES

A. Wage rates for specified job classifications shall be as set forth in Schedule "A" & "B" attached hereto as a part of this Agreement, and shall be maintained for the life of the Agreement.

B. **The Union has granted separate and apart from the above paragraph that, the Company may hire, on a store-by-store basis, at any rate as specified in the progression schedule or at rates above the progression schedule, and such rate will be the minimum for all classifications for that store, as long as the store retains that rate. When a store raises its hiring rate, all incumbent employees below the new hiring rate in any classification will move immediately to the new hiring rate and thereafter progress to the next rate upon completion of the applicable time period required to move to the next rate. When a store reduces its hiring rate back to the contract rate for new hires, no incumbent employees' rate will be reduced. The Union will be notified prior to the Company increasing the new hire rate and provided an opportunity to discuss such change prior to implementation. The Union will also be notified prior to the Company returning the new hire rate to the one specified in the progression schedule.**

C. When an employee is assigned to a job with a lower rate of pay than his current rate of pay, the employee will remain on that rate until the contract rate for his new job classification, whether part-time or full-time, reaches or exceeds his current rate, then progress according to the proper wage scale.

D. When administering the length of service increases that come due based on an employee's anniversary date (annually, six months, etc.), the following procedure will be used. When that specific calendar date falls on a Sunday, Monday, Tuesday, or Wednesday, we would implement that increase effective with the Sunday date. Should that date of increase fall on a Thursday, Friday, or Saturday, we would then implement that increase on the following Sunday date.

ARTICLE XXI - FULL-TIME EMPLOYEES, PART-TIME EMPLOYEES

A. A full-time employee is an employee hired by the Employer to work the basic work week for full-time employees as defined in Article VIII of this Agreement.

B. A part-time employee is an employee hired by the Employer to work less than the basic work week for a full-time employee; however, part-time employees who average working thirty-two (32) hours or more per week for a **continuous period of fifteen (15) weeks** shall be reclassified to full-time status. For the purpose of this clause, hours worked where someone is stepped up in hours to cover vacation relief, sick leave replacement, or other such temporary situations will not be counted in the **fifteen (15) week** average. During the months of May through October, it will not apply to students.

C. Part-time employees will be given preference for full-time jobs which they can perform without training and for which they are available before new employees are hired.

D. Nothing in this Article shall affect the definition of full-time and part-time employees as it relates to qualifications for benefits under Articles XXVIII and XXIX.

ARTICLE XXII - SEPARABILITY

Any provision of this Agreement which may be or has been adjudged by a court of last resort to be in conflict with any Federal or State law shall become inoperative to the extent and duration of such conflict. Since it is not the intent of either party hereto to violate such law, it is agreed that in the event of a conflict between any provision of this Agreement and such Federal Law, the remainder of the Agreement shall remain in full force and effect. The Employer and the Union agree that substitute provisions shall be written within thirty (30) days to replace those provisions coming into conflict with the laws herein described.

ARTICLE XXIII - SHOP STEWARDS

A. The Union shall have the right to designate a maximum of two (2) Shop Stewards in each store covered by this Agreement. The Union shall furnish the Employer with a complete list of stewards, which will be supplemented from time to time.

B. The stewards, or other individual employees covered hereby, shall not be considered agents of the Union for the purpose of calling strikes, or causing shutdowns or in any way interfering with the normal operations of these stores. The Shop Stewards shall perform their duties with the least inconvenience to the Employer as possible. The Shop Stewards shall not use their position as Shop Steward as an excuse to avoid performing their duties to the Employer.

C. In the interest of promoting cooperative relations, the Store Manager will introduce each new employee in their store to the Union Shop Steward within one (1) week after the new employee reports to work. At this meeting, which shall be during work hours, the Shop Steward shall give the new employee a copy of the contract and shall explain its operation. The Shop Steward may answer any questions the new employee asks, may request the new employee to join the Union, and make arrangements for the new employee to become a member.

ARTICLE XXIV - INJURY ON THE JOB

When an employee is injured on the job, there shall be no deduction from the employee's pay for the day in which the employee was injured and reported for medical care. When such employee returns to work following the injury, and is certified as ready and able to perform all regular duties, but requires medical treatment as a result of the same injury, the Employer shall adjust the work schedule without penalty to the employee, to provide both the time for medical care and the number of hours of work for which the employee is regularly scheduled.

ARTICLE XXV - BULLETIN BOARDS

The Employer will provide a separate bulletin board in each store. The Union may post notices necessary for conducting Union business with prior approval of the Employer. **A Union Store Card and Emblem shall be maintained on this bulletin board.**

ARTICLE XXVI - REGISTER SHORTAGES

No employee shall be held responsible for pan shortages unless adequate procedures have been established by the Employer and approved by the Union.

ARTICLE XXVII - WAGE STATEMENTS

The Employer shall establish regular weekly pay days and furnish to each employee on such pay days, a wage statement showing the period of time covered, name of the employee, straight time and overtime hours worked, total amount of wages paid, and itemized deductions made therefrom. A similar statement will be given to the employee on termination of employment.

ARTICLE XXVIII - HEALTH AND WELFARE

A. The Employer hereby agrees to contribute to the UNITED FOOD AND COMMERCIAL WORKERS UNION AND EMPLOYERS HEALTH & WELFARE FUND, the sum of **Three Hundred Sixty-seven and no/100 dollars (\$367.00)** per month on behalf of each **eligible full-time** employee who has completed ninety (90) calendar days of employment and works an **average of thirty-two (32) hours or more per week for the eight (8) weeks immediately preceding the first day of any month.**

B. **All employees hired after November 4, 2003, upon meeting the appropriate eligibility period, will participate in Plan "E".**

C. The Employer also agrees to contribute **Forty-four and no/100 dollars (\$44.00)** per month on behalf of each employee **hired after November 4, 2003** who has completed **six (6) continuous months of service** and who works an average of less than **thirty-two (32) hours per week .**

D. The Employer agrees to pay whatever the required contributions referred to in Sections A and B as needed to maintain current level of benefits (M.O.B.) now in effect, or benefits that may be **changed** by the Board of Trustees during the term of this Agreement.

E. In determining whether a full-time or part-time contribution shall be paid, the employee's eight consecutive calendar weeks immediately preceding the first day of the calendar month will be used for the calculation.

F. Holidays, vacations, and all leaves of absence paid by the Employer shall be considered time worked for the purpose of computing average hours worked.

G. Contributions to the Trust Fund shall be continued on behalf of employees who are temporarily disabled up to a maximum period of six (6) months.

For all other leaves under the Family and Medical Leave Act, the Employer agrees to pay the contributions to the Trust Fund for eligible employees on an approved Family and Medical Leave of Absence, not to exceed twelve (12) weeks pursuant to the provisions of the Family and Medical Leave Act.

H. The Employer shall immediately make contributions on behalf of employees who return to work from layoff or leave of absence due to personal disability.

I. Employees shall become eligible for benefits in accordance with the "Rules of Eligibility" adopted by the Trustees or as may be amended from time to time by the Trustees.

J. The Employer shall contribute for each eligible employee, **effective January 1, 2004**, whether full-time or part-time, **Five and no/100 Dollars (\$5.00) per month** to the United Food and Commercial Workers Unions and Employers Legal Assistance Fund as provided in the Trust Agreement.

K. Employees covered by this Agreement who are currently eligible for Health and Welfare coverage under Plan A/C will continue to be covered by that Plan as long as they maintain the required hours for eligibility. If they fail to maintain the required hours for a full-time contribution but maintain the twelve (12) hour minimum, the Company will make a part-time contribution to Plan "A". If they qualify for a full-time contribution, they go back into "A/C".

L. **Bruno's Supermarkets will make contributions to the Atlanta Health and Welfare Fund toward the deficit in Fund Reserves proportionate to the Company's Plan participants and on the same basis as the major employer. "Side letter signed between the Company and Union still applicable."**

ARTICLE XXIX - PENSION PLAN

A. The Employer agrees to contribute to a jointly administered Trust Fund to be known as the UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND EMPLOYERS PENSION FUND, **the sum of forty-five cents (\$.45) per hour, effective February 1, 2004**, for all hours paid, up to and including forty (40) hours a week, for all employees in the bargaining unit herein described. Contributions for all employees hired after October 27, 1985 will begin on the beginning of the next month after their first anniversary date of employment. Hours paid shall include paid hours of vacation, holiday, and other hours of leave paid for by the Employer. Such contribution shall be made on or before the twentieth (20th) of each month for the preceding calendar month.

Additionally, the Employer agrees that they shall be bound by all decisions and policies made by the Board of Trustees of the UFCW Unions and Employers Pension Fund, as it relates to employer contributions, benefit design and actuarial methods and assumptions. If the Board of Trustees establishes a new contribution rate at any time during the duration of this Collective Bargaining Agreement, the bargaining parties shall contribute that new rate effective in the contribution month subsequent to the Board of Trustee's notification.

B. The Trust Agreement and Pension Plan established pursuant to this Agreement shall receive and maintain Treasury Department approval and qualify for the tax exemption provided for by the Internal Revenue Code of 1954 as amended, and the regulations and rulings thereunder.

C. The Employer shall begin to make contributions to the Trust Fund on September 1, 1986. In the event that Treasury Department approval has not been received, or contributions to the Trust Fund are not deductible expenses under the Internal Revenue Code of 1954, as amended, or the Trust is not in operation by September 1, 1986 for any reason, or if for any reason the Fund cannot begin to receive contributions by September 1, 1986, then all of the contributions which the Employer is required to make to the Fund shall be paid into a separate, interest-bearing bank account until such time as the Trust Fund can receive such contributions and interest. Upon payment of monthly contributions the Employer shall report to the Union and the Trust Fund all hours worked by all employees for which contributions were required during the preceding month.

D. On the date the Employer is obligated to make contributions into the Pension Fund or into the interest-bearing bank account provided for above, the employees covered by this Agreement upon such date shall automatically cease to participate in the Employer's Pension Plan (if any) then in effect. The Union as the bargaining agent for the employees covered by this Agreement agrees on behalf of each of the said employees who are participants in the Employer's Pension Plan that each of said employees in consideration of the Agreement by the Employer to contribute to the UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND EMPLOYERS PENSION FUND enabling said employees to participate herein shall then withdraw from and surrender, release, and relinquish whatever rights, privileges, and benefits he has, if any, in the Employer's Pension Plan effective with the date the Employer is obligated to make payments into the UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND EMPLOYERS PENSION FUND.

E. The Employer agrees that any retail Employer who executes or has executed a collective bargaining agreement with this Union or with other Local Unions within the geographical jurisdiction of the UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, which provides for contributions to a Pension Fund, shall be entitled to become a signatory to the Trust Agreement mentioned above by agreeing to the terms of the Trust Agreement and is accepted for participation in the Fund by Trustees in accordance with the provisions of the Trust Agreement.

ARTICLE XXX - TERM OF AGREEMENT

A. This Agreement shall continue in effect from **September 28, 2003 through September 25, 2004** and shall automatically be renewed from year to year thereafter unless either party serves notice in writing to the other party sixty (60) days prior to the expiration date or prior to any anniversary thereafter of a desire for termination of or for changes in the Agreement.


IN WITNESS WHEREOF, the said parties have caused duplicate copies to be executed by their duly authorized officers this _____ day of _____, 2004.


**UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 1657,
AFL-CIO**


**BRUNO'S SUPERMARKETS, INC.
d/b/a Bruno's Food & Pharmacy, Inc.**


For The Union

For The Employer


George L. Seidenfaden, Sr.
President & Chief Executive Officer,
International Vice President


Robert L. Baker
Vice President – Labor Relations


Elaise L. Fox
Secretary-Treasurer


David Shoemaker
Senior Vice President - Operations

Bruno's Food & Pharmacy of Alabama

Wage Rate Progressions

Schedule "A"

<u>Part-Time</u>	<u>Current</u>	<u>09/28/03</u>
Start	\$5.40	\$5.55
6 Months	\$5.45	\$5.65
12 Months	\$5.65	\$5.80
18 Months	\$5.95	\$6.10
24 Months	\$6.45	\$6.70
30 Months	\$7.55	\$7.75
Employees Above Top Rate		+ .20

Part-time employees who go to full-time status shall go the next higher rate on the full-time wage scale and progress each six (6) months thereafter.

Part-time employees in the part-time wage progression will not move to the full-time wage progression until they are promoted to full-time employment status.

<u>Full-Time</u>	<u>Current</u>	<u>09/28/03</u>
Start	\$5.50	\$5.65
6 Months	\$5.55	\$5.75
12 Months	\$5.65	\$5.85
18 Months	\$5.95	\$6.05
24 Months	\$6.25	\$6.50
30 Months	\$6.65	\$6.90
36 Months	\$7.25	\$7.50
42 Months	\$7.50	\$7.75
48 Months	\$8.00	\$8.25
54 Months	\$8.70	\$9.00
60 Months	\$10.20	\$10.40
Employees Above Top Rate		+ .20

Bruno's Food & Pharmacy of Alabama

Apprentice Meat Cutter

Schedule "B"

<u>Part-Time/Full-Time</u>	<u>Current</u>	<u>09/28/03</u>
Start	\$5.50	\$5.50
6 Months	\$5.75	\$5.75
12 Months	\$6.25	\$6.25
18 Months	\$6.75	\$6.75
24 Months	\$7.25	\$7.25
30 Months	\$10.20	\$10.40
Employees Above Top Rate		+.20

Clerks who work in the meat market area will progress on the Clerk Wage Schedule.

Meat Cutters and Apprentices must pass a "cutting test" or hold the 24-month rate for a maximum of three (3) additional months.