

# **CONTRACT**

**Between**

**HAC, INC.**

**And**

**UNITED FOOD AND COMMERCIAL  
WORKERS INTERNATIONAL UNION  
NO. 1000**

**HAC, INC. and UFCW Local 1000 have met and reached an agreement for a  
new collective bargaining agreement whose terms shall be effective  
August 1<sup>st</sup>, 2016 through January 31<sup>st</sup>, 2020.**

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## **AGREEMENT**

This Agreement is entered into by and between HAC, Inc. (hereinafter the Company), and the United Food and Commercial Workers International Union, Local Union No. 1000, (hereinafter collectively referred to as the "Union").

This Agreement constitutes the sole and entire agreement between the parties and can be amended only by written agreement. The parties disclaim any agreements, grievances, settlements and arbitration awards between HAC, Inc. (a/k/a Homeland) and the Union and any practices of Homeland. The parties agree that the Company is not assuming any obligations or liabilities of Homeland including, but not limited to, those which arise from Homeland's labor or trust agreements with the Unions or any pending grievances or arbitrations arising out of such agreements.

### **PREAMBLE INTENT AND PURPOSE**

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

### **ARTICLE 1. RECOGNITION AND JURISDICTION**

Section 1. The Employer recognizes UFCW Local No. 1000 as the exclusive bargaining agent for all regular full-time and part-time meat, bakery, deli, produce, grocery, pharmacy clerks and front-end department employees and clerk employees engaged in the selling of merchandise or performing services incidental thereto, excluding supervisors (including but not limited to managers and assistant managers), guards, office clericals, confidential and professional employees (including but not limited to pharmacists), in all of the Employer's retail stores located in the jurisdiction of the Locals in the States of Oklahoma and Texas. This recognition provision shall not apply to any employees working in jobs encompassed by a bargaining unit that is represented by any other labor organization.

Section 2. In the event that the Employer acquires or opens any other retail stores within the jurisdiction of any UFCW local union during the term of this agreement, then the Employer shall recognize the UFCW local union within whose jurisdiction the store is located under the terms of a Process Agreement to be entered into between the Employer and UFCW International Union and which shall bind the Employer, the UFCW International Union and its affiliates; and the Employer shall apply the terms of this collective bargaining agreement to the employees in those stores, provided, that the Employer may, upon written notice to the Union within thirty (30) days of the recognition and application of the collective bargaining agreement to a new facility pursuant to the terms of this section, reopen and negotiate an acquisition agreement to cover the newly acquired/new stores.

Section 3. The Employer and UFCW Local No. 1000 agree that any and all UFCW local unions who represent employees of the Employer on the termination date of this agreement shall, upon such other UFCW local union's request, be added as parties to any successor collective bargaining agreement hereto.

## **ARTICLE 2. UNION SECURITY**

Section 1. All present employees who are members of the Local Union on the effective date of this subsection or on the date of execution of this Agreement, whichever is later, shall remain members of the Local Union in good standing as a condition of employment. All present employees who are not members of the Local Union and all employees who are hired hereafter shall become and remain members in good standing of the Local Union as a condition of employment on and after the 31st day following the beginning of their employment or on and after the 31st day following the date of the execution of this subsection whichever is the later. This provision shall be made and become effective as of such time as it may be made and become effective under the provisions of the National Labor Relations Act, as amended, but not retroactively.

Section 2. No provision of this Article shall apply in any State to the extent that it may be prohibited by State Law. If under applicable State Law, additional requirements must be met before any such provisions may become effective, such additional requirements shall first be met.

## **ARTICLE 3. DUES DEDUCTION FOR UNION MEMBERS**

Section 1 The Company agrees to a check off of Unions Membership dues consisting of bi-weekly dues, initiation fees and uniform assessments. The Employer shall deduct dues and initiation fees as authorized and shall deduct Unions dues of employees who are members of the Unions and who individually and voluntarily certify in writing authorization for such deductions. The Employer shall promptly remit all sums deducted in this manner to Unions. Dues and initiation fees will be deducted and remitted to the Unions on a bi-weekly basis.

ABC deductions and remittance will be handled on a bi-weekly basis in the same Manner as outlined above.

Section 2 This paragraph will confirm our understanding that Unions

1. Shall certify to the Company electronically each month a list of its members working for the Company.
2. Will obtain and retain a valid dues check-off authorization form for each individual for who initiation and/or weekly dues are deducted. The certification referenced in Section 2, paragraph 1 shall indicate that the Unions have a valid authorization from each employee on the list. In the event of a dispute concerning an employee's authorization, the Unions will promptly provide the Company with a copy of the authorization.
3. Will be responsible for setting up and maintaining all information concerning initiation fees and/or bi-weekly dues deductions.
4. Will be responsible for making any changes in initiation fees and/or bi-weekly dues deductions.
5. Will be responsible for discontinuing deductions in and when a deduction authorization is revoked and notifying the Company.
6. Will refund any deductions improperly made.

The Union understands and accepts the above and agrees to hold HAC, Inc. harmless.

Section 3 The Company shall deduct and remit to the Union in one (1) lump sum the amount so certified in respect to each such member commencing with the first paycheck of such member following the receipt of such certification of statement and within seven (7) days following such deduction, remit the same to the Union. Check-off procedure and timing may be worked out locally.

#### **ARTICLE 4. STORE CARD, UNION REPRESENTATIVE AND SHOP STEWARD**

Section 1. The Union agrees to furnish the Company at least one (1) Union Store Card for each of the Company's stores. Such cards shall remain the property of and shall be surrendered to the UFCW upon demand.

Section 2. The Union Representative or any other authorized representative of the Union shall have the right to visit any store at any reasonable time to interview the employees or store manager, while on duty. Such visits shall not interfere with or retard the duties of the employees being interviewed. If the Company reinstates central hiring and group orientation is conducted, a Union representative will be allowed to visit with the employees at a mutually agreed upon time in the orientation.

Section 3. HAC Inc. (and its Managers) and the Unions (and its agents) in stores covered by this Agreement, agree to treat each other with mutual business respect. When the agents of Unions are in the store they will respect the Company's need to service customers, and the Company will respect the needs of the agents to service their members. Neither party will engage in negative discussions about each other.

Section 4. The Union shall have the right to appoint a Shop Steward for each store to transact union business that should arise in the absence of Union officials. His duties as Shop Steward shall not interfere with his work or the work of any other employee.

Section 5. The Shop Stewards shall be authorized to investigate grievances and shall do so without disturbing the Company's operation. The Company shall have the right to call a conference with the Shop Steward or Union officials for the purpose of discussing complaints raised by the company and time spent on such meetings by the Shop Steward shall be paid for as time worked.

Section 6. The Shop Steward shall not have the authority to settle any grievance in a manner that is contrary to the terms of this Agreement.

Section 7. One (1) Store Steward per store will be allowed up to two (2) days off per year with no pay to attend Union functions. The Union will give the Company at least two (2) weeks notice. Holiday weeks and or week before will be excluded for time off.

Section 8. Shop Stewards of Local 1000 will have super seniority for layoff purposes only.

Section 9. Shop Stewards shall be given time off (upon two (2) weeks written notice to their store manager and limited to one per store) not to exceed three (3) consecutive calendar days without pay to attend an annual Shop Steward Seminar. The Shop Steward's schedule will be arranged around the seminar dates to provide no reduction in average hours worked for the two weeks involved. If there is a reduction in hours the Company will make up this shortfall by paying the Shop Steward for hours lost.

Section 10. In the interest of promoting cooperative relations, the Company agrees that within the first forty-eight (48) hours of employment of a new employee, a management representative of the store shall introduce the new employee to the Shop Steward who will be given a reasonable amount of time to explain the union contract and answer questions.

Section 11. The Union may post notices of Union business on the bulletin board in each store and where notices to employees are usually posted.

## **ARTICLE 5. MANAGEMENT RIGHTS**

All rights and powers not expressly restricted or limited by terms of this Agreement shall remain vested in and may be exercised at the discretion of the Company. The Company reserves all functions of management not expressly restricted by this Agreement, including but not limited to, the right to discharge, suspend, and discipline for cause, transfer or lay off employees because of lack of work, require employees to observe Company rules and regulations not in violation of the provisions of this Agreement, to decide the number and locations of its stores and other facilities, products to be handled, scheduling of hours worked, including the means and processes of retailing, to implement or modify reasonable work rules, providing the Company will not use these prerogatives or others retained by it for the purpose of discrimination against Union members as such. The failure of the Company to exercise such rights shall not constitute a waiver.

## **ARTICLE 6. STRIKE OR LOCKOUT**

Section 1. The Union and the employees covered by this Agreement agree that they will not, during the term of this contract or any extension thereof, engage in or sanction any strike, slowdown, stoppage of work, or other interference with customer service.

Section 2. The Company agrees that it will not during the term of this contract or any extension thereof, engage in a lockout.

Section 3. Failure of an employee to comply with this Article shall be cause for discipline up to and including discharge. However, it shall not be a violation of this Agreement nor grounds for discipline or discharge for persons covered hereunder to refuse to cross a legal picket line during the term of this Agreement if the Union gives the Company twenty-one (21) days notice of such intention to refuse to cross a particular picket line.

## **ARTICLE 7. DISCHARGE AND SUSPENSION**

Section 1. The Company shall not discharge, nor suspend, nor demote, nor take disciplinary action with respect to any seniority employee without just cause. With respect to any discharge or suspension, the employee shall be given at least one (1) verbal and (1) written warning notice of the complaint (s) against such employee, with copies to the Union involved, except that no warning notice need be given to an employee before he is discharged for cause such as dishonesty, drinking or being under the influence of alcoholic beverages or illegal controlled substance (such as heroin, marijuana, etc.) on Company property, failure to perform work as assigned, or recklessness resulting in serious accident while on duty, refusal to take alcohol or illegal substance test based on probable cause where circumstances indicate an employee is under such influence, or violations of Company policy to comply with federal, state or local law including but not limited to sexual harassment. Copies of discharge, suspension or other disciplinary action must be given to the employee and the Union involved. Warning notices shall have no force and effect after six (6) months from date of issue.

Section 2. Any employee may request an investigation as to his discharge, suspension, or other disciplinary action. Should such an investigation prove that an injustice has been done an employee, he shall be reinstated, and subject to the facts, he may be compensated at his usual rate of pay while he has been out of work, or otherwise made whole for loss of injury suffered as a result of an unjust discharge, suspension, or other disciplinary action. Appeal from discharge, suspension, or other disciplinary action must be taken within five (5) working days by written notice and a decision reached within ten (10) days from the date of discharge or

suspension. If no decision has been rendered within ten (10) days, the case shall be taken up as provided in Article 8 of this Agreement. Two consecutive days of no call no show will be considered a voluntary quit. Three documented no call no shows within a rolling 6 month period will be cause for discharge.

Section 3. With regard to chronic tardiness or absenteeism, the following disciplinary action shall be taken:

1. First unexcused absence or tardiness - verbal warning.
2. Second unexcused absence or tardiness - first written warning notice.
3. Third unexcused absence or tardiness – **up to** one week layoff without pay.
4. Fourth unexcused absence or tardiness - subject to discharge.

## **ARTICLE 8. GRIEVANCE PROCEDURE**

Section 1. Any employee, the Company or the Union may present a grievance. However, grievances not presented in writing within fifteen (15) days after the event giving rise to such grievance shall be waived by the aggrieved party.

Section 2. It is agreed that agreements and settlements reached in Step 1 or Step 2 will be on a non-precedent setting basis and will have no bearing on any other grievance or settlement. All complaints, disputes, grievances, or differences that arise over the interpretation or application of any part or portion of this Agreement shall be handled in the following manner:

- |        |   |
|--------|---|
| Step 1 | The individual or individuals having a grievance must present same to his respective Shop Steward. If no adjustment is reached then;  |
| Step 2 | The Shop Steward shall present this grievance to the Store Manager supervising the individual concerned. If no agreement is reached within three (3) days, then;  |
| Step 3 | The grievance then should be presented in writing within seven (7) working days to the authorized Company or Union officials by the grieving party. If the grievance remains unsettled after seven (7) days, then;  |
| Step 4 | The same shall be referred to the Business Representative of the Union and the highest authorized Company official who shall attempt to reach a satisfactory adjustment. If no satisfactory adjustment is reached within five (5) days, either party may submit the dispute to arbitration. The grieving party requesting arbitration must do so in writing within thirty (30) days after the completion of Step 3. |

Steps 2 and 3 of the grievance procedure shall have a written response.

Section 3. At any step in this grievance procedure, the Executive Board of the Local union shall have the final authority, in respect to any aggrieved employee covered by this Agreement, to decline to process a grievance, complaint, difficulty or dispute further if in the judgment of the Executive Board such grievance or dispute lacks merit or lacks justification under the terms of this Agreement, or has been adjusted or justified under the terms of this Agreement to the satisfaction of the Union Executive Board.

Section 4 For the purposes of this section, it is agreed and understood that grievances concerning proper vacation payments, previous experience credit, proper personal holiday pay and progression step rate of pay issues shall proceed from step 1 directly to step 3 and shall not be required to go through step 2 as described herein. These grievances will still have to meet the timeliness standards or will be denied on this basis alone.

## **ARTICLE 9. ARBITRATION**

Section 1. All controversies as to interpretation and application of this Agreement that cannot be settled between the employees and the Company in accordance with the provisions of Section 9 (a) of the Labor-Management Relations Act of 1947 or between the Company and the representatives of the Union shall be submitted to an Arbitrator.

Section 2. Grievances taken before an Arbitrator shall be submitted in writing and shall specify the nature of the grievance and the Article allegedly violated. It is expressly understood that the Arbitrator is not vested with the power to change, modify or alter this Agreement in any of its parts; the Arbitrator may, however, interpret the provisions of this Agreement, and such interpretation shall be final and binding on the parties hereto.

Section 3. In the event the Union and the Company shall be unable to agree upon the Arbitrator within ten (10) days, the Federal Mediation and Conciliation Service shall be requested to submit a list of seven (7) qualified and approved arbitrators, one of which shall be selected to act as the Arbitrator. If the parties are unable to agree upon any one Arbitrator from the list given them, then each party will be permitted to strike from the list three (3) names, then the one remaining will be the one selected. The expenses of the arbitrator shall be borne equally by the Company and the Union. The arbitrator shall render his decision within thirty (30) days after the hearing is closed or after any briefs are filed.

## **ARTICLE 10. HOURS OF WORK**

Section 1. The basic workweek for full-time employees shall consist of forty (40) hours to be worked in five (5) days not necessarily consecutive. All work performed over eight (8) hours per day shall be paid at one and one-half times the regular straight time rate of pay. A work schedule for the succeeding week shall be posted in the stores not later than 1:00 p.m. Friday of the current week. All work performed over forty (40) hours each work week shall be paid for at one and one-half (1 ½) times the employee's basic straight-time rate of pay. The work schedule can be changed after the initial posting, only with the consent of the employees involved. When part-time employees volunteer to work off their work schedule, such work shall be paid for at their basic straight-time rate of pay without penalty to the Company. Three (3) proven instances per store of late schedule posting shall result in a \$25.00 fine to be paid by the Company to the UFCW Local 1000 Leukemia Society Fund.

Work schedules may be changed on a store basis without penalty to the Company when another employee, who is off that day, is called in to replace the absence of a scheduled employee. Except for courtesy clerks, such employee called in will be guaranteed the hours of the scheduled absent employee, but not less than four (4) hours. Employees who are called in as stated above and who are not required to work six (6) days that week will be given a mutually agreed upon day off that same workweek. If no agreement is reached, the Company may designate the day off. "Any employee, except a student who works before or after school hours



on any of his/her scheduled school days, shall be guaranteed a minimum of four (4) hours of work per shift. Students shall not be scheduled less than four (4) hours unless requested in writing.”

Section 2. All regular full-time and part-time employees shall be allowed a total of fifteen (15) minutes of break during each four (4) hour shift as a rest period on Company time. Employees working a six (6) hour or less shift shall receive one fifteen (15) minute break. Employees working more than six hours in a shift shall have (2) fifteen-minute (15) breaks, which may be combined with a choice of no lunch if mutually agreed between the Manager and employee. No employee scheduled for eight (8) hours or more shall work more than five (5) hours without a lunch period. Lunch periods shall be no less than thirty (30) minutes and no more than sixty (60) minutes in duration unless mutually agreed between the Manager and employee.

Section 3. Work on the holiday shall count toward making up the forty (40) hours in computing overtime over forty (40) hours actually worked.

Section 4. No split shifts shall be required of any employee, except where an employee agrees in writing.

Section 5. If employees are required to attend store meetings outside the scheduled daily or weekly work hours, such time will be considered as time worked. Employees will punch in and out when attending such meetings. Such time will be considered as straight time.

Section 6. If any employee works ten (10) hours in any one day, a third (3rd) fifteen (15) minute paid rest period shall be granted at the beginning of the 9<sup>th</sup> hour.

Section 7. For any employees, overtime work, Sunday work and holiday work, where applicable and practicable, shall be distributed equally among employees in each classification. Such equalization shall be maintained within a calendar month on a store by store basis.

Section 8. Employees shall have a specific pay day and each employee shall be furnished a Company receipt each pay day specifying his gross earnings, total hours worked, and any and all deductions made from his gross pay.

Section 9. Employees who perform the work of a higher paid classification shall receive the pay scheduled for such higher paid classification while performing the work for a period of more than three (3) days.

Section 10. All employees shall be given at least one (1) day off each week.

Section 11. There shall be no pyramiding of overtime or premium pay.

Section 12. Overtime must be authorized by the Company.

Section 13. Full-time employees shall receive overtime at one and one-half (1 ½) times the employee’s regular straight-time rate of pay for all work performed on the sixth (6th) day of the employee’s work week provided he has worked his regularly scheduled hours.

Section 14. The Company will schedule all work for part-time employees based on seniority within their classification within their store not to exceed eight (8) hours in any one day or forty (40) hours in any one (1) week provided the employee is available for at least four (4) consecutive hours when the work is available and that this scheduling does not conflict with or prohibit the simultaneous scheduling of another part-time employee. However, this scheduling is not intended to mean that the Company must schedule so as to incur additional premiums or penalties or violate any provision of this Agreement, nor is it intended to abuse or

discriminate against senior part-time employees for utilizing their seniority rights covered under this section. The part-time employee with seniority must advise the Store Manager that he is available for a posted schedule within twenty-four (24) hours after the store schedule is posted or he has no claim on such schedule of hours.

Section 15. Where it is agreeable between the employee, the Company and the Union, an employee may be scheduled four (4) ten (10) hours shifts, not necessarily consecutive. Should an employee be scheduled on such a four (4) day work week, the following shall apply:

- a. The work week for full-time employees would be forty (40) hours to be worked in four (4) days.
- b. Time and one-half (1½) would be paid for work in excess of forty (40) hours.
- c. A full-time employee scheduled on the four (4) day work week shall receive ten (10) hours as holiday pay, funeral leave pay, jury duty pay and any other provision which calls for a "Day's Pay."
- d. Time and one-half (1½) shall be paid for work performed on the fifth (5th) and sixth (6th) day worked in the work week provided the employee has worked in excess of forty (40) hours.

Section 16. All work performed on a holiday recognized by this Agreement, regardless of the hours worked, shall be compensated at a premium of one dollar (\$1.00) per hour for each hour worked in addition to the employee's regular straight time rate of pay, excluding courtesy clerks who shall receive a twenty-five cent (\$.25) premium.

Section 17. Part time employees working six consecutive pay periods at eighty (80) hours or more per pay period excluding relief time due to vacation, leaves of absence and sick leave shall become full time. In the event a full-time employee works six (6) consecutive pay periods at less than seventy-nine (79) hours per pay period, he/she shall revert to part-time. Full time employees will not lose full time status when they are asked by management to voluntarily leave early due to demands of the business. Part time employees that are endeavoring to become full time will not have their consecutive pay periods interrupted when they are asked by management to voluntarily leave early due to demands of the business.

Section 18. For employees and on an individual store basis, when a full or part-time opening occurs on a day shift, qualified night crew employees shall, by seniority, be given the first opportunity to fill that opening.

Section 19. All employees, excluding courtesy clerks with less than one (1) year of seniority, shall be guaranteed a minimum of fifteen (15) hours of work each week; and if mutually agreed upon by the employee and the store manager in writing, high school students may be scheduled a minimum of twelve (12) hours each week.

Section 20. The Employer agrees to make every effort to continue to maximize the number of full-time jobs, according to the needs of the business, during the life of this agreement.

## **ARTICLE 11. SENIORITY**

Section 1. For the purpose of this Agreement, seniority shall prevail for vacation selection, layoffs and recalls of employees in filling permanent vacancies and transfers. Probationary employees shall not acquire seniority for the first ninety (90) calendar days after hire and shall receive no holiday pay; however, if retained beyond said ninety (90) calendar days, the employee's seniority shall be dated back to the first date of employment.

Section 2. In the meat department, there shall be seven (7) seniority groups as follows:

### FULL-TIME

- (1) Meat Market Manager
- (2) Journeyman Meat Cutter
- (3) Apprentice
- (4) Meat Wrappers
- (5) Meat Clerks

### PART-TIME

- (6) Meat wrapper
- (7) Meat Clerks

Section 3. Market Manager: The Market Manager shall be a qualified Journeyman meat cutter. He/She shall be allowed to perform all duties in the meat departments in addition to any special duties required pertaining to the meat departments of the Company. There will be a Market Manager assigned to each store covered by this Agreement. Market Manager's shall be allowed to return to the Journeyman classification without loss of seniority upon giving the Company thirty (30) days written notice to the Company and the Union.

Journeyman(s) desiring to become a Market Manager must submit a request in writing to the Company and the Union. Openings for Market Manager(s) will be filled from those Journeymen who submit a written request to the Company and the Union. If no written request is received, the Company may hire a Market Manager from the outside. Written requests will remain on file until December 31<sup>st</sup> of the year it was submitted.

Section 4. Journeyman Meat Cutter: A Journeyman Meat Cutter is a skilled meat cutter who has served his/her apprenticeship in accordance with this Agreement and may be assigned any job in the meat department including cleanup.

Section 5. Apprentice: An Apprentice must be eighteen (18) years of age or older, learning the details and developing skills for performing the duties of a Journeyman meat cutter. The Company agrees to assign each Apprentice to various jobs in the meat department in order to give him/her the opportunity to qualify as a Journeyman at the end of this apprenticeship period. An apprentice may be assigned any job in the meat department. Apprentices shall be classified as Journeyman meat cutters after completing the progression and shall receive the regular Journeyman rate of pay. Nothing shall restrict the right of the Company to advance an apprentice in less than the length of the progression to the Journeyman classification if the Apprentice demonstrates the skills of a Journeyman meat cutter through a test of meat cutting skills and approved by mutual agreement between the Company and the Union. One (1) Apprentice shall be allowed in each market working with one (1) or more qualified Journeyman(s).

Employees desiring to enter Apprenticeship program must submit a request in writing to the Company and the Union. Openings in the Apprenticeship program will be filled by the most senior person who has submitted written request to the Company and the Union. If no written request is received, the company may hire a person as an Apprentice from the outside. Written requests will remain on file until December 31<sup>st</sup> of the year it was submitted.

All Meat Wrappers who have 1 year or more of meat wrapping experience, who become Apprentices, shall be placed into the next highest pay bracket closest to their current rate of pay within the apprentice wage scale. Meat wrappers with 42 months of service or more must either serve 42 months of apprenticeship training or demonstrate the skills of a Journeyperson through a test of meat cutting skills before progressing to the Journeyperson classification. Meat Wrappers who become apprentices but do not successfully complete the program will be allowed to return to the Meat Wrapper classification with full bargaining unit seniority preserved. Apprentice meat cutter applicants graduated from an accredited meat cutting school, shall be given credit for such training up to a maximum of six (6) months provided they are employed as Apprentice Meat Cutters within twelve (12) months immediately following graduation from the school.

Section 6. Meat Wrapper: A Meat Wrapper is a person employed in a meat department who is engaged in wrapping, weighing, scaling, pricing, displaying of products handled in the meat department of the Company's stores. It is understood that only Journeyperson(s) and Apprentice(s) will use the knife, cleaver, hand or electric saw to cut meat. Meat department employees other than Journeypersons and Apprentices can grind and tenderize meat according to the needs of the business. Meat wrappers will be allowed to perform slicing. Meat wrappers will be given an opportunity to learn all phases of the meat wrapping job.

Employees desiring to become meat wrappers must submit a request in writing to the Company and the Union. Openings for meat wrappers will be filled by the most senior employee who has submitted a written request to the Company and the Union. If no written request is received, the Company may hire a Meat Wrapper for the outside. Written requests will remain on file until December 31<sup>st</sup> of the year it was submitted.

Section 7. In the matter of promotions or transfers from one type of work to another, or from one store to another, the Company shall have the right to exercise its final judgment after giving due regard to seniority. The Union has the right to file a grievance on matters of promotion and transfer.

Section 8. Full-time employees, by classification and job assignment, may exercise a preference and claim a total weekly schedule by seniority. This claim must be made by 1:00PM Saturday after posting of the schedule for the succeeding week(s) hours of work. Such schedule shall not be arbitrarily or capriciously changed by the Employer.

Section 9. Full-time checkers shall be allowed to claim an earlier start time (eight-hour shift) from a less senior Checker on a day in which both are scheduled to work provided such claim is made prior to noon on Saturday.

Section 10. Employees promoted out of the bargaining unit shall retain seniority accrued while in the unit, but shall not accrue seniority while out of the unit.

Section 11. If a reduction in hours is necessary due to business conditions, where practical, part-time employees will be reduced in hours or laid off before full-time employees hours are reduced.

Section 12. If it is necessary to reduce hours of a full-time employee, the least senior full-time employee in the seniority area has the right to bump the least senior full-time employee in the seniority area per Attachment C. The least senior full-time employee in the seniority area reduced to part-time shall be placed at the top of the part-time seniority list in his/her store.

Section 13. Part-time employees shall have the first choice for full-time work based on their seniority, provided they are capable of performing the work, first in the store in which they work, if the full-time position is not filled in accordance with this Agreement, the employee may be offered a full-time position in another store in the seniority area.

Section 14. A part-time employee who wishes consideration for a full-time position shall submit a written request to the Human Resources Department with a copy to the Local Union designating the store(s) they wish to work. Written requests will remain on file until December 31<sup>st</sup> of the year it was submitted. An employee who refuses an offer of full-time employment cannot submit a future request for a period of sixty (60) days. If the opening has not been filled, the most senior part time employee in the store where the opening exist shall be offered the position provided they are capable of performing the work.

Section 15. Part-time employees, in accordance with their established seniority within each individual store, shall be offered all unscheduled or rescheduled part-time work available, provided they can perform the work. The employee must be available for a period of four (4) hours of straight timework in order to exercise this provision. At no time shall this provision require the Company to incur additional overtime expense.

Section 16. Part-time employees, by classification with the most seniority within a store, will be allowed to claim daily and weekly schedules up to eight (8) hours per day or forty (40) hours per week. It is understood the hours must be consecutive and further understood job assignments may be combined on a given day provided the employee is qualified to do the work and is available for the entire shift. (For example, an employee is scheduled for thirty-two (32) hours Monday through Thursday, four (4) hours of work is available on Friday that the employee is qualified to perform. That employee may claim those hours.) Back to back schedules may be combined when possible without interfering with the needs of the business. The resulting combined schedules with the most hours will be available to the senior employee.

Section 17. All hours must be consecutive and no employee can claim the daily schedule of another employee with the same or less hours. It is further understood that employees may not claim overtime hours.

Section 18. Employees with restricted schedules shall not be exempt from claiming.

Section 19. In the event of a layoff or recall, the part-time employee with the least seniority shall be laid off first and recalled last provided the employee retained can perform the work. This provision is to apply on an individual store basis only.

Section 20. There shall be twelve (12) seniority areas as described in Schedule C.

Section 21. The Company shall post a seniority list in each store, said lists to be revised and reported to the Local Union every six (6) months. The clerks and the Meat Department lists shall be separate. In addition thereto, the Company will cause to be mailed to the Local Union a duplicate copy of seniority listings. When seniority listings are posted and there are no complaints as to their accuracy within fifteen (15) days after they are posted, said lists become official.

Section 22. Seniority will be broken if an employee (1) quits, (2) is discharged for just cause, (3) fails to return to work within seventy-two (72) hours after being recalled by the Company by certified mail, return receipt requested, to his last known address on Company records, or (4) has been laid off from the Company for Six (6) months.

Section 23. All employees, in the event of a layoff, or transfer, shall be laid off or transferred in accordance with their established seniority within their respective seniority group provided they have the ability to perform the work.

Section 24. a. Transfers are permitted between stores of the Company in their seniority area provided seniority is followed. Seniority for transfers shall be recognized on length of service in the seniority area within seniority classifications. All requests for transfers must be approved by the Company.

b. Any employee who is assigned to work in another seniority area on a temporary basis shall retain his/her seniority in the seniority area from which they have been transferred. Temporary transfers shall include:

An employee who relieves for vacation, etc., and is working on a week-to-week basis but in no case longer than four (4) consecutive weeks without returning to their seniority area, or an employee who relieves for a specific employee who is on an extended leave of absence such as a sick leave, Union leave, etc. Such relief period may not exceed three (3) consecutive months without return to their seniority area without the mutual consent of the Company and the Union.

Section 25. Seniority status of employees hired on the same day shall be determined by the last four (4) digits of their social security number, with the lowest number being the most senior.

Section 26. There shall be separate seniority in the Meat Department with the understanding that employees who desire promotion to a higher classification shall be considered for such promotion based upon seniority, experience and ability.

Section 27. Employees relieving the Department Manager for three (3) days or more will be paid at the hourly rates established for that store for time worked as relief, provided the assignment includes full responsibility of such job.

Section 28. Courtesy Clerk duties shall be limited to and defined as follows:

- a. Customer services, such as sacking, carry out, price checks and other incidental services requested by the customer.
- b. Complete floor care, cleaning restrooms, parking lot, and windows.
- c. Returning basket carts from the parking lot.
- d. Keeping the check stands stocked with bags and cleaning check stands (excluding electrical equipment).
- e. Racking empty bottles and redemption of aluminum containers.
- f. Courtesy Clerks may be utilized for go-backs, hanging of signs, facing, and all cleaning (excluding meat department) throughout the store. Courtesy clerks shall not be scheduled for facing duties but shall face during down time when not performing customer service duties.

- g. If directed by management to perform food clerks duties, they shall be paid for that shift at the food clerk rate with an equal amount to be paid to the Health & Welfare Trust.
- h. Courtesy Clerks shall not be allowed to work end displays.

Section 29. Department Managers, Specialty Managers, Assistant Department Managers, File Maintenance Clerk and Inventory Control Clerks will be utilized as needed by the Company. There will be no requirement to have one of each in every store. The Company has the sole right to appoint individuals in these positions after giving due consideration for seniority and qualifications as well as remove these individuals after at least one (1) warning. Said demotions are subject to the grievance procedure. These are separate classifications and will be scheduled separately according to the needs of the business without regard to other Clerks.

## **ARTICLE 12. HOLIDAYS**

Section 1. The following days shall be considered as holidays for the purpose of this Agreement for non-probationary employees:

New Year's Day  
Memorial Day  
Fourth of July  
Labor Day  
Thanksgiving Day  
Christmas Day

- a. Holidays falling on Sunday shall be celebrated on Sunday.

Section 2. Employees absenting themselves from work without acceptable reasons on the scheduled day before a holiday, day of the holiday and/or the scheduled day after a holiday shall not be paid for the holiday. Acceptable reasons would include the following:

- a. Death in the immediate family (spouse, child, mother, father, brother, sister, grandmother, grandfather, grandchildren, and in-law relationship or any relative residing permanently in the employee's immediate household.)
- b. Wife giving birth to child.
- c. Meetings with the Company as representative of the Union.
- d. Accident or illness substantiated by medical evidence if requested by the Company, that employee was unable to work.
- e. Absence excused by the Company.

Section 3. In the event a holiday named herein falls within an employee's vacation period, the employee shall be given an extra day off for the holiday or pay in lieu thereof.

Section 4. Eight (8) hours pay at straight-time hourly rate be allowed each full-time employee who qualifies for such pay in accordance with the above provisions.

Section 5. Part-time employees will be paid holiday pay by using the average weekly hours for the twelve (12) weeks immediately preceding the holiday and apply the following schedule:

<u>Average Hours:</u>	<u>Holiday Pay</u>
Under 15	Two (2) Hours
15 to 19	Three (3) Hours
20 to 24	Four (4) Hours
25 to 29	Five (5) Hours
30 to 32	Six (6) Hours
Over 32	Eight (8) Hours

Section 6. When a part-time employee who is otherwise eligible for holiday pay under the conditions as prescribed above is scheduled to work on a recognized holiday and fails to report for work, or to work the hours as scheduled on a holiday, or to work the scheduled day before or day after the holiday, such employee shall not be eligible to receive any holiday pay.

### **ARTICLE 13. VACATIONS**

Section 1. All employees shall be eligible for vacation in accordance with years of continuous service with the Employer at the following schedule:

18 Months of Service	- 1 Week
5 Years of Service	- 2 Weeks
10 Years of Service	- 3 Weeks
20 Years of Service	- 4 Weeks
25 Years of Service	- 5 Weeks

Section 2. After qualifying for their first one (1) week vacation, an employee will qualify for future one (1) week vacation as of January 1. After an employee qualifies for additional weeks of vacation as outlined above, they shall become eligible for those additional weeks as of January 1.

Section 3. Full-time employees will be paid their straight-time earnings for their basic workweek (40) hours as vacation pay.

Section 4. Part-time employees will be paid a vacation week equal to the hours in their anniversary year divided by fifty-two (52). Part time employees hired after October 1, 2011 will be eligible for a maximum of three (3) weeks of vacation based on the schedule outlined in Sections 1

Section 5. During the first (1<sup>st</sup>) week in December, proceeding the upcoming calendar year, the Employer will issue each employee a vacation request form that will allow the employee to request a first (1<sup>st</sup>) or second (2<sup>nd</sup>) option for each week of vacation that the employee has earned. These forms are to be returned to the Employer by February 15<sup>th</sup> of each year. The Employer will post a chart in each store showing each employee and their agreed upon vacation dates by March 1<sup>st</sup> of each year. Employees who do not remit their vacation request by February 15<sup>th</sup> deadline will be scheduled vacation on a first come, first serve basis. Employees who request vacation by full week will be considered first by seniority.

Section 6. An Employee transferring from one store to another store will keep their same vacation weeks unless the honoring of these weeks at the new location prevents the employer from meeting the needs of the business. If a change is required, the Employee and the Store Manager will meet and agree upon the new vacation weeks.



Section 7. Employees with the oldest seniority dates on an individual store basis shall be given preference on vacation dates. The Company retains the right to schedule vacations. However, once vacations are scheduled, they may not be changed without mutual consent of the Company and the employee and the Union.

Section 8. Any employee who has earned his vacation before he has been given an opportunity to take said vacation and leaves the employ of the Company for any reason shall be paid his vacation pay, together with any wages due upon leaving.

Section 9. Employees shall not be given pay in lieu of a vacation unless mutually agreed among the Union, the employee, and the Company. "Vacations must be scheduled in the calendar year, except where necessary. Vacations which fall due in November or December may be carried over to the first quarter of the year, if agreed to by the employee and the Company. No vacation may be carried over unless the vacation falls due in November or December.

Section 10. In case the Company closes a department or store and cannot place employees who are displaced either full-time or part-time, the Company agrees to pay such employees who have one (1) year or more service with the Company a pro-rata vacation based on one-twelfth (1/12th) or major fraction thereof of the vacation he would have earned for each month worked in that anniversary year prior to the closing. This pro-rata vacation is to be paid only for vacation earned but not taken.

Section 11. Leaves of absence other than FMLA will affect full-time employee vacation and vacation pay as follows:

Less than 90 days	no reduction
90 to 180 days	reduced one-fourth
180 - 270 days	reduced one-half
270 days or more	no vacation

Section 12. If vacation is not previously planned then at least one (1) week written notice must be given.

Section 13. There will be no weeks blacked out for purposes of vacation scheduling. This section is also subject to Section seven (7).

Section 14. For employees with more than five years of service, up to five vacation days per calendar year (one week of vacation) may be taken as personal days with one week's notice provided the request is made in writing prior to the posting of the schedule; however employees may take these personal days during a workweek due to unforeseen sicknesses, personal emergencies, etc. When possible, employees will attempt to give twenty-four (24) hours notice; abuse of this section will be discussed on a case-by-case basis.

## **ARTICLE 14. WAGES**

Section 1. Schedule A contains the minimum Wage Schedule which shall be paid employees covered by this Agreement. Schedule A is attached hereto and is hereby made an integral part of this Agreement.

Section 2. Previous proven comparable experience within ten (10) years from date of present employment, as shown on application for employment, shall be the basis for determination of the new employee's rate of pay. Maximum experience credit is five (5) years. Falsification of application shall be reason for discharge. Claims for rate adjustment based on previous experience not listed on the application for employment must be filed in writing within thirty (30) days from date of employment; otherwise, the employee forfeits any claim under this provision. Claims for a rate adjustment due to a change in job classification that are based upon previous

experience listed on the application for employment and verified at the time of the Associate's last date of hire, must be brought to the attention of the Store Manager within thirty days of the job classification change. The Associate will receive retro pay for any hours paid after the substantiated status claim has been brought to the attention of the Store Manager. In the event that the Employer is unable to verify previous experience, the employee and the Union shall be notified in writing. The employee shall have ten (10) days from receipt of such notice in which to file a grievance.

Section 3. If an employee is required to travel between stores during the course of his workday, he shall receive payment at his regular straight-time rate of pay for the time of such travel and the time shall count toward his work week. Employees who are authorized to use their own transportation shall receive a rate within ten (.10) cents of the IRS rate per mile for the distance involved.

Section 4. If it becomes possible to do so, pay stubs will show year-to-date earnings and year-to-date taxes paid.

Section 5. If any federal, state, city, county, or other government-directed minimum or living wage rate increases during the term of this Agreement, the Company and Union agree to open Articles 14 and 6 and negotiate the effects of such increase.

## **ARTICLE 15. HEALTH AND WELFARE**

Section 1. The Company and the Unions agree to continue the current Health and Welfare Plan which provides health and welfare coverage for eligible employees covered by this agreement. Benefits and eligibility for such coverage shall be determined by the Trustees of the Plan. There shall be four (4) Trustees of the Plan with the Company appointing two (2) and the Unions appointing two (2). The Trustees are authorized to enter into appropriate agreements necessary for the continuation of the Plan.

Section 2. The Company shall contribute \$2.64 per hour effective for all hours worked beginning August 1st, 2016 through December 31st, 2017. The Company shall contribute \$2.72 per hour effective for all hours worked January 1st, 2018 through December 31st, 2018. The Company shall contribute \$2.89 per hour effective for all hours worked January 1st, 2019 through December 31st, 2019. As a condition of receiving the contributions above, the trustees of the plan will establish a plan of benefits consistent with the provisions herein, which can be supported by the contributions provided herein.

The bargaining parties recommend with this provision, no later than to be effective January 1, 2017, the trustees are directed to make the modifications to the plan which include:

- a. (Effective 1/1/2017) – Plan B shall be expanded and renamed Ultra Care 1000 maintaining 75/25 coverage and covering all employees and dependent children. Plans A + AA will no longer be offered.
- b. Annual Deductible: \$400
- c. Office Visit Copay: \$20
- d. ER Copay: \$66.69/\$33.34 (accident/illness)
- e. Rx Copay: \$15.00/\$33.34/\$46.68 (gen/pref.brand/nonpref.brand)
- f. Rx Mail Copay: \$33.34/\$86.36/\$116.71 (gen/pref.brand/nonpref.brand)
- g. Weekly Self pay for Single Coverage \$5.00
- h. Weekly Self pay for Employee + Child Coverage \$15.00
- i. Maximum of ten weeks of Short-term Disability
- j. No longer offer spousal coverage.
- k. Move all plan participants to Plan B as modified and renamed Ultra Care 1000.
- l. Life insurance.

Section 3. The parties agree to maintain the above-mentioned set of benefits throughout this agreement. Should the contributions above fall short to maintain the newly established set of benefits, the Company hourly contribution rate shall be adjusted up to .23 cents if the health plan consultant determines that an adjustment is needed to the Company contribution rate to meet the newly established benefits outlined above.

The Company hourly rate shall only increase if the health plan consultant determines that an increase is needed to the Company contribution rate to meet the funding level of the newly established benefits outlined above. The health care consultant shall have the contribution projections described herein prepared by November 1st of each year for the next following calendar year and shall provide said projection to the Trustees. The Company contribution rate adopted by the Trustees shall be accepted by the Company and the Union for such calendar year and shall be effective for the entire calendar year.

Section 4. If additional contributions above .23 cents an hour are needed to maintain the established set of benefits over the life of this agreement the Company and the Union will agree to meet and open Articles 15 & 6 to discuss the effects on this Health and Welfare article and to make any modifications, and only such modifications that the Employer and the union jointly agree are necessary. The company and Union agree to split the cost of the Exchange consultant to work with employees who will need assistance with retaining an exchange plan for their spouse.

Section 5. The company and Union agree that all employees (1) working at a HAC location with a pharmacy or (2) working at an HAC location near an HAC Pharmacy or (3) living near a HAC Pharmacy will be required to fill their HAC healthcare plan prescriptions at a HAC pharmacy. The company and union agree to discuss and agree upon the best way to manage this provision.

Section 6. Contributions will be made on all hours paid not to exceed forty (40) hours per week. The Company shall not be required to contribute amounts in excess of the above contribution levels. The Trustees of the Plan shall have the right and discretion to determine at any time if employee contributions are required for either employee or employee and dependent coverage and if so, to determine the appropriate amount of the employee contribution.

Section 7. Reserve Target: a minimum reserve level be maintained throughout the entire contract period at least equal to Incurred But Not Reported claims (IBNR) plus three (3) months of total Plan expense. IBNR is based on the self-insured medical, disability and death benefit claims experience. If the Reserve Target is projected to be met, the employer contribution rate shall be the minimum rate. If the Reserve Target is not projected to be met, the Employer contribution rate will be the minimum rate plus any additional contribution necessary to meet the Reserve Target, but no more than the "Up To" rate.

## **ARTICLE 16. PENSION**

Section 1. The Company and the Union agree that the Company shall participate in the Pension Plan of UFCW 227 ("UFCW Pension Plan") provided that a mutually acceptable participation agreement is entered into between the Company and the UFCW Pension Plan. An employee will be eligible as of the first day of the calendar quarter next following one year of service consisting of twelve months during which the employee is credited with at least 1,000 hours of service. Upon commencement of participation in the Defined Benefit Plan, eligible employees shall have a contribution made on their behalf to the defined Benefit Plan in accordance with the terms of the attached Schedule B.

An employee shall be entitled to a year of benefit accrual service under the Defined Benefit Plan for each Plan Year (i.e., January 1 thru December 31) for which such employee is credited with 1000 hours of service after meeting the eligibility requirements.

Section 2. The employees who have met the eligibility requirements to have a contribution made on their behalf to the Defined Benefit Plan shall be entitled to an incremental hourly contribution to the Defined Benefit Plan which will be equal to one cent per hour for every ten basis point difference in EBITDA as a percent of sales for the Company's actual financial results that exceeds the Company's operating budget (which shall exclude 14th period adjustments) for each fiscal year. The incremental contributions under this section shall be capped at 20 cents per hour on an annual basis. The incremental contribution, if any, provided under this section shall not roll over to successive years.

Section 3. Except as provided in Section 1 above, eligible employees will receive contributions and vesting service to the Defined Benefit Plan each year that they complete 1,000 hours of service. An eligible employee will be 100% vested after completing five years of vesting service with the Company. Notwithstanding the foregoing, an employee will be entitled to vesting service for the 2011 calendar year, provided such employee is credited with 1000 hours during that calendar year.

Section 4. A contribution shall be made for hours worked, vacations, holidays, and other paid leaves of absence. Eligible employees will receive a contribution for each hour as determined under this Article 16, but such hours shall be capped at 40 hours each week.

Section 5. Notwithstanding the foregoing the Employer shall make the contributions required to be made to the Defined Benefit Plan in accordance with the funding requirements of the Internal Revenue Code of 1986, as amended.

Section 6. The Parties (the Company and the Unions) acknowledge that the hourly contribution rates established pursuant to this Article 16 (and as set forth on Schedule B) is intended to be the contribution rate for the duration of this Agreement and any successor agreement between the Parties which continues contributions to the Defined Benefit Plan. The Parties also agree that if the assets of the Defined Benefit Plan exceed the present value of accrued benefit, the future benefit accrual rate shall be reviewed by the Trustees to the Defined Benefit Plan. The Parties agree that the Trustees to the Defined Benefit Plan shall be responsible for creating a policy to review such future benefit accrual rates from time to time. The Parties further agree that the future benefit accrual rate shall not be reduced below the initial accrual rates established in the Defined Benefit Plan.

## **ARTICLE 17. EMPLOYEE STOCK OWNERSHIP PLAN**

Section 1. The Company has established an employee stock ownership plan ("ESOP"). Contributions to the ESOP will be made on behalf of all eligible employees as described in Schedule B. Except as provided in the following paragraph, an Employee will be eligible for the ESOP as of or the first day of the calendar quarter next following a year of service consisting of twelve months during which the employee is credited with at least 1,000 hours of service. An eligible Employee will be entitled to an allocation of a contribution under this Article 17 for each year the eligible employee has completed 1,000 hours of service (after meeting the initial eligibility requirements) and provided such employee is employed as of the last day of the plan year, or terminates employment due to attaining normal (age 65 and 5 years of participation) or early retirement (age 55 and 10 years of service), dies or becomes permanently disabled during such plan year.

Section 2. Eligible Employees will receive vesting service to the ESOP each year that they complete 1,000 hours of service, with the Company during the calendar year. An employee will be 100% vested after completing three (3) years of vesting service with the Company, or upon termination due to death, disability, normal or early retirement (as defined in Article 17 Section 1 above.)

Section 3. Allocated ESOP shares and benefits which are forfeited by Employees covered by this agreement shall be reallocated to eligible bargaining unit Employees as an additional contribution.

Section 4. The ESOP shall include terms providing for the allocation of shares to the eligible Employees accounts, together with those accounts of other eligible participants, each year in accordance with the requirements under the Internal Revenue Code of 1986.

Section 5. The Company and the Unions acknowledge that the contribution rate established pursuant to this Article 17 (and as set forth for Employees on Schedule B) is intended to be the contribution rate for the duration of this Agreement and any successor agreement between such Parties.

### **ARTICLE 18. FUNERAL LEAVE**

In the event of a death in the employee's immediate family (spouse, child, father, mother, brother, sister, grandmother, grandfather, grandchildren, any in-law relationship or any relative living permanently in the employee's immediate household), the employee shall be entitled to be absent from work for such time as is necessary to make arrangements for and attend the funeral and return if required and will be allowed up to a maximum of three (3) days of funeral leave pay. During such absence, the employee shall be compensated at his straight-time hourly classification rate for such regular working time lost. Such absentee compensation shall not include pay for lost overtime, vacation time, or premium pay; it shall include holiday pay. It is understood that an employee will be allowed one (1) day off without pay to attend the funeral of other close relatives down to and including first cousins. This paragraph does not apply to probationary employees.

### **ARTICLE 19. LEAVE OF ABSENCE**

Section 1. A personal leave of absence may be granted by the Company for a period not to exceed thirty (30) consecutive days without pay to an employee with six (6) months or more of continuous seniority.

Section 2. A leave of absence because of sickness, pregnancy or injury will be granted to any employee not to exceed twelve (12) weeks upon written request supported by medical evidence in accordance with the provisions of the Family and Medical Leave Act (FMLA). Extensions of ninety (90) days, not to exceed one (1) year total, will be granted upon proper written requests.

Section 3. Seniority rights shall not be broken when an employee is on a leave of absence. However, if any employee, while on a leave of absence accepts any other job or goes into business for himself, he automatically terminates his employment and loses all rights with the Company.

Section 4. A military leave of absence will be granted to an employee who is called into military service as provided by federal and state laws.

Section 5. The Employer shall grant the necessary time off without discrimination or loss of seniority rights but without pay to any employee designated by the Union to attend a labor convention or serve in any capacity on other official Union business. The number of employees off at any one time shall not exceed five (5) unless mutually agreed upon by the Company and the Union. In addition, no more than one (1) employee may be off of work under this provision from each store, unless mutually agreed upon by the Company and the Union. The Employer shall be given at least one (1) week's notice of such leave. The employee shall, upon returning to work, receive any wage increase or any wage reduction that may have become effective during such absence and the Union shall give the Company at least (1) week(s) notice of the employees return date. Such leave of absence shall be limited to twelve (12) months.

Section 6. FMLA leave shall run concurrently with all other applicable paid and unpaid leave, including vacation.

Section 7. The Union shall be notified by the Company in writing when any employee is granted a leave of absence, indicating the date the leave of absence becomes effective and the date it ends, as well as the reason for such leave of absence.

Section 8. Employees on leave of absence shall accumulate benefits including seniority as required by law, during such leaves.

## **ARTICLE 20 JURY DUTY**

The Company agrees to pay the difference between any government allowance and a full day's pay at straight-time hourly classification rates for each day an employee is required to serve and does serve on any jury, provided the employee is scheduled to work on the day or days actually served on the jury. This paragraph does not apply to probationary employees.

## **ARTICLE 21 UNIFORMS AND DRESS CODE**

Section 1. Employees are expected at all times to present a professional, businesslike image to customers and other visitors.

Slacks are to be dark (black, blue, brown) or tan in color. Black/Blue jeans may be worn if non-faded, non-frayed and no holes. The shirt will have a collar and will be a color designated by the Company. If a change in color occurs, employees will be given thirty (30) days notice. Shirts are to be tucked in and will have a collar unless allowed by specific banner, event, or special activity. Shirts are to be without a logo however, a shirt may be worn with the logo designated for your particular store when purchased from the vendor approved by the Company.

The Company will provide two (2) shirts for each full-time employee at the time they are hired and one shirt for each part-time employee once they complete their probationary period. The employee may purchase additional shirts from the Company or from an outlet of their choice. If the shirt is torn or damaged during normal work activities, a replacement will be provided by the Company. In January of each year, the Company will provide, one (1) new shirt for each full-time employee and for each part-time employee that has averaged thirty (30) hours for the proceeding calendar year.

Section 2. Any uniform clothing (excluding slacks and jeans) deemed necessary by the Company for its employees shall be furnished by the Company.

Section 3. Employees have the option of wearing the Company provided shirt or may choose to wear their own shirt that is of the appropriate type and color.

Section 4. Department Managers have the option of wearing the Company provided shirt or may choose to wear a long sleeve shirt, that they provide, that is of the color designated for that particular banner.

Section 5. During the summer months, the Company in its sole discretion may allow employees who work both inside and outside the building to wear shorts that are dark (black, blue, brown) or tan in color that coordinate with the shirt or uniform.

Section 6. Employees working in the Meat Department will be furnished a white butcher coat or white wrap-around as appropriate. Aprons and hats will be furnished by the Company to employees working in the meat, bakery and deli departments. An employee may opt to wear a hair net in lieu of a hat.

Section 7. Name badges are also furnished and are to be visible at all times; preferably worn on the upper left front of the shirt, jacket, smock or apron. Employees are expected to wear safe, comfortable, closed toe and heel shoes at their own expense. Safety shoes are preferred in all areas and are a requirement in specific departments in accordance with Section 21.02 of this Agreement. Black or brown shoes are preferred however, tennis shoes are allowed if in good condition.

Section 8. Employees are responsible for any and all reasonable care of the uniforms.

Section 9. Employees separated at any time after receiving the uniform furnished by the Company will be required to return said uniform, excluding shirts (not a uniform) and hats, to the Company in good condition, prior to receiving their last check.

Section 10. At its discretion, on a store by store basis, the Company may allow employees to dress in a more casual fashion than is normally required.. On such occasions, employees are still expected to present a neat, professional appearance.

## **ARTICLE 22 NO DISCRIMINATION**

The Company and the Union agree that there shall be no discrimination against any employee on account of union activities or affiliation or because of race, religion, color, creed, national origin, sex, sexual orientation, gender identity or expression, age, disability, or veteran's status in accordance with existing law. Where the word "he" appears in this Agreement, the parties agree that it applies to all associates.

## **ARTICLE 23 SEPARABILITY**

The provisions of this Agreement are deemed to be separable to the extent that, if and when a court of last resort adjudges any provision of this Agreement in its application between the Union and the undersigned Company to be in conflict with any law, such decision shall not affect the validity of the remaining provisions of this Agreement, but such remaining provisions of this Agreement shall continue in full force and effect, provided further, that in the event any provision or provisions are so declared to be in conflict with any law, both parties shall meet immediately for the purpose of negotiation and agreement on the provision or provisions so invalidated.

## **ARTICLE 24 SALE OR TRANSFER OF FACILITIES**

In the event that the Employer sells or transfers any facility or store, the obligation of the purchaser or transferee will be governed by the successor doctrine of the National Labor Relations Act. The Employer shall provide the Union notice at least twenty (20) days prior to the closing of any such transaction, including the successor or assignee's name and the date and location of the closing, unless it is not practical or reasonable for the Employer to do so.

**ARTICLE 25      EXPIRATION**

This Agreement shall remain in full force and effect from August 1<sup>st</sup>, 2016 through January 31<sup>st</sup>, 2020 and for a period of one year thereafter unless either the Company or the Union desires changes in this Agreement at its expiration date; in which event, on or before sixty (60) days prior to the expiration date of this Agreement, or one (1) year renewal date, written notice outlining the changes desired shall be given by the party proposing the changes to the other party to this Agreement.

The Company may request that a store (or group of stores) may have the labor Agreement opened for negotiation due to special considerations.

This Operating Agreement may be executed in two (2) or more counterparts, all of which taken together shall constitute one (1) instrument.

\_\_\_\_\_  
FOR THE COMPANY

\_\_\_\_\_  
FOR THE UNION

\_\_\_\_\_  
SIGNED THIS DATE

\_\_\_\_\_  
SIGNED THIS DATE



**SCHEDULE "A" - WAGES - COMPREHENSIVE**

The following scale of wages shall be the minimum for employees covered by this contract. Wage increases go into effect on the first full payroll period on or after these dates.

CLASSIFICATIONS		Effective 8/1/2016	Effective 7/23/2017	Effective 7/22/2018	Effective 7/21/2019
<b>Level 1 Classification</b>					
Start	<b>Courtesy Clerks</b>	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25
12 Months		\$ 7.35	\$ 7.35	\$ 7.35	\$ 7.35
<b>Level 2 Classification</b>	<b>Clerks</b>				
Start		\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25
12 Months	Clk - Bakery	\$ 7.35	\$ 7.35	\$ 7.35	\$ 7.35
18 Months	Clk - Deli	\$ 7.45	\$ 7.45	\$ 7.45	\$ 7.45
24 Months	Clk - Floral	\$ 7.55	\$ 7.55	\$ 7.55	\$ 7.55
30 Months	Clk - Food	\$ 7.65	\$ 7.65	\$ 7.65	\$ 7.65
36 Months	Clk - Pharmacy	\$ 7.75	\$ 7.75	\$ 7.75	\$ 7.75
42 Months	Clk - Produce	\$ 7.90	\$ 7.90	\$ 7.90	\$ 7.90
48 Months	Clk - Variety	\$ 8.15	\$ 8.15	\$ 8.15	\$ 8.15
54 Months	Cust. Service Clerk	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00
60 Months PT	Meat Sales Clerk	\$ 10.25	\$ 10.25	\$ 10.55	\$ 10.85
60 Months FT	Fuel Kiosk / Fuel Attendant	\$ 10.75	\$ 10.75	\$ 11.05	\$ 11.35
<b>Red Circled Clerks</b>		\$ 11.70	\$ 11.70	\$ 12.00	\$ 12.30
<b>Level 3 Positions</b>	<b>Level 3 Positions</b>				
\$0 - \$124,999K	Cust. Serv. Supervisor	\$ 11.00	\$ 11.00	\$ 11.30	\$ 11.60
Budgeted Sales	Cake Decorator				
\$125K - \$199,999	Mgr-Asst. Bakery	\$ 11.50	\$ 11.50	\$ 11.80	\$ 12.10
Budgeted Sales	Mgr-Asst. Deli				
\$200K and over	Mgr-Asst. Front End	\$ 12.30	\$ 12.30	\$ 12.60	\$ 12.90
Budgeted Sales	Mgr-Asst. Produce				
	Mgr-Asst. Grocery				
	Scan Clerk				
	Clk - Inventory Control				
	Mgr - Dairy				
	Mgr - Frozen				
	Mgr - Variety				
	Mgr - Floral				
	Fuel Supervisor				

Note: All Employees, at the time of ratification of the previous Agreement, at the top rate in Level 3 \$10.50/11.00, Level 4 \$ 12.00 and Level 5 \$ 12.25/12.50 will progress at the top budgeted sales rate in this agreement. Level 6 \$13.50 rate will progress at the \$25k-\$39,999k budgeted sales rate for the length of this contract.

**SCHEDULE "A" - WAGES - COMPREHENSIVE continued**

<b>Level 4 Position</b>	<b>Level 4 Positions</b>	<b>Effective 8/1/2016</b>	<b>Effective 7/23/2017</b>	<b>Effective 7/22/2018</b>	<b>Effective 7/21/2019</b>
\$0 - \$124,999K Budgeted Sales	Clk - File Maintenance	\$ 12.00	\$ 12.00	\$ 12.30	\$ 12.60
\$125K - \$199,999 Budgeted Sales	Mgr - Front End	\$ 12.65	\$ 12.65	\$ 12.95	\$ 13.25
\$200K and over Budgeted Sales	Mgr - Grocery	\$ 13.55	\$ 13.55	\$ 13.85	\$ 14.15
<b>Level 5 Position</b>	<b>Level 5 Positions</b>				
\$0 - \$124,999K Budgeted Sales	Mgr - Deli	\$12.25	\$12.25	\$12.55	\$12.85
\$125K - \$199,999 Budgeted Sales	Mgr - Bakery	\$13.20	\$13.20	\$13.50	\$13.80
\$200K and over Budgeted Sales	Mgr - Bakery/Deli Combo	\$13.60	\$13.60	\$13.90	\$14.20
<b>Level 6 Position</b>	<b>Level 6 Positions</b>				
Under \$10K Budgeted Sales	Mgr - Produce Dept.	\$ 13.40	\$ 13.40	\$ 13.70	\$ 14.00
\$10,001K - \$24,999K Budgeted Sales		\$ 14.00	\$ 14.00	\$ 14.30	\$ 14.60
\$25K - \$39,999K Budgeted Sales		\$ 14.70	\$ 14.70	\$ 15.00	\$ 15.30
\$40K and over Budgeted Sales		\$ 15.70	\$ 15.70	\$ 16.00	\$ 16.30
<b>Level 7 Positions</b>	<b>Level 7 Positions</b>				
DOH after 10/7/2007	Meat Wrappers	\$11.25	\$11.25	\$11.55	\$11.85
DOH prior to 10/7/2007		\$11.75	\$11.75	\$12.05	\$12.35
DOH after 10/7/2007	Journeyman Meat Cutter	\$14.25	\$14.25	\$14.55	\$14.85
DOH prior to 10/7/2007		\$14.50	\$14.50	\$14.80	\$15.10
<b>Butcher Block Supervisor</b>		\$ 13.50	\$ 13.50	\$ 13.80	\$ 14.10
Under \$20K Budgeted sales	Mgr - Meat Department	\$ 17.50	\$ 17.50	\$ 17.80	\$ 18.10
\$20,001 to \$35K Budgeted sales		\$ 18.00	\$ 18.00	\$ 18.30	\$ 18.60
\$35,001 to \$50K Budgeted sales		\$ 18.25	\$ 18.25	\$ 18.55	\$ 18.85
Over \$50K Budgeted sales		\$ 18.75	\$ 18.75	\$ 19.05	\$ 19.35
Start	Apprentice	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
6 Months		\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50
12 Months		\$ 8.90	\$ 8.90	\$ 8.90	\$ 8.90
18 Months		\$ 9.30	\$ 9.30	\$ 9.30	\$ 9.30
24 Months		\$ 9.55	\$ 9.55	\$ 9.55	\$ 9.55
30 Months		\$ 9.60	\$ 9.60	\$ 9.60	\$ 9.60
36 Months		\$ 10.25	\$ 10.25	\$ 10.25	\$ 10.25
42 Months		\$ 11.80	\$ 11.80	\$ 12.10	\$ 12.40

**At the 48 months the apprentice will go to Journeyman rate if they successfully pass a cutting test administered by a company meat specialist and if there is an opening for a journeyman that the apprentice will accept.**

**SCHEDULE B**

Effective the Closing Date the Defined Benefit Plan Contribution shall be in accordance with the following hourly contribution schedule:

Year	Defined Benefit Plan Contribution Rate
January 1, 2012 through December 31, 2012	42 cents per hour
January 1, 2013 through December 31, 2013	42 cents per hour
January 1, 2014 through December 31, 2014	41 cents per hour
January 1, 2015 through December 31, 2015	41 cents per hour
January 1, 2016 through December 31, 2016	40 cents per hour
January 1, 2017 through December 31, 2017	40 cents per hour
January 1, 2018 through December 31, 2018	39 cents per hour
January 1, 2019 through December 31, 2019	39 cents per hour
January 1, 2020 through December 31, 2020	38 cents per hour
January 1, 2021 through December 31, 2021	37 cents per hour

Thereafter, said contribution rate for Employees shall remain 37 cents per hour to the Defined Benefit Plan.

The Union Contribution portion of the “Employer Contribution” for any Plan Year is herein defined for use in the HAC, Inc. Employee Stock Ownership Plan (“HAC ESOP”) as follows. The total Union Contribution shall be the sum of the “Acquisition Loan Repayment Union Contribution” and the “Other Union ESOP Contributions” excluding any Forfeitures as defined in the HAC ESOP. “Union Eligible Participants” are those ESOP participants who are members of the union and who are eligible to receive an allocation of the ESOP contribution for the relevant Plan Year. “Non-Union Eligible Participants” are those ESOP participants who are not members of the union and who are eligible to receive an allocation of the ESOP contribution for the relevant Plan Year.

The Company shall make an annual Acquisition Loan Repayment Union Contribution on behalf of the Union Eligible Participants to the ESOP of at least 10.2% (“Union ESOP Payroll Percentage”) of the Union Eligible Participant Payroll minus the sum total of the Defined Benefit Plan Contributions made for the relevant year for Union Eligible Participants that year, to be explicitly applied to principal repayment on the then outstanding ESOP Note. In addition, the company shall make annual contributions sufficient to meet required interest due and payable on the ESOP Note. Union Eligible Participant Payroll is the sum total of Compensation for the relevant year for all Union Eligible Participants, as defined in the HAC ESOP.

After Plan Year 2012, if the company increases the percentage of compensation that it contributes to the ESOP for Non-Union Eligible Participants above 10.4% to be explicitly applied to principal repayment on the then outstanding ESOP Note, the Company will increase the Union ESOP Payroll Percentage by a proportional amount equal to the increase in the percentage of compensation for Non-Union Eligible Participants. For example, if the Company contributes to the ESOP 10.4% of compensation for Non-Union Eligible Participants to be explicitly applied to principal repayment on the then outstanding ESOP Note for Plan Year 2012 and the Company increases that rate for Plan Year 2013 for Non-Union Eligible Participants by 2 percent to 10.608% for those employees, then the Union ESOP Payroll Percentage for Plan Year 2013 will equally increase by 2 percent from 10.2% to 10.404%.

Any Employer Contributions made to the ESOP by the Company for any reason beyond the scheduled annual principal repayment of, and interest on, a then outstanding ESOP Note shall be divided into “Other Union ESOP Contributions” and “Other Non-Union ESOP Contributions” in proportion to Compensation as defined in the HAC ESOP of Union Eligible Participants versus Non-Union Eligible Participants.

**LETTER OF UNDERSTANDING**  
**VOC PROGRAM**  
**(Volunteer Organizing Committee)**

This letter of understanding entered into between UFCW Local 1000 and HAC, Inc.

This letter of understanding entered into between UFCW Local 1000 and HAC, Inc. HAC will schedule off up to two associates per store beginning from 6:00 P.M. on Friday and schedule off Saturday and Sunday. The rest of the week's schedule for these associates is to be treated as normal schedule based on job demand. No associate will have any reduction in hours and all hours shall be worked Monday thru Friday. These associates will be used to perform union activities on weekends. There are several considerations that govern this selection per store:

1. No Department Managers
2. A maximum of one (1) Meat Department Employees
3. A maximum of one (1) Bakery Department Employees
4. A maximum of one (1) Deli Department Employees
5. No more than one (1) associate per store with employees less than thirty (30).
6. No more than two (2) associates per store with employees greater than thirty (30).

During the period of beginning the weekend prior to Thanksgiving and ending the weekend of New Year's the employees on the VOC program will be scheduled to meet the needs of the business.

The Union and Store Management must discuss appointments to VOC in order to ascertain whether the appointment negatively affects the business of the specific department or store. If the Union and Store Management cannot agree on the appointment the Union and Vice President of Human Resources will meet and make the final determination.

**Memorandum of Agreement: Leukemia**

Company will cooperate with the Local in its fight against Leukemia by having a Snowflakes for Leukemia campaign or any other mutually agreed upon program to benefit Leukemia for a period not to exceed eight (8) weeks during the months of November and December of each year

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**For the Union**

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**For the Company**

## Memorandum of Agreement: Process Agreement

The Employer and the UFCW recognize the benefits to all parties that result from maintaining positive labor relations and providing for an orderly process by which employees may choose union representation. Accordingly, the Employer agrees that, for any store it opens, acquires or operates, either by itself or through another entity, in any location outside the jurisdiction of any UFCW affiliate with whom the company currently has a collective bargaining relationship, ( As spelled out in Article 1, Section 2) it shall take a strictly neutral position concerning its employees' choice concerning union representation, and will afford UFCW representatives reasonable access to the employees at their place of work for purposes of communicating with those employees.

The Employer agrees not to communicate to any employee that it disfavors the union or the signing of membership applications, or that the employee may suffer adverse consequences for supporting the union or signing of membership applications. The Employer also agrees that it, and its managers, supervisors and other representatives will refer to the union by name and not as "third party," "outsider" or similar manner.

During Employee sign-up efforts, the Employer's managers, supervisors and other representatives will remain neutral and will refrain from making any negative comments about the union and from communicating with employees about how they should respond to the union. The Employer agrees to inform all of its managers, supervisors and representatives of this obligation and that the Employer has no objection to employees supporting the union or engaging in union activities, including meeting with union representatives or signing membership applications. The Employer will promptly stop any violation of this provision and immediately act to discourage any additional violation, including disciplining any managers or supervisors — or terminating its relationship with any independent contractor representatives — who violate it. The Employer agrees to take prompt action to mitigate the effects of any violation.

UNITED FOOD AND COMMERCIAL  
WORKERS INTERNATIONAL  
UNIONS LOCAL NO. 1000

HAC, INC.

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Date

Date

**MEMORANDUM OF AGREEMENT  
BETWEEN HAC, INC.  
AND  
UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNIONS  
LOCAL NO. 1000**

**PENSION ISSUES ONLY**

1. The contribution level will be that as outlined in the attached Exhibit B and Section 2 of the attached Article 16.
2. The monthly benefit accrual will be one percent of contributions made to the Fund pursuant to the contributions outlined in Exhibit B.
3. The monthly benefit accrual shall be two percent of contributions, if any, made to the UFCW Pension Plan pursuant to Section 2 of Article 16 attached hereto.
4. The monthly benefit accrual outlined in paragraph 2 above shall increase to two percent of contributions for service on or after January 1, 2015, or as otherwise provided in this Memorandum of Agreement.

UNITED FOOD AND COMMERCIAL  
WORKERS INTERNATIONAL  
UNIONS LOCAL NO. 1000

HAC, INC.

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Date

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Date



**MEMORANDUM OF AGREEMENT BETWEEN  
HAC, INC. AND UNITED FOOD AND COMMERCIAL WORKERS  
INTERNATIONAL UNIONS LOCAL NO. 1000**

**ESOP ISSUES ONLY**

1. The Parties agree that for the 2012 Plan Year the Acquisition Loan Repayment Union Contribution, as defined in Schedule B of the CBA, shall equal 10.42% of the Union Eligible Participant Payroll, as defined in Schedule B, minus the sum total of the Defined Benefit Plan Contributions made for Union Eligible Participants for 2012.
2. The Parties agree that for the 2012 Plan Year the Non-Union Contribution, as defined in the ESOP, shall equal 10.63% of compensation for Non-Union Eligible Participants, as defined in the ESOP.
3. Except as provided herein, the CBA shall remain in full force and effect.

UNITED FOOD AND COMMERCIAL  
WORKERS INTERNATIONAL UNIONS  
LOCAL NO. 1000

HAC, INC.

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Date

Date