

RETAIL PHARMACIST, DRUG
AND GENERAL CLERK AGREEMENT

SEPTEMBER 5, 2011 - SEPTEMBER 4, 2016

between

GEN-RX PHARMACY

and

UFCW LOCAL 1167

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RETAIL PHARMACIST, DRUG AND GENERAL CLERK AGREEMENT

This Agreement is entered into and effective as of this fifth (5th) day of September 2011, between MASHAY, INC./ROUSI INC., a partnership DBA "GEN-Rx PHARMACY" hereinafter referred to as "Employer," and UFCW, Local 1167, chartered by UNITED FOOD & COMMERCIAL WORKERS INTERNATIONAL UNION, CLC, hereinafter referred to as "Union" and the parties agree as follows:

ARTICLE 1 - RECOGNITION OF THE UNION

A. BARGAINING UNIT.

1. The Employer recognizes the Union as the sole collective bargaining agent with respect to work, rates of pay, hours, and terms and conditions of employment for the appropriate bargaining unit composed of all employees, including employees of lessees, licensees and concessionaires (sometimes herein referred to as "leased department"), except as limited below, who perform work within drug stores, food markets, discount stores, and shoe stores presently operated and hereafter established, owned or operated by the Employer within the present geographic jurisdiction of Local 135 and 1167. Drug stores are defined as those types of establishments covered by collective bargaining agreements identified as Retail Pharmacist, Drug and General Clerk Agreement, September 5, 2011 - September 4, 2016.

2. The Union agrees that it will not make claim to any employees of present concessionaires or sublessees who work in the present or future store or stores of the Employer, unless the Union can show its majority representation of such employees within an appropriate bargaining unit. In that event, the Union may take economic action without violating this Agreement.

3. In the event the signatory Employer should operate discount stores, food stores, or shoe stores within the geographical jurisdiction of the Local Union, the appropriate terms and conditions of employment, as in existence with the other employers operating alike retail establishments, shall be immediately applied by the signatory Employer.

4. Except to the extent expressly abridged by a specific provision of this Agreement, the Employer reserves and retains, solely and exclusively, all of its common law rights to manage the business, as such rights existed prior to the execution of this or any other previous Agreement with the Union.

B. WORK PERFORMED.

1. All work performed on the premises in the nature of work generally performed by employees of the bargaining unit shall not be assigned to any person not in the bargaining unit or contracted for with any other union.

2. Any future work of the nature generally performed by retail clerks created by the Employer shall be performed by members of the bargaining unit as herein set forth.

C. EXCEPTION TO PARAGRAPHS A AND B, ABOVE. The following individuals shall be excluded from the coverage of this Agreement:

1. There shall only be two (2) exclusions from the bargaining unit in the existing store and they are the two (2) owners.

(a) The parties agree that one (1) person shall be excluded from coverage of the Agreement under the job title of Delivery Personnel, provided that such person will not perform any bargaining unit work.

(b) The parties agree that two (2) persons shall be excluded from the coverage of the agreement under the job title of trainee provided that such persons shall not work more than ninety (90) hours per month in a four (4) week month and one hundred and twelve (112) hours in a five (5) week month. Any openings as drug clerks, pharmacy techs will be given to these trainees before any new hires.

(c) A department located within a multi-department retail establishment shall not be entitled to any exclusion unless it is a concession, in which case there shall be only one (1) overall manager excluded, regardless of the number of such departments involved.

(d) In said concession, leased or subleased departments, where the Employer is actively engaged in the performance of clerk's or pharmacist's work for more than fifty percent (50%) of his or her time in any one (1) single location, he/she shall be considered the store manager for the purpose of exclusion from the collective bargaining unit. No other exclusions shall be allowed in other departments operated by the concessionaire within the same establishment where the excluded manager, as herein above identified, has supervision.

(e) The Owners excluded as set forth in this Article, shall be permitted to perform any work within the store or department without restriction.

(f) AGENCY PHARMACISTS. It is expressly understood and agreed that temporary Pharmacists that the Employer may obtain from an Agency are specifically exempted from the coverage of this Agreement itself and that the Employer shall have the right to utilize such "Agency Pharmacists" to perform work that is covered under the terms of this Agreement in the coverage of temporary vacancies that occur in the Employer's Pharmacy Department, including but not limited to, vacancies that are created by employee absences for any reason, termination, voluntary quits, temporary surges in business, etc., during the term of this Agreement. The Employer's right to utilize such Agency Pharmacists shall not be exercised capriciously and shall not be used to avoid the assignment of available straight-time hours to bargaining unit personnel.

It is expressly understood and agreed that Agency Pharmacists will be limited to no more than 60 days per year, and that the Employer notify the Union in writing of each "Agency Pharmacist" hired, and number of days worked, within 30 days.

2. It is agreed that the Employer and the Union have a common interest in protecting work opportunities for all employees covered by this Agreement. It is further agreed that the displaying, servicing, ordering and demonstrating of merchandise for sale can be handled at the Employer's discretion by nonbargaining unit displaymen, salesmen, vendor representatives, or any other employee of vendors which are servicing their merchandise to the Employer.

In no event, however, shall any bargaining unit employee be laid off or reduced in hours as a result of work being performed by any salesmen, vendor or displayman described above.

3. Culinary workers.
4. Demonstrators who do not make sales or display merchandise for pick-up by customers.
5. Inventory employees whose function is strictly limited to taking inventories.
6. Office employees (who are limited to a maximum of fifteen (15) hours per week) to perform office - clerical work and whose combination of duties may include clerk's work.

In no event, however, shall any bargaining unit employee be laid off or reduced in hours as a result of work being performed by any office employee.

7. Future concessionaires or sublessees or their employees whose duties do not include work generally performed by members of the bargaining unit.

8. Should any of the classifications herein above excluded in Paragraphs 2, 4, 5, 6, and 7, designate by a majority thereof the undersigned Union as their bargaining agent, the Employer agrees to recognize and bargain for said employees in accordance with the law.

D. DEFINITIONS. For the purpose of this Agreement, the following definitions shall apply:

1. A pharmacist is a professional employee to whom a license to practice pharmacy in the State of California has been issued by the California State Board of Pharmacy.

2. A graduate pharmacist is a professional employee as described in Paragraph 1, above, during his or her first year of employment as a licentiate in pharmacy.

3. An intern pharmacist is a non-licensed employee permitted to practice pharmacy under the direct supervision of a licensed pharmacist.

4. A Pharmacy Technician is an employee in a position to be established by the Employer pursuant to final regulations of the California Board of Pharmacy, and in a manner consistent with Appendix B and Appendix D.

5. A retail clerk includes all other employees covered by this Agreement.

6. A full-time employee (pharmacist or retail clerk) is one employed and/or scheduled to work forty (40) hours per week. Any employee who is scheduled and works ten (10) consecutive weeks at forty (40) hours per week will be classified as a full-time employee. This requirement shall not apply during the Christmas or vacation season or where an employee is scheduled forty (40) hours due to the absence of another employee in excess of three (3) consecutive weeks. Provided however that forty (40) hour weeks worked immediately prior to any of the above exceptions and those worked immediately following the exception shall be considered continual for the purpose of calculating the ten (10) consecutive weeks.

7. A part-time employee (pharmacist or retail clerk) is one employed and/or scheduled to work less than forty (40) hours per week.

8. Hereinafter "employees" or "all employees" shall mean employees covered by this Agreement.

9. An apprentice is an individual who has had insufficient experience to qualify as an experienced or journeyman clerk as defined in Article 6-A-3.

E. OWNERS. There shall not be more than two (2) Employers in any store or group of stores having common ownership. In partnerships, "Employer," as used herein, means only bona fide partners who own an interest in the assets, and in the profits of the partnership. In corporations, "Employers," as used herein, means only two (2) officers of the corporation who own capital stock in the corporation. No more than two (2) shareholders of a corporation, or more than two (2) bona fide partners shall be defined or classified as an Employer within the meaning of this Agreement. Employers as thus defined may do such work as is necessary in the conduct of the business. All other persons performing work under the jurisdiction of the Union shall be members of the Union and shall be governed by the provisions of this Agreement.

F. INDIVIDUAL AGREEMENTS. The Employer agrees not to enter into any agreement or contract, either orally or written, with its employees covered by this Agreement, individually or collectively which in any way conflicts with the terms and provisions of this Agreement.

ARTICLE 2 - EMPLOYMENT OF UNION MEMBERS

A. UNION SHOP. All employees shall, as a condition of employment, become members of the Union not later than the thirty-first (31st) day of their employment or the thirty-first (31st) day following the date of signature or the effective date of this Agreement, whichever is later, and shall remain members in good standing as a condition of continued employment.

B. NOTICE OF NEW EMPLOYEES AND TRANSFERRED EMPLOYEES. The Employer shall mail notice to the Union of all new hires and/or permanently transferred employees within fifteen (15) working days excluding Saturday, Sunday and holidays of the date of employment and said notice shall contain the name of such new employee, the Social Security number of the new employee, the position for which employed, the store number and location, the date of commencement of work, and the rate of pay at which the person is employed. Failure to comply with this notice shall entitle the new employee to receive the journeyman rate of pay for all days worked after the fifteenth (15th) working day excluding Saturday, Sunday and holidays and until such notice is received by the Union.

C. CONDITIONS OF WORK FOR NEW EMPLOYEES. During the period an employee is not a member of the Union, the regular wages, as herein specified for the classification of said employee and all other provisions of this Agreement shall apply.

D. PROBATIONARY PERIOD. The first forty-five (45) calendar days of employment shall be considered a probationary (trial) period, provided, however, that a part-time employee shall be considered as probationary for the first two hundred (200) hours of employment. During such probationary period an employee may be terminated for any reason and he/she shall have no recourse to the grievance procedure set forth in this Agreement. Interns who are promoted to a pharmacist position shall be subject to the above probationary period.

E. SEVEN-DAY NOTICE. The Union will advise the Employer, in writing, when any employee has failed to acquire or maintain Union membership as required by this Agreement. Immediately upon receipt of said notice, the Employer shall advise said employee(s) that they will no longer be scheduled for hours of work on the subsequent weekly schedule until said employee(s) give evidence of

compliance or the Union notifies the Employer of such compliance. Failure to comply within seven (7) days after removal from the schedule said employee(s) shall be terminated, if such termination is not in violation of existing law.

F. **HIRING OF NEW EMPLOYEES.** When new or additional employees are needed the Employer may immediately notify the Union of said need. The Employer reserves the right to select the particular applicant to be hired; but there shall be no discrimination against any applicant by reason of membership or nonmembership in the Union, or an applicant with previous employment experience in the Retail Drug industry with an Employer covered by a collective bargaining agreement in the State of California.

G. **SELECTION OF APPLICANTS.**

1. Selection of applicants for jobs shall be on a nondiscriminatory basis and shall not be based on, or in any way affected by, Union membership, bylaws, rules, regulations, constitutional provisions, or any other aspect or obligation of Union membership, policies, or requirements, or by race, color, creed, national origin, age or sex.

2. The Employer and the Union agree not to discriminate against any person in regard to hire, tenure of employment or job status because of race, creed, religion, color, national origin, age or sex nor shall race, creed, religion, color, national origin, age, or sex be a basis for the rejection or termination of any employee or applicant for employment.

ARTICLE 3 - DISCHARGE, LAYOFF, TRANSFER AND SENIORITY

A. **DISCHARGE FOR CAUSE.**

1. Non-probationary employees shall not be discharged except for good and sufficient cause such as dishonesty, insubordination, incompetency, intoxication, unbecoming conduct or failure to perform work as required. Age, sex, creed or color shall not be grounds for the termination of an otherwise qualified employee.

2. Nonprobationary employees who are discharged for incompetency or failure to perform work as required (including excessive absenteeism or excessive tardiness) shall first have had two (2) prior warnings in writing within twelve (12) months preceding the discharge of such incompetency or of related or similar failure to perform work as required, with a copy sent to the Union. The employee so notified shall be required to sign such notice, but such signing shall in no way constitute agreement with the contents of such notice. A warning notice shall not be required in the case of a discharge for cash-register irregularities but such alleged irregularities must constitute good cause for the purpose of sustaining said discharge. Such alleged irregularities shall not constitute good cause for discharge when the company fails to follow the procedures set forth in Article 22, Paragraphs B-1 and B-2, unless the alleged irregularities are not affected by failure to follow said procedures.

3. Any employee who is discharged shall be informed at the time of discharge of the immediate cause of discharge. The cause shall be confirmed in writing, with a copy sent to the Union and affected employee, within ninety-six (96) hours thereafter, excluding Saturday, Sunday and holidays.

B. PROTEST PROCEDURE.

1. Upon the termination of an employee for any reason, the Employer shall within ninety-six (96) hours thereafter, excluding Saturday, Sunday and holidays, notify the Union in writing of such termination, stating the reason therefore.

2. A discharged or laid off employee has ten (10) days from the date of discharge or layoff, excluding Saturday, Sunday and holidays, within which to file written protest with the Union (with notice to the Employer). Said discharge shall then be subject to the Adjustment and Arbitration Procedure, Article 14. If no protest is filed within said ten (10) day period, or within ten (10) days of the notice specified in Paragraph 1, above, all rights possessed by said employee or the Union to protest the discharge or layoff are waived.

C. DISCHARGE FOR INCOMPETENCY OR LAYOFF. It is understood that a discharge for incompetency or a layoff shall occur only at the end of an employee's weekly schedule after the employee has completed the probationary period.

D. DEMOTION. No Pharmacy Technician shall be demoted from his or her position because of deficient performance in the job without first having received a prior warning notice in writing, with a copy sent to the Union, specifying the deficiencies.

E. NOTICE OF INTENTION TO QUIT. An employee who intends to quit his or her job shall, to the extent possible, give two (2) weeks' notice of his or her intention to quit. An employee who gives any notice of his or her intention to quit his or her job shall not be terminated or otherwise discriminated against during the current workweek and the workweek following the date on which he/she gives such notice, but in no event can he/she insist upon working later than his or her designated quit date if a replacement employee has already been hired.

F. TRANSFER OF EMPLOYEES. An employee with more than one (1) year's continuous service with the Company may file an application for transfer within the Company to a store near their home. The Employer will give full consideration to such requests and attempt to grant them if it does not have an adverse effect on the business of the Employer. These requests will not be refused arbitrarily.

G. SENIORITY.

1. Seniority Defined. Seniority is the length of continuous employment of an employee with an individual Employer. Temporary absence from work in accordance with the provisions of this Agreement shall not break seniority. Seniority can only be broken by the following:

- a. Quit.
- b. Discharge.
- c. Layoff for more than nine (9) months.
- d. Failure to return in accordance with the terms of a leave of absence or when recalled after a layoff.

2. Full-Time, Part-Time and Pharmacist.

- a. Full-time employees shall have seniority rights over part-time employees.
- b. The seniority of the pharmacists shall be listed separately from other employees.
- c. A full-time employee who is to be laid off or reduced to part-time shall have the right to claim any part-time position in his or her own store.
- d. A part-time employee shall have the right to claim within his or her own store all part-time hours when such hours become available up to eight (8) hours per day and forty (40) hours per week, based upon seniority over other part-time employees provided such part-time employee has the qualifications and ability to perform the duties of the position claimed.
- e. After first having notified, in writing, the home store manager and the Union, a part-time employee shall also have the right to request additional available hours up to forty (40) hours per week at no more than three (3) other stores within the Union's jurisdiction. Said part-time employee shall notify, in writing, the manager of such stores of the request, and said manager shall endeavor to comply with such request on a seniority basis.
- f. A part-time employee shall have the right to claim a full-time position when one becomes available with the store, based upon seniority, provided such part-time employee has the qualifications and ability with the employer to perform the duties of the claimed position.
- g. No new part-time or extra employees shall be hired until or unless said part-time employee has been afforded the opportunity to work such additional hours on a seniority basis as set forth above.

3. Layoff, Transfer and Recall. In the event of a layoff of a part-time employee the affected employee may claim the position of the least senior employee within the Company's District within the local Union's jurisdiction. In the event a full-time employee is laid off, the affected employee may claim the position of the least senior full-time employee within the Company's District within the local Union's jurisdiction. In the event of a recall, the employee with the greatest seniority within the Company's District within the local Union's jurisdiction will be the first recalled, provided that no employee will be required to travel more than fifteen (15) miles from their residence.

4. Qualifications. When seniority is invoked by an employee, his or her qualifications in performing the work claimed shall be the determining factor in establishing such rights.

5. Transfer Travel Limits. When the transfer of an employee becomes necessary, due to slackening of business, the Employer shall not require said employee to travel one (1) way more than fifteen (15) miles between his or her place of residence and the new location. In making transfers under Paragraph E of this Article and this Paragraph, the Employer will make every effort to assign employees on a nondiscriminatory basis, to the store which would cause the least hardship to the employee and require the least travel time. Such transfer shall not be used for disciplinary purposes.

6. Inter-Union Transfer. If an employee is transferred from one UFCW Union's area to another in Southern California, he/she shall retain all seniority, but during a period of six (6) months from date of transfer, shall not displace any other employee, or reduce his or her hours.

7. Reinstatement.

a. A laid off employee who becomes eligible to return to work under the seniority provision must appear for work within ninety-six (96) hours, excluding Saturday and Sunday, after the Employer has notified the Union, in writing, of recall to work. The Employer may notify the employee directly and simultaneously serve notice upon the Union. Notice to the Union shall constitute notice to the employee, and the Employer's obligation to reinstate shall cease after said ninety-six (96) hours.

b. An employee who has been reduced to part-time employment because of slackening of business must be offered the first full-time job that opens in the store in which he or she is employed and the first opportunity to claim available hours as provided above, provided that he or she has the qualifications and ability able to fill that job.

8. Transfer to Higher Category. Where an employee is transferred from one job classification to another, the seniority acquired with the store and the Company shall be retained, and new seniority in the new classification shall commence as of the time of transfer. Transfers shall not be made for the purpose of displacing another employee. Should a layoff or reduction in hours occur in his or her new job classification, he/she shall be permitted to reclaim the position he/she formerly vacated, or whatever equivalent job he/she is able to perform and to which he/she is entitled by his or her combined seniority in his or her old and new classification.

Selection of Clerks for higher paid classifications shall be determined by giving factors such as seniority, qualifications, performance and intent to remain with the Employer full consideration.

No person in such higher paid classification shall be demoted from his or her position because of deficient performance in the job without first having received a prior warning notice in writing, copy to the Union, specifying the deficiencies.

9. Vacation and Christmas Relief. The seniority of a newly hired employee shall not take effect until the employee has completed the probationary period as provided under Article 2-D of this Agreement and shall then be retroactive to date of hire. However, the seniority of employees hired for vacation relief shall not take effect until sixty (60) days of employment and then shall be retroactive to date of hire. Said sixty (60) day periods shall be between June 1 and August 31. The seniority of employees hired for Christmas relief period shall not take effect until seventy-five (75) days of employment and then shall be retroactive to date of hire. Said seventy-five (75) day period shall be between November 1 and January 15. No fringe contributions shall be made on behalf of Christmas extra employees.

H. LEAVES OF ABSENCE.

1. Emergency Leave. Nonprobationary employees may take an automatic emergency leave of absence not to exceed two (2) weeks in the event of certified, serious illness or injury of the employee, or serious illness, injury or death in the employee's immediate family without prior notice; provided that the employee makes every reasonable effort to notify the Employer within twenty-four (24) hours of the commencement of said leave. Said two (2) weeks' automatic emergency leave of absence shall be a part of the time limits set forth in Paragraph 2 below.

2. Authorized Leave. Employees with six (6) months seniority shall be entitled to leaves of absences for the following reasons and up to the following maximum periods:

a. Death in the employee's immediate family or other personal reasons deemed sufficient by the Employer up to a three (3) month period.

b. Certified illness, injury or pregnancy of the employee requiring absence from work up to six (6) months renewable for up to an additional six (6) month period.

c. In absences covered by Workers' Compensation, the employee's leave of absence shall be continuous until such time as the employee has been released from his or her period of temporary disability and is available and qualified for work, provided, however, such leave of absence shall not exceed fifteen (15) months. This provision is subject to the requirements of Article 21 of this Agreement.

3. Leaves in Writing. All leaves of absence shall be in writing and copies shall be given the Union and the employee.

4. Reinstatement After a Leave. Upon a return from a leave of absence, the employee shall be restored to the job and location the employee left. If this is impractical, he/she shall be restored to as comparable a job as possible, or to a store which is as close to the person's home as geographically possible within the travel limitations. Further, said employee, upon written request, shall have the right of first refusal for any openings in their prior store. In no event shall a probationary employee be a bar to the returning employee.

5. Employment. If an employee works for remuneration during a leave of absence, without receiving written permission from both the Employer and the Union, he/she shall be considered a quit.

6. Termination After a Leave. Any employee on a leave of absence who fails to return to work at the expiration of said leave, shall be automatically terminated by the Employer and shall then forfeit all vacation pay and sick leave owed under the contract.

7. Union Business.

a. Employees shall be granted time off without pay for the purpose of attending negotiations, adjustment or arbitration hearings or for other bona fide Union business.

b. The Employer agrees to schedule any employee who is an officer, or representative of the Union in any capacity, for hours of work that will permit the employee to attend meetings of the Union, provided it involves not more than one (1) employee per store, except where such absence unnecessarily interferes with the operation of a single shift closed case pharmacy.

c. The Union agrees to give the Employer no less than ten (10) days' notice of such meetings.

ARTICLE 4 - WORKING HOURS AND OVERTIME

A. WORKWEEK. The workweek shall be Monday through Sunday, eight (8) hours shall constitute a regular day's work, and forty (40) hours, consisting of five (5) eight (8) hour days shall constitute a regular week's work. All employees hired to work on a full-time basis or who are scheduled and work at least forty (40) hours in ten (10) consecutive weeks shall be guaranteed forty (40) hours' work per

week, except in a holiday week, in which it shall be thirty-two (32) hours, provided the employee is available and able to work the required work schedule.

B. OVERTIME.

1. All work performed in excess of the regular days' work of eight (8) straight-time hours in any one (1) day, or in excess of the regular forty (40) straight-time hours in any one (1) regular workweek, or thirty-two (32) straight-time hours in any holiday week (except as set forth in Appendix A-E-2-c), exclusive of work on the holiday, shall be deemed overtime and paid for at the overtime rate of time and one-half (½) the employee's regular straight-time rate of pay, or at a higher premium rate, if such is applicable.

2. Preference. Employees shall be given preference for overtime work by seniority provided they are qualified to perform such overtime work. This provision shall not be a requirement on the Employer to create overtime work.

C. SCHEDULED WORKDAY. All full-time employees reporting for work on their scheduled workday shall be guaranteed a full day's work of eight (8) hours with pay; except if a full-time employee is scheduled to work six (6) days in any workweek, he/she shall be guaranteed four (4) hours' work on the sixth (6th) day. The four (4) hour day need not be the actual sixth (6th) day, but may be, in the Employer's discretion, any one (1) of the workdays in the weekly work schedule except Sunday. Time and one-half (1½) shall be paid on said sixth (6th) day, contingent upon the employee's completion of his or her scheduled workweek, provided that all time over eight (8) hours in any one (1) day or forty (40) hours in any one (1) week shall be paid at the overtime rate.

D. PART-TIME GUARANTEE.

1. All non-probationary employees shall be guaranteed a minimum of twenty-four (24) hours work per workweek unless it is operationally unfeasible. Upon reporting for work, all part-time employees and those replacing employees in an emergency shall be guaranteed not less than four (4) hours' work with pay. Only registered school students who are under age eighteen (18) shall be allowed to work less than four (4) hours per shift during the period the student is attending school.

2. Part-time jobs shall not be created or scheduled for the purpose of destroying the eight (8) hour day or forty (40) hour week principle.

3. Work Schedule. An employee shall have the right to claim the work schedule of a less senior employee, where skill and ability are relatively equal. Claims for such schedule shall be filed in writing with the Employer prior to the end of the first shift on Friday, with a copy to the Union.

4. Working Employees Past Scheduled Hours. Employees shall not be required to stay past their scheduled hours provided the employee has a valid reason and the Employer can obtain another qualified employee volunteer or through inverse seniority. The Employer shall attempt to provide notice as early in the shift as circumstances permit, but in no event less than one (1) hour before the shift ends. Also, no employee required to stay shall be required to stay longer than one (1) hour beyond the scheduled quitting time. Both one (1) hour requirements do not apply in case of emergency

5. Part-time Scheduled Hours. More senior part-time employees shall not be scheduled fewer hours in a store than less senior part-time employees, who are qualified to perform the same work in the same store when availability is equal. Alleged violations of this Paragraph must be grieved by the

end of the first shift of the Friday following any Wednesday scheduled posting or by the end of the first shift on the Monday following any Thursday or Friday schedule change or shall be forever waived. Reduction of hours of a less senior employee necessitated by the scheduling of more hours to a senior employee shall not give rise to any schedule/pay grievance by a less senior employee. The Employer agrees that it will not flat schedule all part-time employees in the store.

E. SUNDAY RATIO -- CLERKS. The Employer may schedule no more than two (2) part-time shifts for every one (1) eight (8) hour shift scheduled.

F. "ON CALL" GUARANTEE. If the Employer requires an employee to remain at home "on call" the Employer shall guarantee the employee four (4) hours' pay at the appropriate rate for such day. All Employer requests for an employee to remain available for "on call" duty shall be in writing to the employee.

G. SIXTH OR SEVENTH DAY. No employee shall be required to work seven (7) days in any workweek except in an emergency. It shall not be a violation of this contract, nor shall it constitute cause for discharge, if an employee declines to work on the sixth (6th) day of the workweek unless scheduled to work on such day.

H. LUNCH PERIOD. All hours shall be worked consecutively, except for a lunch period which shall be one (1) hour. No eight (8) hour employee shall be scheduled for more than five (5) hours or less than three (3) hours before a meal break. An eight (8) hour employee who is required to work in excess of five (5) hours without a meal period shall receive overtime pay from the end of the fifth (5th) hour until the meal period commences. Eight (8) hour employees who are required to work less than three (3) hours before commencing their lunch period shall receive overtime pay for the time between the start of their lunch period and the three (3) hour mark. However, by mutual agreement in writing between the manager and the employee, less than one (1) hour may be established to meet business conditions, but in no event may less than one-half (1/2) hour be given. If the Union becomes aware of abuse, it reserves the right to revoke the option at any location(s) after first covering the Steps 1 and 2 of the grievance procedure contained in Article 14.

I. READY FOR WORK. All employees shall report for and be ready for work at their scheduled starting time. The term "ready for work" shall include appropriate or required dress.

J. INTEGRITY OF THE FULL-TIME EMPLOYEE WORKDAY. The integrity of the eight (8) hour day shall be preserved and all time worked shall be paid for.

K. LEGAL PROCEEDINGS.

1. Any employee served with a legal notice, citation or subpoena which involves any facet of the Employer's operation, or which may require the employee to appear in legal proceedings during scheduled work time, shall immediately inform the Employer of such service.

2. Employees shall be paid as time worked under the terms of this Agreement for time spent at appearances in legal proceedings at the request of the Employer.

3. In addition, employees shall be paid as time worked under this contract for time spent at appearances or required standby in legal proceedings under subpoena issued by the court when the event, or events, giving rise to the issuance of the subpoena occurred while the employee was on duty working for the Employer, and so long as the Employer is not a party defendant or respondent in such

proceeding, and no relief of any kind is sought against the Employer nor the imposition of any penalty or punishment upon him.

4. Former employees, those who at the time of the legal appearance are no longer employed by the Employer, shall be paid by such Employer at the rate of straight time for the time spent at the legal appearance, with a minimum guarantee of four (4) hours per day. In no sense is it to be construed that the former employee becomes an employee as a result of such payment.

L. WORK SCHEDULE.

1. The Employer shall post a work schedule in ink for all employees showing their surname and first initial not later than the end of the first shift on the Wednesday preceding the first day of the following workweek. Any alteration in such work schedule must be made not later than the end of the first shift on the Friday of such preceding week. If the work schedule within any day is changed after the end of the first shift on Friday without reasonable cause, the matter may be subject to the grievance procedure. An employee shall be guaranteed pay for the specific days in a workweek upon which he/she is scheduled to work, provided he/she is available for such work.

2. In the event that a new schedule is not posted, the previous week's schedule shall apply. In formulating the work schedule of any employee, a minimum of ten (10) hours shall have elapsed between the two (2) consecutive work shifts unless the weekly rotation of Sunday and night shifts is involved, provided, however, that this provision shall not apply to an employee designated by the store manager to act in his or her absence, nor shall it apply in the event of emergencies. Work performed prior to the ten (10) hours' elapsed time in violation of this Paragraph shall be paid at the rate of time and one-half (1½).

M. FALSIFICATION OF TIME RECORDS.

1. Daily Records. The Employer shall furnish forms, either time cards or other time records, on which the employee shall be required daily to record time worked on each day. Such daily record shall be verified by the Employer and employee at least weekly and shall be available for inspection upon request by the Union representative entitled to such information.

2. Collusion or Coercion. In the event of falsification of time records through collusion or coercion, where it is established that both the employee and the Employer had knowledge of such falsification, the employee shall be paid for all time worked, by check mailed to the Union.

N. CONSECUTIVE DAYS WORKED--CLERKS. Where a five (5) day, full-time clerk is scheduled to work more than six (6) consecutive days in any combination of workweeks, said clerk shall receive time and one-half (1½) (or such higher premium as may apply) for all time worked after the sixth (6th) consecutive day, until such time as his or her consecutive days of work have been interrupted by a prescheduled day off. The above shall not apply to regularly scheduled six (6) day clerks, provided that overtime or premium rates are paid where applicable. The sixth (6th) day of work within one (1) workweek, whether prescheduled or not, shall act as an interruption in the continuity of consecutive days worked. Where the application of this sixth (6th) day provision would interfere with the rotation of days off, overtime shall be paid after the seventh (7th) consecutive day.

O. ROTATION OF WORK--CLERKS. The Employer shall endeavor to rotate all clerks on night and Sunday work, except where such rotation adversely affects the Employer's operation, and provided such rotation is agreeable to the employee.

P. PREDESIGNATED DAY OFF GUARANTEE. Any full-time employee called to work on his or her predesignated day off, as established in the work schedule provisions, shall be guaranteed eight (8) hours' work at the overtime rate of pay.

Q. WORKDAY DEFINED. For the purposes of this Agreement a working day is the period from midnight to midnight. Where shifts overlap into two (2) working days, payment shall be made for the hours worked on each working day in accordance with the rates established for such days.

R. PART-TIME EMPLOYEES--SIXTH DAY. Part-time employees shall be paid time and one-half (1½), or such premium rate as may apply, for all work performed on the sixth (6th) day of work as such, in any regular workweek, or on the fifth (5th) day of work in any week in which a holiday falls, excluding the holiday, as provided in this contract.

This Paragraph shall not apply when a part-time employee desires, in writing, additional work, including work on a sixth (6th) workday and the Employer accommodates said employee. If the Union becomes aware of abuse it reserves the right to revoke the option at any location(s) after first covering Steps 1 and 2 of the grievance procedure in Article 14.

S. INTERRUPTION OF OPERATIONS. In the event operations cannot commence or continue when so recommended by civil authorities; or public utilities fail to supply electricity, water or gas; or the interruption of work is caused by an Act of God, the foregoing guarantees shall not be applicable.

ARTICLE 5 - VACATIONS

A. FULL-TIME EMPLOYEES.

1. One - Two Years. All full-time employees who have been continuously employed by the Employer for one (1) to two (2) years shall receive one (1) week's vacation with full pay.

2. Three - Five Years. All full-time employees who have been continuously employed by the Employer for three (3) to five (5) years shall receive two (2) weeks' vacation with full pay.

3. Five Years and Up. All full-time employees who have been continuously employed by the Employer for five (5) years or more shall receive three (3) weeks' vacation with full pay.

4. Full Pay Defined. The term "full pay" shall be defined as forty (40) hours' pay at the employee's straight-time hourly rate which was in effect at the time his or her vacation became due on the employee's anniversary date provided, however, that if the Employer does not pay the vacation pay on the anniversary date, the payment of vacation pay shall be based on straight-time hourly rate of pay in effect at the time the employee takes the vacation.

5. Continuous Employment Defined. Continuous employment for the purpose of this Article shall be measured from the last date of hire with the Employer. However, where there has been continuous leave of absence in excess of one (1) year, the period of continuous employment shall be reduced by the number of full years of such absence.

B. PART-TIME EMPLOYEES. Part-time employees shall be entitled to vacation pay on each anniversary date of their employment, prorated on the basis of the average straight-time hours worked

during the preceding year, according to the vacation formula set forth in this Article 5. Said vacation pay shall be based on the straight-time hourly rate in effect on the employee's anniversary date provided, however, that if the Employer does not pay the vacation pay on the anniversary date, the payment shall be based on the straight-time hourly rate of pay in effect at the time the employee takes the vacation.

C. PRO RATA.

1. Upon termination of employment for any reason other than discharge for proven or admitted dishonesty, an employee shall receive whatever vacation pay is due, prorated on the basis of the number of straight-time hours worked, provided that the employee has been in the continuous employ of the Company for six (6) months or longer. Said vacation pay shall be prorated according to the ratio that the straight-time hours actually worked bear to 2,080 hours. Employees terminated for proven or admitted dishonesty shall forfeit all vacation pay.

2. Employees whose employment is terminated, and who have been in the continuous employ of the Company more than six (6) months, but less than one (1) year, shall not be entitled to such pro rata pay where termination of employment is due to a discharge or to a voluntary quit, but shall receive prorated vacation only where termination of employment is due to a layoff.

3. Any employee who has been in the employ of the same Employer for twelve (12) consecutive calendar months, but not to exceed eighteen (18) consecutive calendar months, shall upon termination of employment be entitled to receive a pro rata of his or her earned vacation on the basis of one (1) workweek consisting of forty (40) hours at straight-time pay for all months for which no vacation has been paid.

4. Where an employee has been in the employ of the same Employer in excess of eighteen (18) consecutive calendar months, he/she shall receive upon termination, a pro rata of accrued vacation pay on the basis of eighty (80) hours at straight-time pay for all months for which no vacation has been paid, but in no event shall vacation pay for the first year's employment exceed one (1) week's pay. It is further provided that employees who voluntarily quit after eighteen (18) consecutive calendar months of employment with the same Employer, and prior to two (2) years' employment with the same Employer, shall receive pro rata of accrued vacation pay on the basis of forty (40) hours at the straight-time rate of pay.

5. An employee who has been in the employ of the same Employer for five (5) years or more shall, upon termination, receive accrued vacation pay on the basis of three (3) weeks per year for all time in excess of five (5) years for which no vacation pay has been received.

6. An employee who has been in the employ of the same Employer for fifteen (15) years or more shall, upon termination, receive accrued vacation pay on the basis of four (4) weeks per year for all time in excess of fifteen (15) years for which no vacation pay has been received.

7. An employee who has been in the employ of the same Employer for twenty (20) years or more shall, upon termination, receive accrued vacation pay on the basis of five (5) weeks per year for all time in excess of twenty (20) years for which no vacation pay has been received.

D. INDUSTRY VACATION. Additional vacation pay based on industry experience shall be provided in accordance with the provisions of the Trust Fund set forth in Article 23. Said additional vacation pay shall be paid to the employee by the Trust Fund. Any employee entitled to vacation pay as

herein provided shall not suffer any loss of credits for health and welfare benefits or pension benefits that are provided under Article 23 of this Agreement.

E. **ABSENCE.** Absence from work up to seven (7) weeks or two hundred eighty (280) straight-time hours within the period of fifty-two (52) consecutive weeks, immediately preceding the employee's anniversary date, due to sickness, injury or temporary layoff, or other bona fide emergencies, shall be considered as time worked for the purpose of determining eligibility for full vacation pay. In the event that an employee is absent from work in excess of seven (7) weeks, as set forth above, whatever vacation pay the employee is entitled to shall be prorated according to the ratio that the straight-time hours actually worked bear to 2080 hours. Hours worked shall include paid holidays, paid vacations and paid jury duty.

F. **VACATION SCHEDULE.**

1. The Employer shall prepare and post in each store a vacation schedule not later than January 15th of each year and such vacation schedule shall remain posted until March 1st for the purpose of enabling the employees to select their vacation period. Vacation periods shall be fixed by the Employer to suit the requirements of his or her business, but as far as possible and practicable, vacations will be given during the summer months (through October if requested by the employee), and for employees with school-age children during the school summer vacation. Vacation periods other than those listed above may be applied for to management and full consideration will be given to grant the request unless it has an adverse affect on the Employer's business. Vacation period shall be unbroken except by mutual consent between Employer and employee.

2. The Employer shall be required to give vacation time off based on the number of weeks of vacation due the employee from the Employer and from the vacation trust fund. Within the limits set forth in this Paragraph, vacations shall be scheduled by seniority.

G. **NOTICE.** In scheduling a vacation of an employee, the Employer shall give as much notice as possible prior to the date of beginning the vacation but not less than thirty (30) days.

H. **NOT WAIVED.** Vacation may not be waived by an employee, nor may extra pay be received for work during that period; provided, however, that by prior mutual agreement between the Employer, the employee and the Union, this provision may be waived.

I. **NOT CUMULATIVE.** Vacations may not be cumulative from one year to another.

J. **HOLIDAY DURING VACATION.** If a holiday named under Article 12 and Appendix A-E of this Agreement falls within the vacation period of an employee, he/she shall be granted an additional day of vacation with full pay, or an additional day's pay in lieu of the holiday. The additional day of vacation shall be counted as a day worked for the purpose of weekly overtime computation during the week in which the employee returns to work.

K. **PAYMENT DATE.** The Employer, in his or her discretion, must pay the employee the vacation pay due either prior to taking the vacation or on the employee's anniversary date. The payment of an employee's vacation pay shall be by separate check or computed at the same tax rate schedule as the computation of regular wages per week. Termination vacation pay is due within seven (7) calendar days of termination or resignation.

ARTICLE 6 - WAGES

A. ALL EMPLOYEES.

1. Base Rates. Attached to and made a part of this Agreement is Appendix B which sets forth the straight-time hourly rates for all employees covered by this Agreement.

2. Apprenticeship. There will be one (1) 520-hour period, and five (5) 1,040-hour periods in order to reach the experienced drug clerk rate at the end of 4,680 hours. Effective with the sixth (6th) anniversary date of hire, employees shall receive the journeyman drug clerk rate of pay regardless of the total number of hours worked.

3. New Hires.

a. New hires shall be credited with prior industry experience as follows:

Less than 520 hours' prior experience -- no credit.

520 hours but less than 1,560 hours' prior experience -- 520 hours' credit.

1,560 hours but less than 2,600 hours' prior experience -- 1,560 hours' credit.

2,600 hours but less than 3,640 hours' prior experience -- 2,600 hours' credit.

3,640 hours but less than 4,680 hours' prior experience -- 3,640 hours' credit.

4,680 hours or more prior experience -- full credit.

b. New hires not previously employed by the Employer who are entitled to prior experience credit shall receive the entry level wage rate during the first thirty (30) days of employment and one (1) bracket lower than their experience calls for during the next ninety (90) days of employment.

c. New hires previously employed by the Employer shall receive full credit for prior experience with the Employer in the type of work to be performed.

4. Definition of Prior Experience. Prior industry experience is defined as experience under UFCW collective bargaining agreements in the State of California in the drug and discount industry or general merchandise in the food agreement during the ten (10) year period prior to employment under this Agreement. Full recognition shall be given for experience in the type of work to be performed under such agreements during the most recent five (5) year period prior to the date of hire. Prior industry experience which occurred in more than five (5) years but no more than ten (10) years prior to the date of hire shall receive credit equal to two (2) brackets below that which their experience calls for. Only such experience stated on the employee's application and confirmed by the Employer or acceptable proof shall be credited.

5. Journeyman Provision. With reference to clerks hired prior to July 27, 1992, the Employer agrees not to replace them with employees hired on or after July 27, 1992 for the purpose of taking advantage of the lower rates effective on or after July 27, 1992.

B. PREMIUMS.

1. Night Premium. For all time worked by employees, after 7 P.M. and before 10 P.M., a premium of fifty cents (50¢) per hour shall be paid and for all time worked by employees, after 10 P.M. and before 7 A.M., a premium of one dollar (\$1.00) per hour shall be paid.

2. Sunday Premium. For all time worked on Sunday by employees, a premium of one dollar (\$1.00) per hour shall be paid.

3. Nonpyramiding. The following are penalty rates: overtime rates, premium rates (night and Sunday), holiday rates. No penalty rate of any kind shall be pyramided or paid in addition to any other penalty rates, and only the single highest applicable penalty rate shall be paid for any given hour of work.

C. WAGE DISCREPANCY.

1. Settlement Attempt. If a wage discrepancy is claimed to exist, the representative of the Union shall first attempt to settle it with the representative designated by the Employer.

2. Written Notification. Failing settlement at this level, the Union shall in writing notify the Employer of the alleged discrepancy and the names of the employees involved, and the period of time that such discrepancy is claimed to cover. Upon receipt of such written notice, the Employer agrees to promptly furnish the representative of the Union wage data pertaining to the alleged wage discrepancy. If the parties fail to settle such wage discrepancy, said discrepancy shall be subject to the provisions of Article 14.

D. NO REDUCTION IN RATES. It is further agreed that no employee shall suffer any reduction in rates or general working conditions by reason of the signing of this Agreement. No employee receiving hourly rates in excess of the rates herein shall be replaced by another employee at a lesser hourly rate for the purpose of avoiding any of the provisions of this Agreement.

E. OVERTIME BASIS. The overtime rate for employees who receive a wage scale in excess of the rates in this contract shall be based on said employee's actual rate of pay.

F. NEW CONTRACT. When a first contract is signed, the period of employment for vacation and sick leave eligibility shall be measured from the last date of hire with the Employer.

G. 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 schedules 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.

H. BONUS PAYMENT. All bonuses and commissions paid to the employee shall not be considered as wages but are to be considered for the purpose of this Agreement as extra compensation over and above the minimum wage provided for in this Agreement. All bonuses and commissions are at the option of the Employer and may be changed or discontinued at any time without notice unless otherwise specified in this Agreement. Bonuses and commissions shall not be used to defeat the wage provisions of this Agreement.

I. INVENTORY WORK. The present inventory taking practice shall continue; provided, however, that employees covered by this Agreement shall be paid for all time spent taking inventory at the appropriate contractual rate. No inventory work shall be required to be performed by employees covered by this Agreement on the evenings before Thanksgiving, Christmas and New Year's Day.

ARTICLE 7 - STORE AND COMPANY MEETINGS

A. STORE MEETINGS. No store and/or Company meetings shall be held as to conflict with the regular meetings of the Union, and upon three (3) days' notice to the Employer of a special meeting, the Employer agrees to hold no store meetings in conflict therewith. Employees shall not be required to attend store meetings on their scheduled days off. Actual time spent at store meetings shall be considered as time worked and paid for in accordance with this Agreement, but shall not constitute hours worked with respect to overtime or any other premium pay and report-in pay provisions of Article 4-D and E shall not be applicable. Should the Company have more than one (1) store meeting per quarter, all time spent at store meetings in excess of the one (1) per quarter shall be considered as time worked and paid for in accordance with this Agreement, including all premiums, overtime and report-in pay.

B. COMPANY MEETINGS. Attendance at Company meetings (as distinguished from store meetings) shall not be required, but shall be completely voluntary on the part of the employee.

ARTICLE 8 - UNIFORMS

The Employer shall furnish all required uniforms and, except where the garment is of a drip-dry material, shall pay for the laundering and upkeep of same. The Union members shall have the right to wear their Union buttons. The Employer will permit its female employees to wear pantsuits or slacks (not blue jeans) in accordance with reasonable and appropriate standards of attire for retail employees.

ARTICLE 9 - CHARITY

The Employer shall not conduct or handle any campaign or drive for charitable purposes among his or her employees except where the cooperation and contributions of the employees are voluntary.

ARTICLE 10 - VISITS TO STORES

In order to observe conditions existing under this Agreement and to settle grievances, representatives of the Union shall have the right to visit the stores.

It is the general policy of the Union for its representatives not to visit the stores during the busy afternoon hours, Saturdays or days preceding holidays. However, upon receipt of a reported violation, a Union representative shall have the right to visit such store at any time for the purpose of investigating such violation.

The Union further agrees that it will arrange with the store manager for such investigation of reported grievances and that any meetings between employees and Union representatives shall be limited to one

(1) employee at a time and shall be conducted with the least possible interference with store operations. Such meetings shall be held on the premises in a place designated by the store manager. In instances where employees are working during hours that the stores are closed to the public, the Union may request a list of the employees involved, and the hours worked.

ARTICLE 11 - PHARMACIST PROVISIONS

All special provisions relating to the conditions of work for pharmacists are set forth in Appendixes A and C are hereby incorporated in and made a part of this Agreement.

ARTICLE 12 - HOLIDAYS--CLERKS

A. PAID HOLIDAYS.

1. The following days shall be holidays and granted without reduction in pay:

New Year's Day	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	
Labor Day	

2. When one (1) of the above days falls on a Sunday, the following Monday shall be considered the holiday instead of Sunday with the exception of Christmas Day and New Year's Day which shall always be celebrated on December 25 and January 1 respectively.

3. Employees, during the first (1st) year of their employment, shall not be entitled to pay for time not worked on the holiday or to overtime for the first eight (8) hours on the fifth (5th) day of such week.

4. With respect to any of the holidays listed in this Agreement which may, by virtue of controlling legislation be celebrated on Monday, this Agreement will be changed automatically to permit such Monday observance, coincident with the dates specified in such legislation.

B. HOLIDAY PAYMENT.

1. Rate. Work as such on a holiday shall be compensated for at two and one-half (2½) times the straight-time hourly rate of pay for all hours worked after an employee's first year of employment. Said two and one-half (2½) times shall include any premium pay or overtime that may be applicable and includes pay for the holiday itself.

2. Holiday Week. A regular holiday workweek shall consist of the holiday itself and four (4) other eight (8) hour days. All full-time clerks shall receive forty (40) hours of straight-time pay for thirty-two (32) straight-time hours of work excluding the holiday. A full-time clerk, not working on a holiday, shall receive eight (8) hours' pay for the holiday, in addition to the pay specified in this Agreement for the other four (4) days referred to above. All time worked over the thirty-two (32) hours, exclusive of the holiday, shall be paid for at the rate of time and one-half (1½) the clerk's regular rate of pay.

3. Examples. The following hypothetical examples accurately reflect the intention of the parties set forth above with respect to clerks.

	Holiday Straight							Total Worked	Hours of Pay at Hours
	M	Tu	W	Th	F	Sa	Su		
<u>Example #1</u>									
Hrs. wkld.	0	8	8	8	8	0	0	32	
Pay for	8	8	8	8	8	0	0		40
<u>Example #2</u>									
Hrs. wkld.	0	8	8	8	8	8	0	40	
Pay for	8	8	8	8	8	12	0		52
<u>Example #3</u>									
Hrs. wkld.	8	8	8	8	8	0	0	40	
Pay for	8	0	8	8	8	8	0		52
<u>Example #4</u>									
Hrs. wkld.	8	8	8	8	8	8	8	48	
Pay for	8	8	8	8	8	12	12		64
<u>Example #5</u>									
Hrs. wkld.	8	8	8	8	8	8	0	48	
Pay for	20	8	8	8	8	12	0		64
<u>Example #6</u>									
Hrs. wkld.	4	8	8	8	8	0	0	36	
Pay for	14	8	8	8	8	0	0		46
<u>Example #7</u>									
Hrs. wkld.	4	8	8	8	8	8	0	44	
Pay for	14	8	8	8	8	12	0		58
<u>Example #8</u>									
Hrs. wkld.	9	8	8	0	8	8	0	41	
Pay for	22½	8	8	0	8	8	0		54½

C. **WORK ON THANKSGIVING, CHRISTMAS, CHRISTMAS EVE AND NEW YEAR’S EVE.** Work on Thanksgiving shall be assigned by the Employer on a voluntary basis. Should the Employer be unable to staff its store with volunteering employees the Employer may assign employees to work the holiday by inverse seniority. Once an employee has agreed to work on Thanksgiving and the work schedule has been posted, he/she shall be required to work said day. Written requests to work on any holiday shall be given first preference based on seniority. Employees working on the day of December 24th and/or December 31st shall be scheduled on the basis of inverse seniority to allow the most senior employee the early shift on Christmas Eve and New Year’s Eve. No employee shall be required to work on Christmas Day.

D. **PART-TIME EMPLOYEES.** Holiday pay for employees who work less than forty (40) hours shall be based on twenty percent (20%) of the employee’s average hours worked per week in the six (6) weeks worked immediately preceding the holiday or the number of weeks worked if less than six (6) except that in computing pay for the New Year’s holiday the same period of time used in computing pay for the Christmas holiday shall be used.

E. HOLIDAY WORK GUARANTEE.

1. An employee who works on a holiday shall be guaranteed eight (8) hours' work, except that a full-time, or regular part-time employee who regularly works less than eight (8) hours on the day on which the holiday is observed, shall be guaranteed not less than the number of hours regularly worked on such day.

2. The eight (8) hour guarantee shall be deemed to have been complied with if less than an eight (8) hour shift is worked on the holiday, but said hours are part of an eight (8) hour shift which includes hours on either the day before or the day after the holiday. Hours worked during the twenty-four (24) hour period of the holiday shall be compensated at the holiday rate as set forth in this Article, and each hour so compensated shall apply toward the eight (8) hour holiday guarantee.

3. On holiday schedules, if eight (8) hour shifts create unnecessary overlapping of employees, the Employer may schedule part-time employees for four (4) hours or more, but the number of short employee shifts shall not exceed the number of eight (8) hour employee shifts on said holiday.

4. Where a condition arises that there are no part-time clerks available, then full-time clerks may be scheduled for less than eight (8) hours, on a voluntary basis, provided that said work is in excess of the regular holiday workweek of thirty-two (32) hours.

5. In those stores open for less than nine (9) hours on holidays, full-time clerks who have been scheduled for four (4) eight (8) hour days will be permitted to work less than eight (8) hours on the holiday, but will be guaranteed the number of hours the store is open, less a lunch hour if the shift exceeds six (6) hours. Such clerks shall receive no less than five (5) hours' pay at the holiday premium rate. If said employees perform work before the store opening and/or after the store closing, the eight (8) hour guarantee at the holiday premium rate of pay shall apply, and all hours worked in excess of eight (8) hours shall be compensated at the holiday premium rate of pay. This exemption from the holiday guarantee shall apply to full-time clerks only, unless no full-time clerks are available.

F. REQUIREMENTS. No employee shall receive pay for any holidays not worked unless such employee has reported for work on his or her regular working day next preceding and next following said holiday. Employees shall be deemed to have reported for work if absence on said day before and said day after said holiday is due to express permission from or action of the Employer, provided the employee has worked during the holiday week, except that if the employee is absent during the entire holiday week due to illness or injury, then he/she must have worked at least one (1) day during the week immediately preceding the holiday week in order to be entitled to holiday pay.

G. VOLUNTARY CLOSING. When the Employer voluntarily closes his or her store to the public because of any commemoration day or celebration day, or on any holiday other than those set forth in Paragraph A, above, it is agreed that the employees shall suffer no reduction in straight-time weekly earnings on account of such closing.

ARTICLE 13 - BOND

Whenever the Employer requires the bonding of any employee or the carrying of any insurance for the indemnification of the Employer, the premiums for the same shall be paid for by the Employer. Should an employee be refused bond by a bonding company, after his or her first thirty (30) days of

employment, the Employer agrees to make a reasonable effort to secure a bond in an appropriate case without added cost to the Employer.

ARTICLE 14 - ADJUSTMENT AND ARBITRATION

A. DISPUTES OR QUESTIONS. When disputes or questions of interpretation or application arise under the terms of this Agreement, they shall be, if possible, solved by the parties to this Agreement.

B. NOTICE. If the parties fail to solve such grievances within ten (10) days of written notice, the matter may be submitted to arbitration by either party.

C. ARBITRATOR.

1. The party initiating the arbitration shall request the Federal Mediation and Conciliation Service to supply a list of fifteen (15) arbitrators and, by alternate striking, the parties shall choose the last remaining arbitrator to sit in judgment of the dispute. The parties shall draw lots to determine who shall make the first deletion from the list. The parties may agree on an arbitrator by mutual agreement without resorting to this Paragraph.

2. Selection of the arbitrator by alternate striking of names shall take place immediately following receipt of the list of names.

D. SUBMISSION.

1. Within ten (10) days following the selection of the arbitrator the parties must agree on a submission agreement which shall state the question to be decided by the arbitrator.

2. Should the parties fail to conclude a submission agreement, the question then shall be framed by the arbitrator at the commencement of the hearing.

E. ARBITRABILITY. The arbitrator shall also decide the question of arbitrability, should it arise.

F. LIMITATIONS. The arbitrator shall not have the power to alter, change or modify this Agreement in any respect. The rights of the parties to make any changes, modifications or amendments to the Agreement shall be reserved to themselves only, and shall not be subject to the arbitrator's authority.

G. FINAL AND BINDING. The arbitrator's decision shall be final and binding on all parties hereto.

H. EXPENSES. The expenses of the arbitrator and other mutually agreed to expenses shall be borne equally by the parties.

I. TIME PERIODS. The time periods set forth above may be extended by mutual agreement of the parties.

J. WORK STOPPAGES. Matters subject to the procedures of this Article shall be settled and resolved in the manner provided herein. During the term of this Agreement, there shall be no cessation or stoppage of work, lockout, picketing or boycotts, except that this limitation shall not be binding upon

either party hereto, if the other party refuses to perform any obligation under this Article or refuses or fails to abide by, accept or perform a decision or award of an arbitrator, and fails to appeal to a court of competent jurisdiction.

K. **REPORTING MONETARY DISCREPANCIES.** A claim for unpaid wages, holidays, vacation, jury duty, sick leave, bereavement pay, or night, Sunday or part-time premium pay, or for any other direct compensation, must be filed with the Union by the employee, promptly upon discovery. The Union shall, thereafter, if it believes such claim has validity, promptly notify the Employer. A claim not filed by the employee with the Union within thirty (30) days after discovery and not filed by the Union with the Employer within an additional thirty (30) days, shall be deemed null and void. (The Union has sixty (60) days from the employee's date of discovery to file notice with the Employer.) Notwithstanding the foregoing, no wage or other direct compensation claim not involving interpretation of the contract can cause such Employer to pay such claim or any portion thereof retroactively for a period of more than six (6) months immediately prior to the date of the Employer's receipt of notice from the Union of the claim. In any event, the Employer's obligation to compensate an employee for unpaid time worked under Article 4, Paragraph M, shall not be limited in any way by the foregoing, except for the six (6) month limitation.

ARTICLE 15 - SICK LEAVE

A. **BENEFITS.**

1. **Eligibility.** All employees covered by this Agreement who have been continuously employed by the Employer for a period of at least one (1) year shall be entitled to three (3) days sick leave with pay effective January 1, 2007, and on each anniversary date of employment thereafter, they shall be entitled three (3) days sick leave with pay (subject to Paragraphs C and D of this Article); however, such sick leave benefits shall not accumulate from year to year. Sick leave shall be payable only for bona fide nonhospitalized illness or injury beginning with the first (1st) working day's absence and shall be payable only during the first three (3) calendar days of absence, or until the employee is eligible for State benefits. Any working day on which an employee works more than four (4) hours shall not be considered the first (1st) day of absence.

2. **Sick Pay Defined.** For the purpose of this Paragraph sick pay shall mean pay at the employee's regular classification rate for those days and hours which the employee would have worked had the disability not occurred, calculated at straight time.

B. **PRO RATA.** Part-time employees, and full-time employees who failed to work the full year, shall be entitled to sick leave on the basis set forth above on a pro rata of total hours worked or paid for during the year preceding the anniversary date as a ratio to 2,080 hours.

C. **UNUSED SICK LEAVE PAID.** For employees hired prior to February 6, 1984, commencing with the employee's second (2nd) and succeeding anniversary dates of employment, any unused sick leave to which an employee may be entitled shall be paid on the employee's anniversary date of employment. After a year's employment, the employee, in the event of termination, shall be entitled to a payoff of unused sick leave entitlement and to pro rata payment of accumulated sick leave since his or her last anniversary date. Termination shall include a nonpromotional transfer to a store or department not covered by the Retail Pharmacists, Drug and General Clerk Agreement. In the event termination from the bargaining unit is due to a promotion, any unused sick leave pay accumulated at the time of promotion, will be given the employee if he/she leaves the Company's employ within six (6) months of

such promotion. After said six (6) months' period, the Employer's obligation to pay unused sick leave to the promoted employee ceases. The pro rata payment of accumulated sick leave since his or her last anniversary date shall not be paid to an employee who is discharged for proven or admitted dishonesty, or who quits voluntarily.

D. UNUSED SICK LEAVE ACCRUAL. For employees hired on or after February 6, 1984, commencing with the employee's second (2nd) and succeeding anniversary dates of employment, any sick leave not utilized (unused and unpaid leave) by the employee during the anniversary year shall accumulate to a maximum of eighteen (18) days. On the employee's fourth (4th) and succeeding anniversary dates of employment, the employee shall be entitled to receive pay for unused sick leave as provided for employees hired prior to February 6, 1984, under Paragraph C of this Article.

ARTICLE 16 - BEREAVEMENT PAY

Leave for all employees shall be provided because of death of a member of the employee's immediate family provided, however, that employees shall not be entitled to bereavement pay during the first (1st) year of employment, but such employees will be given up to three (3) days off without pay. Pay for such leave shall be at the straight-time rate for the hours scheduled for each workday lost because of such absence to a maximum of three (3) consecutive days. Employees shall be entitled to two (2) additional days leave without pay for out of area deaths (100 miles or more) for purposes of travel. Verification of time required for such paid leave shall be supplied to the Employer by the employee, if requested. Immediate family shall be defined as the employee's spouse, child, mother, father, stepparent, brother, sister, mother-in-law, father-in-law, grandchild, grandparent, stepchild, legal guardian, or other relative living in the employee's home.

ARTICLE 17 - JURY DUTY

When a full-time employee is required to be in any court or courthouse for jury service, he/she shall be scheduled for a day shift from the hours of 8:00 A.M. to 5:00 P.M. on each day that he/she is scheduled for jury service, and on a Monday-through-Friday workweek and shall receive pay during such workweek for each day on such jury service at the rate of eight (8) hours times his or her straight-time hourly rate. An employee shall not be entitled to receive jury duty benefits during the first (1st) year of employment.

If such employee in addition works for the Employer on Saturday, he/she shall be paid at the rate of straight time. If he/she works for the Employer on Sunday, he/she shall be paid at the Sunday rate of pay.

If an employee is excused, temporarily or permanently from jury service on any scheduled day, i.e., Monday through Friday, he/she shall immediately report for work to complete the remaining hours of his or her scheduled work shift. Failure to so report shall disqualify an employee from any pay for jury duty for the day in question as long as the transportation time will permit him to return to work prior to one (1) hour before the end of his or her shift.

The Employer may require proof of attendance for jury service.

An employee must report immediately that he/she has been called for jury service and shall cooperate with the Employer in securing release from such service as appropriate in the circumstances then existing and with regard to the work performed by the individual concerned.

An employee shall be eligible for jury duty pay for a maximum of thirty (30) days only during the life of this Agreement. Jury duty pay shall not be required for Grand Jury service. In the event an employee is called for a second (2nd) tour of duty during the term of this Agreement, the Employer shall join the employee in seeking the employee's excuse from service if such service would cause a financial hardship to the employee.

ARTICLE 18 - STORE HOURS

The Employer shall have the sole right to fix and determine the opening and closing hours of his or her store.

ARTICLE 19 - PRODUCTS HANDLED

The rates set forth herein in Appendix A reflect and are based upon the kinds, types, mixture, customer exposure, and the merchandising, advertising and pricing methods of products traditionally and historically handled by the retail drug industry of Southern California.

Rates of pay for employees under this Agreement handling products not traditionally and historically handled, as set forth above, by the retail drug industry of Southern California, shall be subject to further negotiation upon written notice by either party to this Agreement.

If the parties cannot agree on the appropriate wage rates for such employees pursuant to such negotiations, either party may then submit the unresolved issue to the arbitration procedure set forth in Article 14 of this Agreement.

ARTICLE 20 - SUCCESSORS AND ASSIGNS

A. PARTNERSHIP DISSOLUTION. In cases of dissolution of a partnership, the remaining partner shall be expressly obligated to carry out the terms of this Agreement, regardless of whether or not he/she was signatory to the original Agreement.

B. NEW OWNER. This Agreement shall be binding upon the successors and assigns of the parties hereto. In the event of bona fide sale or transfer of any store covered by this Agreement during the period hereof, the new owner or such transferee shall be notified of the obligation of this Agreement and be required to become a party hereto. The former owner shall be required to meet any and all monetary benefits that employees have accumulated under this Agreement.

C. ACCRUED VACATION. Upon sale or transfer of ownership of any store, or upon dissolution of business, vacation pay for all months worked for which no vacation pay has been given, shall be immediately paid to all employees coming under this Agreement, regardless of length of time said employee has been with the Employer.

D. SALE OR TRANSFER.

1. In the event of a sale or transfer of a store or stores, an employee shall be allowed a seven (7) day period from the date of announcement to the employees of the sale or transfer during which time he/she may determine whether he/she wishes to stay with the seller or whether he/she wishes to make application for employment with the new owner or transferee. In the event the employee chooses to remain with the seller, such choice shall not be construed as any guarantee of employment over and beyond the terms of this Agreement.

2. In the event of a sale or transfer of a store or stores, the new owner or transferee shall make every effort to fill his or her employment needs in such store or stores from those employees of the seller or transferor who were employed in the stores sold or transferred.

3. Such new owner or transferee, however, shall not be required to retain in his or her employ any of the employees of the seller or transferor. Any employee of the seller or transferor who is employed within the thirty (30) day period referred to immediately below by the new owner or transferee shall be employed on a probationary basis for a period of thirty (30) days from the date the new owner or transferee assumes responsibility for the management and operation of the store or stores, subject to termination within such thirty (30) days with or without cause and without reference to seniority. Any termination within such thirty (30) day period shall not be reviewable through the grievance or arbitration procedures, except for a violation of the second (2nd) Paragraph of D of this Article 20.

4. Any employee of the seller or transferor who is employed by the new owner or transferee within such thirty (30) day period and who is retained on the payroll of the new owner or transferee for a period in excess of such thirty (30) day period, shall be credited with and retain all seniority acquired while in the employ of the seller or transferor since his or her most recent date of hire by such seller or transferor for the purpose of determining benefits to which he/she is entitled under the collective bargaining agreement with the new owner or transferee by virtue of such seniority as if his or her employment were continuous, including retention of anniversary date of employment, provided that the employees of the seller or transferor shall for the purposes of termination be credited with no more seniority than that of the most senior employee employed by the new owner or transferee covered by an agreement with a UFCW Local on the date of assumption of responsibility, and provided further that the new owner or transferee shall not be liable for any benefits or payments owed to the employee because of employment with the seller or transferor. "Seller or transferor" is defined to include prior owners of the same store since January 1, 1956.

5. The seller or transferor shall pay all vacation and sick leave accrued for time worked as of the date the sale or transfer becomes effective for all employees who have completed at least six (6) months with the Employer on the effective date of the sale or transfer, and said date shall become the date of employment with the new Employer for the purpose of vacation and sick leave only.

ARTICLE 21 - SEPARABILITY CLAUSE

The provisions of this Agreement are deemed to be separable to the extent that if and when a court of last resort adjudges any provisions of this Agreement in its application between the Union and the undersigned Employer 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 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 a law, both parties shall meet immediately for the purpose of renegotiation and agreement on provision or provisions so invalidated.

ARTICLE 22 - GENERAL CONDITIONS

A. TRAINING SCHOOL FEES. Where, as a condition of employment, the Employer requires attendance at a school or training establishment, and where a fee is charged for such instruction or training, the fee shall be borne by the Employer.

B. REGISTER SHORTAGES.

1. No employee may be required to make up cash register shortages, unless he/she is given the privilege of checking the change and daily receipts upon starting and completing the work shift, and unless the employee has exclusive access to the cash register during the work shift, except as specified below.

2. No employee may be required to make up register shortages when management exercises its rights to open the register during the employee's work shift, unless the register is opened in the presence of the employee and the employee is given the opportunity to verify all withdrawals and/or deposits.

3. When, as the result of a shoppers report, an employee, subsequent to the shopping incident, is called upon for an interview by a security agent, the employee may, upon receipt of such advice or during such interview, request the presence of a Union representative during the interview. Such Union Representative must be available within a reasonable period of time but in no event later than twenty-four (24) hours after such request, or the interview may proceed without a Union representative.

When an employee is the subject of a shoppers report or multiple reports and is to be counseled on said report or reports by the Company, the counseling will take place within a reasonable time period not to exceed thirty (30) days from the date of the last report affecting the employee. The employee and the Union Representative will, by request, be given an opportunity to read such reports during counseling.

C. RESTROOMS AND REST PERIODS.

1. Restroom facilities shall comply with requirements under applicable regulations or laws. An employee working more than six (6) hours in a day shall receive two (2) ten-minute uninterrupted rest periods during such day. The first rest period shall be given in the first half of the shift and the second period during the second half of such shift. All employees who are required to work a minimum of one (1) hour of overtime shall be entitled to a ten (10) minute rest period prior to the start of such overtime.

2. An employee working more than two (2) hours and not more than six (6) hours shall receive one (1) ten-minute uninterrupted rest period. This shall be given during the first four (4) hours of the employee's shift.

3. Insofar as practicable, rest periods shall be in the middle of each work period.

4. All employees required to work a minimum of an additional one (1) hour overtime shall be entitled to a ten (10) minute rest period prior to the start of such overtime.

5. The term uninterrupted means not being called back to perform work. If the employee is called back to work during the break, the employee will be given a new uninterrupted break period to replace that which was interrupted as soon as possible.

D. UNION PRINCIPLES. The Employer shall not discharge or discriminate against any employee for upholding Union principles, as long as such act does not constitute a violation of this Agreement, and nothing herein shall be so construed as to abrogate an employee's rights under the law, including the right individually to refuse to cross a bona fide picket line established in a bona fide dispute by any bona fide labor organization. For the purpose of this Paragraph, a sanctioned picket line shall be one which is sanctioned by the Local Union signatory to this Agreement and the Southern California Food and Drug Council or the appropriate County Federation of Labor, AFL-CIO.

E. TITLES. The titles and subtitles used in this Agreement are for the sole purpose of identification and shall have no bearing on the construction or meaning of the Paragraphs to which they refer.

F. PAY PERIOD AND WAGE STATEMENT. All employees shall be paid on a weekly or biweekly basis. The Employer shall designate a payday not to exceed six (6) days following the completion of the applicable pay period and employees must be paid on that day. The Employer agrees to furnish each employee with a weekly itemized wage statement showing the name of the employee, period covered, straight-time and overtime or premium hours worked, total amount of straight-time, overtime and premium wages paid and all deductions made. An employee scheduled off on a payday shall be paid on his or her last scheduled working day before the payday, if checks are available.

G. WEIGHT LIMIT. No employee shall at any time be permitted or required to lift any item weighing more than the limit allowed by law.

H. AUTO ALLOWANCE. The current mileage allowance of twenty-one cents (21¢) will remain in effect until such time as the Employer adjusts such allowance for all employees. Such amount will then automatically apply to all employees. The parties further agree to an annual review during September of each year for the purpose of considering adjustment in the current auto allowance. This provision shall not be subject to Article 14 of this Agreement.

I. AMENDMENTS, ADDITIONS AND WAIVERS. This Agreement is subject to amendment, alteration or addition only by a subsequent written agreement between and executed by the Employer and the Union. The waiver of any breach, term or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of any such term or condition.

J. EFFECTIVE DATES. All economic terms and conditions of this Agreement shall be effective September 3, 2001, except as otherwise specified herein. All operational terms and conditions which change previously existing practices shall be effective not later than the date of execution of this Agreement.

K. WAGE AND PRICE CONTROLS. If by Presidential decree or legislative enactment, wage and price controls are instituted which cause any provisions of this Agreement to affect either of the parties adversely, such provisions may be reopened for negotiations. The party adversely affected must give fifteen (15) days' written notice to the other party in order to so reopen this Agreement. Any issues

unresolved as a result of such reopening, may be submitted to final and binding arbitration by either party under the procedures set forth in Article 14.

L. POLYGRAPH TEST. No employee or applicant for employment covered by this Agreement shall be requested or required by any representative of the Employer to be the subject of a Polygraph (lie detector) test for any reason whatsoever. The Employer agrees to refrain from any direct or indirect action that violates this understanding.

M. NAME TAGS. Name tags of clerks shall not include the last names but may include the initial of the last name.

N. TRAVEL TIME. Whenever the employee is required by the Employer to change from one store to another during the same day, all time consumed by said employee in going either to or from one store to another shall be considered and paid for as part of his or her regular duties.

O. PAYROLL DATA. In case of a dispute over wages the Union representative shall, upon request, have the right to a copy of the necessary payroll information relative to employees covered by this Agreement. The Union reserves the right to require in such disputed instances as it deems necessary, that owed wages of employees be paid through the office of the Union or a notarized statement submitted to the Union of gross amounts paid and deductions made. Either method may be used by the Employer.

P. HEALTH EXAMINATION. The Employer shall pay the cost for any city, county or state health examination required of employees who are covered by this Agreement.

Q. INTERVIEW - INTERROGATION. In any instance where an employee is to be interviewed and/or interrogated by the Employer or his or her representative in respect to any alleged violation of the collective bargaining agreement or alleged infraction of Company policies which may result in disciplinary action, the employee shall be afforded the opportunity of calling his or her Business Representative and having his or her Business Representative present during such interview or interrogation.

R. EMPLOYEE LISTS. The Employer agrees to permit the Union to check the list of employees covered by this Agreement, and their respective wage rates of preceding months, and to furnish the Union a complete payroll list for all employees covered by this Agreement and wage rates effective the first payroll period each January and September. Said lists shall include hire dates, birth dates, and Social Security numbers from current records.

S. GENDER REFERENCES. All references in this Agreement to sex; for example, any reference to "his or her," "he" or "him" shall also apply to "her," "she" or "hers" and vice versa. References to "they," "them" and "their" shall apply equally to both sexes.

T. BULLETIN BOARD. It is agreed that the Union may supply each store with a bulletin board not to exceed two (2) by two (2) feet in size for the purpose of posting notices of official Union business. Bulletin boards shall not be used to post notices of a political or adversarial nature. The implementation of this program shall be coordinated by the Company's Industrial Relations Department.

ARTICLE 23 - TRUST FUNDS

A. BENEFIT FUND.

The parties agree to continue to participate in the Southern California Drug Benefit Fund in accordance with the terms and provisions for health and welfare benefits in Sections A and C through G of Article 14 of the current Retail Drug Agreement between Rite Aid, Inc. and the Union; except that Article 14, Section A, Paragraph 3, will not be applicable to this Agreement and all employees will be eligible for the Gold Plan of benefits. The parties agree to be bound by the provisions for health and welfare benefits contained in any successor collective bargaining agreement between the Union and Rite Aid or its successor or, if none, to the health and welfare provisions of the collective bargaining agreement in effect between the Union and the employer with the largest number of employees in the Southern California Drug Benefit Fund.

B. CONTINUED PARTICIPATION. The Employer agrees to continue to participate in the Southern California Drug Benefit and Pension Funds and also agrees to be bound by the contribution rates and level of benefits in both the current and successor standard Sav-on Drug/CVS Drug agreements as they pertain to the Southern California Drug Benefit and Pension Funds.

C. If for any reason the employer is denied eligibility to participate in the Southern California Drug Benefit and Pension Fund, the Employer agrees to find an alternative source of insurance closest to the current coverage levels. The Employer also agrees that he will form a 401k or seek out an alternative pension fund should this occur. This should occur within thirty (30) to ninety (90) days of the Employer being notified.

ARTICLE 24 - EXPIRATION AND RENEWAL

This Agreement shall be in effect from September 5, 2011, to and including September 4, 2016, and shall continue from year to year thereafter unless either party shall give written notice to the other at least sixty (60) days prior to the expiration date of September 4, 2016, or at least sixty (60) days prior to any subsequent September 4 of any succeeding year of its desire to alter, amend, or terminate this Agreement.

SIGNED THIS _____ DAY OF _____, 2013.

FOR THE EMPLOYER:

FOR THE UNION:

David Mashayekan, Owner
Gen-Rx Pharmacy

Bill Lathrop, President
UFCW Local 1167

John Rouzitalab, Owner
Gen-Rx Pharmacy

Mickey Kasparian
UFCW Local 135

APPENDIX A - PHARMACIST PROVISIONS

A. RESPONSIBILITIES TO THE PUBLIC AND THE PHARMACY PROFESSION.

1. Principles. The foremost obligation of the Employer and the pharmacist is to assure the public that prescriptions and related matters are handled in accordance with the highest professional standards of pharmacy. The Employer and the pharmacist pledge full cooperation in such mutual undertaking.

2. Declarations. To make possible the fullest attainment of the above-stated objective, the following declarations shall apply:

a. The Employer shall make every possible endeavor to provide work surroundings and conditions which will prevent the pharmacist from being interrupted or distracted unnecessarily while compounding prescriptions. Such conditions will specifically include, but not be limited to:

(1) Prescription compounding area shall be separated from the public by barriers of appropriate height and distance.

(2) A sign shall be posted on entrance to pharmacy departments restricting entry to authorized persons only.

b. The pharmacist shall have full control over the pharmaceutical case and shall see that cleanliness and organization are maintained therein in accordance with State and Federal laws and Employer policies. However, he/she shall not be required to do work of a maintenance or clean-up nature.

c. The pharmacist shall be expected to keep himself informed of developments in the pharmaceutical field. Therefore, he/she will be expected to participate in necessary interviews during working hours with Employer-approved medical sales representatives. He/She will also be expected to consult trade publications and books of reference, available in the store, concerning matters of importance and immediate concern, as needed. To assist in the foregoing, the Employer will make available in the store publications containing up-to-date product information, including cross-referencing.

d. The pharmacist shall compound and dispense prescriptions, and sell pharmaceuticals, medicines, and related drug items. He/She may in his or her individual discretion, but shall not be required to perform, additional functions outside the prescription and drug departments.

e. On all matters relating to the ethical practice of pharmacy including those set forth in this Appendix, pharmacists shall be responsible within the Company only to supervisors who are pharmacists.

f. The Employer will carry an insurance policy in the amount of \$500,000 for each person in each accident, and in the aggregate, \$1,000,000 per twelve (12) month period, in order to protect the pharmacist while working on the job against any civil losses for incorrect compounding of prescriptions, or for the performance of any usual and customary professional services authorized by the Employer. The Employer shall send evidence of such coverage to the Union.

g. Professional Rights. A pharmacist in his or her professional judgment may delay or refuse to fill or refill any prescription if there is reason to believe that such action would protect the health of the patient or where reasonable doubt exists as to the legality of said prescription or the legal use thereof, after first having established the fact by having consulted the prescriber if said prescriber is available.

h. There shall be established a Professional Relations Committee composed of an equal number of Union and Company representatives.

The purpose of this Committee will be to consider, discuss, and mutually agree upon, if possible, matters of concern and common interest relating to the practice of pharmacy. In no event shall any action of this Committee interfere with or abridge the legal and ethical duty and responsibility of the individual pharmacist in his or her practice of pharmacy.

The Committee shall have the right to establish its own rules and procedures, including but not limited to the selection of Chairman, Secretary, meeting dates, places and the agenda for each meeting of the Committee.

The duties and functions of the Committee shall not abridge or preclude either the Union or the Company from taking unresolved grievances arising under the terms of this Agreement through arbitration as set forth in Article 14 of this Agreement.

B. TRANSFER OF EMPLOYEES. Pharmacists who desire to transfer to a higher rated prescription department shall put their requests in writing to the Pharmacy Supervisor. The Employer will give full consideration to such requests and grant them if they do not have an adverse effect on the business of the Employer. Such requests shall not be refused arbitrarily.

C. SCHEDULES OF RATES. Base Rates. Attached to and made of part of this Agreement is Appendix C which sets forth the straight-time hourly rates for all pharmacists covered by this Agreement.

D. NIGHT PREMIUM. A premium of fifty cents (50¢) per hour in addition to the applicable straight-time or overtime rate shall be paid on all hours worked by pharmacists between the hours of Midnight and 8:00 A.M.

E. HOLIDAYS.

1. Paid Holidays.

a. The following days will be holidays and granted without reduction in pay:

New Year's Day	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	Personal Holiday
Labor Day	

b. When one (1) of the above days falls on a Sunday, the following Monday shall be considered the holiday instead of Sunday, with the exception of Christmas Day and New Year's Day which shall always be celebrated on December 25 and January 1 respectively.

c. Pharmacists shall not be entitled to pay for time not worked on the holiday during the first (1st) year of their employment.

d. Personal Holiday. A pharmacist requesting a given workday date as the personal holiday must do so at least thirty (30) calendar days in advance. On requests for a personal holiday, the Employer shall endeavor to grant such holiday time off with pay to the senior requesting pharmacist(s). A personal holiday date, once granted for that year, will become permanent fourteen (14) calendar days prior, and no senior pharmacist(s) shall have a right to such date.

A personal holiday is expected to be scheduled and taken. In cases where a pharmacist has been scheduled for a personal holiday, and the Employer cancels such holiday, the pharmacist will receive holiday pay in accordance with the provisions of Paragraph 2, below. Mutual rescheduling may be undertaken in lieu of holiday pay. The determination of personal holiday time off, with pay, shall be based on other recognized holidays during the same workweek and store operational requirements.

For the purpose of scheduling holidays, a pharmacist's birthday holiday shall take precedence over the personal holiday.

e. With respect to any of the holidays listed in this Agreement which may, by virtue of controlling legislation be celebrated on Monday, this Agreement will be changed automatically to permit such Monday observance, coincident with the dates specified in such legislation.

2. Holiday Payment.

a. Holiday Allowance. A full-time pharmacist who does not work on a holiday shall be paid eight (8) hours' holiday allowance. Part-time pharmacists shall receive holiday allowance as provided in Paragraph 4, below.

b. Holiday Work. All pharmacists scheduled to work on a holiday shall receive one (1) hour straight-time holiday allowance for each hour worked on said holiday plus straight-time pay for each hour worked; provided, however, that any pharmacist scheduled for less than the eight (8) hours on a holiday shall be guaranteed the number of hours of holiday allowance set forth in Paragraph a, above.

c. Holiday Week -- Overtime. In a holiday workweek, weekly overtime for pharmacists shall commence after forty (40) straight-time hours of work. Work on the holiday up to eight (8) hours shall be included in the calculation of said forty (40) hours. When a holiday falls on a pharmacist's sixth (6th) day of work, he/she shall be paid time and one-half (1½) in addition to his or her holiday allowance for each hour worked.

d. Guarantee. Full-time pharmacists shall continue to be guaranteed four (4) eight (8) hour days of work in a holiday week excluding the holiday. Any pharmacist called in on a holiday which is his or her predesignated day off shall be guaranteed eight (8) hours' work at the overtime rate of pay as provided in Article 4-P in addition to his or her holiday allowance for each hour worked.

e. Examples. The following hypothetical examples accurately reflect the intention of the parties set forth above.

	(Holiday)							Total Hours Worked	Hours of Pay at Straight Time
	M	Tu	W	Th	F	Sa	Su		
<u>Example #1</u>									
Hrs. wkd.	0	8	8	8	8	0	0	32	
Pay for	8	8	8	8	8	0	0		40
<u>Example #2</u>									
Hrs. wkd.	0	8	8	8	8	8	0	40	
Pay for	8	8	8	8	8	12	0		52
<u>Example #3</u>									
Hrs. wkd.	8	8	8	8	8	0	0	40	
Pay for	16	8	8	8	8	0	0		48
<u>Example #4</u>									
Hrs. wkd.	0	8	8	8	8	8	8	48	
Pay for	8	8	8	8	8	12	12		60
<u>Example #5</u>									
Hrs. wkd.	8	8	8	8	8	8	0	48	
Pay for	16	8	8	8	8	12	0		60
<u>Example #6</u>									
Hrs. wkd.	4	8	8	8	8	0	0	36	
Pay for	12	8	8	8	8	0	0		44
<u>Example #7</u>									
Hrs. wkd.	4	8	8	8	8	8	0	44	
Pay for	12	8	8	8	8	12	0		56
<u>Example #8</u>									
Hrs. wkd.	9	8	8	0	8	8	0	41	
Pay for	18	8	8	0	8	8	0		50

3. Work on Thanksgiving, Christmas, Christmas Eve and New Year's Eve. Work on Thanksgiving and Christmas shall be assigned by the Employer on a voluntary basis. Should the Employer be unable to staff its store with the volunteering pharmacists the Employer may assign pharmacists to work the holiday by inverse seniority. Once a pharmacist has agreed to work on Thanksgiving or Christmas, and the work schedule has been posted, he/she shall be required to work said days. Written requests to work on such holidays shall be given first preference based on seniority. Pharmacists working on the day of December 24th and/or December 31st shall be scheduled on the basis of inverse seniority to allow the most senior pharmacist the early shift on Christmas Eve and New Year's Eve.

4. Part-time Pharmacists. Holiday pay for pharmacists who work less than forty (40) hours shall be based on twenty percent (20%) of the employee's average hours worked per week in the six (6) weeks worked immediately preceding the holiday or the number of weeks worked if less than six (6) except that in computing pay for the New Year's holiday the same period of time used in computing pay for the Christmas holiday shall be used.

5. Holiday Work Guarantee.

a. A pharmacist who works on a holiday shall be guaranteed eight (8) hours' work, except that a full-time, or regular part-time pharmacist who regularly works less than eight (8) hours on

the day on which the holiday is observed, shall be guaranteed not less than the number of hours regularly worked on such day.

b. The eight (8) hour guarantee shall be deemed to have been complied with if less than an eight (8) hour shift is worked on the holiday, but said hours are part of an eight (8) hour shift which includes hours on either the day before or the day after the holiday. Hours worked during the twenty-four (24) hour period of the holiday shall be compensated at the holiday rate as set forth in this Appendix, and each hour so compensated shall apply toward the eight (8) hour holiday guarantee.

c. On holiday schedules, if eight (8) hour shifts create unnecessary overlapping of pharmacists, then full-time pharmacists may work a short shift of four (4) or more hours on a holiday to prevent the overlapping, but a pharmacist shall not be required to work on a holiday if less than eight (8) hours' work or pay is provided, unless the store is open less than eight (8) hours on said holiday, in which case a five (5) hour minimum guarantee is provided.

6. Requirements. No pharmacist shall receive pay for any holiday not worked unless such pharmacist has reported for work on his or her regular working day next preceding and next following said holiday. Pharmacist shall be deemed to have reported for work if absence on said day before and said day after said holiday is due to express permission from or action of the Employer and also in case of certified illness, provided the pharmacist has worked during the holiday week, except that if the pharmacist is absent during the entire holiday week due to illness or injury, then he/she must have worked at least one (1) day during the week immediately preceding the holiday week in order to be entitled to holiday pay.

7. Voluntary Closing. When the Employer voluntarily closes his or her store to the public because of any commemoration day or celebration day, or on any holiday other than those set forth in Paragraph 1, above, it is agreed that the pharmacists shall suffer no reduction in straight-time weekly earnings on account of such closing.

F. SUNDAY RATIO.

The Employer may schedule no more than two (2) part-time shifts for every one (1) eight (8) hour shift scheduled.

G. ROTATION OF WORK. For regularly scheduled pharmacists, work on nights, Sundays, and holidays shall be rotated equally and on a periodic basis to the extent possible. Variation from such rotation shall occur only if approved by the Employer and the Union to meet problems of the individual pharmacist and in cases of emergency.

H. CONSECUTIVE DAYS WORKED.

1. Where a five (5) day, full-time pharmacist is scheduled to work more than seven (7) consecutive days in any combination of work weeks, said pharmacist shall receive time and one-half (1½) (or such higher premium as may apply) for all time worked after the seventh (7th) consecutive day, until such time as his or her consecutive days of work have been interrupted by a prescheduled day off. The above shall not apply to regularly scheduled six (6) day pharmacists, provided that overtime or premium rates are paid where applicable. The sixth (6th) day of work within one (1) workweek, whether prescheduled or not, shall act as an interruption in the continuity of consecutive days worked.

2. Where pharmacists exchange days off for their convenience, the effect of which would result in more than seven (7) consecutive days of work, the overtime provision for over seven (7) consecutive days of work where such voluntary exchange is accomplished shall not apply. Prior manager approval of such exchange of days off shall be required but shall not be withheld arbitrarily or discriminatorily.

I. LUNCH PERIOD.

1. One Hour. All hours shall be worked consecutively, except for a lunch period which shall be one (1) hour. No eight (8) hour pharmacist shall be scheduled for more than five (5) hours or less than three (3) hours before a meal break. An eight (8) hour employee who is required to work in excess of five (5) hours without a meal period shall receive overtime pay from the end of the fifth (5th) hour until the meal period commences. Eight (8) hour employees who are required to work less than three (3) hours before commencing their lunch period shall receive overtime pay for the time between the start of their lunch period and the three (3) hour mark. However, by mutual agreement in writing between the manager and the employee, less than one (1) hour may be established to meet business conditions, but in no event may less than one-half (½) hour be given. If the Union becomes aware of abuse it reserves the right to revoke the option at any location(s) after first covering the Steps 1 and 2 of the grievance procedure contained in Article 14.

2. Pharmacist "On Call". When there is only one (1) pharmacist on duty, who has no relief, said pharmacist shall be considered as "on call" and he/she shall take a lunch period of not less than one-half (½) hour on the Employer's time and shall not be called to perform any duties during this lunch period except in cases of emergency. Said one-half (½) hour lunch period shall be scheduled within the eight (8) hour shift or in addition to said shift. Said lunch period shall not be counted toward daily or weekly overtime.

J. OTHER CONTRACT PROVISIONS. All other provisions of this Agreement not set forth in Appendices A and C which do not specifically limit their application to clerks, shall apply equally to pharmacists.

APPENDIX B - WAGES -- CLERKS

C. SCHEDULE OF RATES.

1. Base Rates. The following hourly rates are minimum base rates effective on the dates noted below. (These rates do not include night, Sunday, or holiday premiums.)

	<u>09/05/2011</u>	<u>09/01/2014</u>	<u>09/01/2015</u>
Apprentice Clerks			
0 to 520 hours	\$9.00		
521 to 1560 hours	\$9.25	Reopen	Reopen
1561 to 2600 hours	\$9.50	for	for
2601 to 3640 hours	\$10.00	Wages	Wages
3640 to 4680 hours	\$10.50		
	<u>09/05/2011</u>	<u>09/01/2014</u>	<u>09/01/2015</u>
Pharmacy Technicians			
0 to 520 hours	\$12.00		
521-1560 hours	13.00		
1561-2600 hours	14.00	Wage	Wage
2601-3640 hours	15.00	Reopener	Reopener
3641-4680 hours	16.00		
Journeyman	\$16.00		

The Union and the Employer agree that in the month of September 2014 and September 2015 the contract will reopen for the sole purpose of negotiating wages.

APPENDIX C - WAGES -- PHARMACISTS

A. SCHEDULE OF RATES.

1. Base Rates. The following hourly rates are minimum rates effective on the dates noted below.

	<u>09/05/2011</u>
Pharmacists	
1 st 520 hours	\$56.00
Next 520 hours	\$57.00
Next 520 hours	\$58.00
Next 520 hours	\$59.00
Thereafter	\$60.00

2. Voluntary Benefits.

It is mutually agreed that any and all voluntary and/or extra contractual benefits, including but not limited to, bonuses, incentives, etc. that the Employer may elect to provide its covered Pharmacists with, may be modified, amended or discontinued at any time by the Employer.

APPENDIX D - PHARMACY TECHNICIAN CLASSIFICATION

1. This classification will be established on the effective date of this Agreement, or when state regulations become effective, whichever is later.
2. Employees considered for this classification must have met any of the following requirements:
 - a. Have obtained at least an Associate of Arts degree in a field of study directly related to the duties performed by a pharmacy technician.
 - b. Have successfully completed a training course specified by the board.
 - c. Are eligible to take the board's pharmacist licensure examination.
 - d. Having at least one (1) year's experience, to include a minimum of 1,500 hours, performing the tasks specified in the regulation while employed or utilized as a pharmacy technician to assist in the preparation of prescriptions for an inpatient of a hospital, for an inmate of a correctional facility, or experience deemed equivalent by the board, including, but not limited to, experience received while employed as a technician in another state or as a technician employed by the federal government.
 - e. A person shall be deemed to have "equivalent experience," within the meaning of Paragraph d, if he/she has at least 1,500 hours of experience performing the duties specified in the regulation in a pharmacy in the last three (3) years.
3. Upon successful completion of the Employer's selection criteria, full considerations will be given to seniority in the selection of employees for the position of pharmacy technician. Employees who are promoted to a pharmacy technician position shall be subject to the probationary period as stated in Article 2, Paragraph D. Should that employee fail to perform as required during such probationary period that employee shall be returned to his or her former position.
4. The Employer believes that the safety of its customers and the public is the fundamental guiding concern behind the establishment of this classification.
5. Because of safety and quality control factors, the pharmacy technicians will be subject to the immediate and personal supervision of a registered pharmacist. Immediate and personal supervision in the case of a pharmacy technician requires that a pharmacist verify and document any function performed by a pharmacy technician in connection with all activities surrounding the dispensing of a prescription. It is understood and agreed that the pharmacists, as trained professionals, have the ultimate responsibility for dispensing prescriptions.

If any of the above becomes a conflict with the regulations, the parties agree to renegotiate those Paragraphs.