AGREEMENT

between

STATER BROS. MARKETS
(MEAT DISTRIBUTION CENTER)

and

UNITED FOOD AND COMMERCIAL
WORKERS UNION
LOCAL 1167

MARCH 7, 2016 - MARCH 3, 2019

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PREAMBLE

This Agreement is made and entered into between Stater Bros. Markets, referred to hereinafter as the "Employer" and the United Food and Commercial Workers Union Local 1167, referred to hereinafter as the "Union."

ARTICLE 1 – RECOGNITION OF THE UNION

A. BARGAINING UNIT. The Employer recognizes United Food and Commercial Workers Union, Local 1167, as the sole collective bargaining agent for the employees in the Meat Distribution Center located at 301 S. Tippecanoe Ave, San Bernardino, California, covered by the classifications found elsewhere in this Agreement.

B. JURISDICTION. Exclusive of the delicatessen department, the receiving, handling, or processing of all meats and poultry, fresh, frozen, smoked, cured, or processed, except those items that are purchased direct from the source of the supplier and not processed in the Meat Distribution Center, shall be under the jurisdiction of UFCW Local 1167.

ARTICLE 2 - EMPLOYMENT PROCEDURES

A. UNION SECURITY. All employees shall, as a condition of employment, pay to the Union the initiation fees and/or reinstatement fees and periodic dues lawfully required by the Union. This obligation shall commence on the thirty-first (31st) day following the date of employment by the Employer who is signatory to this Agreement, or the effective date of this Agreement, or the date of signature, whichever is later.

In the event of the repeal or modification of the provisions in the Labor-Management Relations Act of 1947, as amended, applying to Union Security prior to termination of this Agreement, the Employer agrees that, upon request of UFCW Local 1167, they will immediately meet with Local 1167 and negotiate revision of the Union Security clause.

B. HIRING NEW EMPLOYEES. The Employer shall have the right to hire any person as a new employee. The Employer will, however, agree to call the office of Local 1167 and advise the Union of job openings and will interview applicants sent by said Union.

C. PROBATIONARY PERIOD. Every new employee shall be a probationary employee for a period of ninety (90) days from the date he first reports for work, and the continued employment of said employee shall be at the exclusive discretion of the Employer during this period.

D. ENFORCEMENT. The parties hereto agree that this Article 2 shall be implemented and enforced as hereinafter set forth.

1. Introductory Letter. This letter will be sent by the Union to the employee's home (if the Employer has complied with Article 2-F of this Agreement requiring the Employer to supply such home address to the Union), or to the store where the employee is employed.

(a) This letter will quote the language of Article 2-A of this Agreement and advise employees of the Union's office hours and other matters relating to the employee's satisfaction of his obligations under Article 2-A of this Agreement.

(b) A copy of this letter shall be sent to the Employer's Industrial Relations Department on the same date that the original of the letter is sent to the employee.

2. All employees will be billed for their appropriate initiation fee and/or reinstatement fee and/or periodic dues lawfully applied in accordance with the Bylaws of the respective Local Unions.

3. Delinquency Notice. This notice will be sent to the employee's home address (if the Employer has furnished the Union with such information); otherwise it will be sent to the store in which the employee works, with copies sent to the Industrial Relations Department of the Employer and to the store manager.

The delinquency letter is to be sent to the employee specifically advising him that:

(a) He is delinquent in his financial obligations to the Union;

(b) Advising him of the specific amount due;

(c) How the amount is computed;

(d) The date the sum must be received by the Union;

(e) The penalty for noncompliance, i.e., discharge if the obligation has not been met; and

(f) Address and telephone number of the Local Union offices and hours of operation.

4. Termination Notice. The termination notice shall be sent to the Employer involved. The copy to be sent to the employee shall be sent to the employee's home address (if the Employer has furnished the Union with such information). If the Employer has not furnished such information, the copy shall be sent to the employee at the store where the employee works.

(a) The termination notice will be sent at such time as the employee has ignored all efforts by the Union to obtain compliance with this Article 2.

(b) The notice will advise the Employer that the employee has failed to comply with the Union Security Clause of this Agreement in that the employee has not paid the initiation fees and/or reinstatement fees and/or dues as lawfully applied. In addition, the notice shall advise that the Union has complied with the decisions of the National Labor Relations Board, as well as its own International Constitution and Bylaws with regard to the required procedural steps of notifying the employee of the delinquency.

(c) The termination notice shall also advise that the Union will not accept any payments from the employee from and after the expiration of the "seven (7) day notice" provided for in (d) below. The Union agrees that it will not in fact accept any such payments.

(d) 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.

(e) The Union shall indemnify and hold harmless the Employer against any and all claims, damages or suits or other forms of liability or expenses which may arise out of or by reason of any action taken by the Employer for the purpose of complying with this Article.

5. With regard to the application of this Article 2-D, all employees covered by this Agreement shall be treated without discrimination.

E. DUES DEDUCTION.

1. The Employer agrees to deduct the regular monthly Union dues and initiation fees uniformly required as a condition of membership in the Union on a weekly basis from the wages of each employee covered by this collective bargaining agreement who has completed thirty (30) days of employment and has provided the Employer with a voluntary individual written authorization to make such deductions on a form that has been mutually agreed upon by the Employer and the Union. Such deductions, as referenced above, shall include political contributions and, by mutual agreement, weekly deductions for deposits or payments to a local credit union. The political contribution authorization may be either a separate authorization or one that has been combined with the dues deduction authorization. Such deductions, when authorized, shall be made from the net wages due an employee each weekly pay period, and shall be transmitted to the Union's office no later than the twelfth (12th) day of the month following the month in which such deductions were made. The deduction shall be expressly limited to regular monthly Union dues, initiation fees and political contributions only and the Employer shall have no obligation of whatsoever nature to make deductions for any other purpose, including but not limited to, reinstatement fees, special dues, special assessments, fines, strike funds or other assessments.

2. No deductions will be made from the wages of any such employee until the Employer has received a signed copy of a voluntary individual written authorization to make such deductions with such authorization to be received by the Employer no later than the first (1st) day of the month in which the deductions are to commence in order to be deducted for that month.

3. Authorization for such deductions is to be entirely voluntary on the part of each such individual employee, and after one (1) year following his written authorization to make deductions, any such employee may revoke his individual voluntary authorization upon giving thirty (30) days' written notice to the Employer and the Union.

F. NOTICE OF NEW HIRES, TERMINATIONS AND TRANSFERS. The Employer agrees to notify the Union within fourteen (14) days of new hires. All new employees during the ninety (90) day probationary period shall receive all benefits found in this Agreement unless excluded below. The Employer further agrees to notify the Union of all terminations and transfers within fifteen (15) days, in writing. The Employer further agrees to supply a seniority list to the Union, upon request, such requests not to exceed two (2) per year.

G. MEETING NOTICES. Space shall be provided for posting notices of meeting, but same shall not be posted until they have been first called to the attention of the Employer.

ARTICLE 3 - SUSPENSION, DISMISSAL AND DEMOTION

A. No employee covered by this Agreement shall be suspended, demoted or dismissed without just and sufficient cause. Any employee claiming unjust dismissal, demotion or suspension shall make his claim therefor to the Union within three (3) working days of such dismissal, etc., otherwise no action shall be taken by the Union. If, after proper investigation by the Union, it has been found that an employee has been disciplined unjustly, he shall be reinstated with full rights and shall be paid his wages for the period he was suspended,

demoted or dismissed. Investigation and settlement of any claim shall be made within ten (10) days of the making of such complaint by the employee.

B. In case any claim is not settled within the above ten (10) day period or any agreed upon extension thereof, then either party within an additional ten (10) days may refer said claim or grievance in connection with this Article to the grievance and arbitration procedures of this Agreement. Failure to comply with the time limits set forth in Paragraph A above shall render any claims null and void.

C. Employees may be discharged for failure to perform work as normally required or for personal misconduct such as intoxication, dishonesty, insubordination or violation of posted or published reasonable company rules.

Employees who are discharged for failure to perform work as normally required shall first have had a prior warning in writing of a related or similar failure to perform work as normally required, with a copy sent to the Union. Said notice shall be mailed to the Union within fourteen (14) calendar days after receipt of the warning notice by the employee. The employee shall be required to initial such notice, but initialing shall in no way constitute agreement with the contents of the notice.

A discharged employee shall be informed at the time of discharge of the immediate cause. This information shall be confirmed in writing promptly upon request.

D. No employee shall have his straight-time hourly rate reduced who may now receive more than the minimum straight-time hourly rate called for in this Agreement, as a direct result of the signing or adoption of this Agreement.

ARTICLE 4 - NONDISCRIMINATION

The Employer and the Union agree to comply with the applicable State and Federal laws and regulations regarding discrimination against any employee or applicant for employment because of such individual's race, religion, color, national origin, sex or age.

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

ARTICLE 5 - EMPLOYEE RIGHTS AND UNION PRINCIPLES

A. It shall not be a violation of this Agreement nor cause for discharge or disciplinary action for any employee to refuse to cross a legitimate, bona fide, primary picket line sanctioned by UFCW Local 1167.

B. A picket line wherein the Union involved is not affiliated with the United Food and Commercial Workers International Union, AFL-CIO-CLC and has not been established or recognized as the bargaining representative or offered proof of majority representation of the employees involved, or where there is no strike against nor lockout by the employer being picketed, shall not be considered "bona fide" for the purpose of this Article.

C. The parties hereto intend that the operation of this clause shall not include picket lines placed on any of the Employer's operations that are directed against financially affiliated companies which are not operationally related to the Employer covered by this Agreement.

D. In the event of such picketing at the Employer's place of business, work shall continue for a period of time necessary to clear or remove perishable products from the plant, not to exceed seventy-two (72) hours from the commencement of such picketing.

ARTICLE 6 - SENIORITY

A. The employee shall accumulate seniority standing as follows:

1. Except as provided in Paragraph E below, plant seniority shall equal the employee's total length of service in the plant dating from the first day of his employment. Classification seniority shall equal the employee's total length of service in the classification in which he is working.

2. In the event two (2) or more employees have the same starting date in the department, then the starting date with the Company shall prevail. Whenever the Employer hires two (2) or more employees for the same department on the same day, the last four (4) digits of the employee's social security number (on record with the Employer) shall be used as the impartial tie breaker with the highest number designating the senior employee.

B. Reductions in the work force shall be made on the basis of seniority when ability is relatively equal. In such cases, seniority shall be applied within classifications and shall be made on the basis of classification seniority. In other words, employees holding seniority within particular job classifications shall be laid off in inverse order.

C. An employee who is being laid off as the result of a permanent reduction in force in accordance with the preceding Paragraph may also be entitled to exercise his seniority over the least senior employee employed in a lower classification provided he possesses the necessary qualifications, ability to perform the available work and is more senior than the employee to be displaced. The employee who is displaced by a senior qualified employee as provided in this Article shall be laid off unless he possesses seniority rights in a former classification in accordance with the preceding Paragraph.

A senior employee who exercises his seniority rights, as provided for in this Article, shall receive the contractual straight-time hourly rate of pay of the classification that he bumps into. If a senior employee does not elect to exercise the seniority rights provided for in this Article, he shall be laid off.

D. Ability and qualifications being relatively equal, seniority shall also apply to promotions, except that employees may be promoted to Working Foreman without reference to seniority.

When a vacancy of more than four (4) weeks' duration is created, the Employer shall post a notice for at least five (5) days of said vacancy and in selecting the employee to fill the vacancy, give primary consideration to seniority, provided the employee in question has no deficiencies which prevent his performing the work in question.

Any employee who bids on a new position pursuant to this Article shall be allowed a one-week trial period at the rate of pay of his former job. By mutual consent, the one-week trial period may be extended for an additional week. If he fails to fulfill the requirements of the new job within the one-week period, he shall be returned to his former job without loss of seniority. If he remains on the new job, his pay shall be adjusted retroactively to the time of reassignment to the new position.

Vacancies created by the promotion need not be posted. Employees interested in filling such vacancies shall make their interest known to supervision at the time the vacancy occurs.

E. An employee shall terminate his seniority and employment with an Employer:

1. If the employee quits.

2. If the employee is discharged for just and sufficient cause.

3. If an employee is laid off for a continuous period of nine (9) months. Laid-off employees shall notify the Employer of any change of address or forwarding address if out of town. The Employer shall notify laid-off employees of recall by telegram, with a copy to the Union and if there is no answer from the employee within five (5) days, the employee shall lose his seniority rights. If it is found that the employee is out of town, the time shall be extended to fifteen (15) days.

4. In the event of leave of absence, should the employee fail to report for work at the end of the period of authorized leave of absence, he shall terminate his seniority rights except in case of proven emergency where the Employer agrees to extend the leave of absence.

5. Absence due to non-occupational illness or non-occupational injury or pregnancy shall not interrupt seniority rights for a period of nine (9) months.

6. If the employee is absent from work for three (3) consecutive working days without advising the Company and giving reasons satisfactory to the Company for such absence.

7. An employee absent from work for a period of one (1) year due to industrial injury or industrial illness shall be eligible for reemployment as a new employee subject to passing a medical examination without cost to the employee to determine his fitness for employment.

8. An employee absent due to layoff in excess of thirty (30) consecutive or non-consecutive days shall retain but not accumulate seniority and vacation rights during the period he is absent up to a maximum period of six (6) months. Absence of less than thirty (30) days due to layoff shall not interrupt seniority or vacation rights.

F. Employers who have establishments outside the jurisdiction of the Union and who transfer an employee into the jurisdiction of the Union, shall first notify the Union. In the event of such a transfer, either from without or outside the jurisdiction of the Union, seniority of the employees will be protected for a period of six (6) months following such transfer; the employee shall retain his Company seniority within the Local Union and/or division from which he was transferred. Six (6) months following the date of such transfer, all seniority accumulated by the transferred employee while in the Company's employ shall apply within the jurisdiction of the Union and/or division to which he was transferred. For the six (6) month period following the date of such transfer, no employee shall be laid off as a result of such transfer in the division into which the employee was transferred.

G. A part-time employee will be given a seniority date effective with the first (1st) day he is regularly assigned to the bargaining unit. Seniority possessed by a part-time employee will have application only in relation to other part-time employees. A part-time employee who is assigned to full-time work will be given his most recent hire date as his seniority date effective with the date of such assignment. Seniority shall prevail among part-time employees for full-time openings that occur within their job classification, provided the senior employee has the abilities and qualifications to perform the work.

Commencing with the thirty-first (31st) day of service in the bargaining unit, a full-time employee will have seniority over a part-time employee, irrespective of length of service in the bargaining unit.

The Union Security provision as set forth in Article 2-A of this Agreement shall apply to part-time employees hired under this Agreement.

Vacation, sick pay and holiday provisions shall be prorated based on actual hours worked.

ARTICLE 7 - HOLIDAYS

A. The following holidays shall be observed for which the Employer agrees to pay any employee with at least sixty (60) days' service with the Employer, for eight (8) hours at the straight-time hourly rate of pay for the classification involved.

New Year's Day	Christmas Day
Memorial Day	Employee's Birthday
July 4th	Personal Holiday
Labor Day	Employee's Anniversary Date of Employment
Thanksgiving Day	

The holidays specified above shall be observed on the days specified by Federal legislation. Employees shall be paid at the rate of an eight (8) hour day for holidays. Holiday weeks shall consist of thirty-two (32) working hours for forty (40) hours' pay. If holidays are worked, they shall be paid at the rate of time and one-half (1-1/2) the regular rate of pay over and above their weekly salary.

Personal Holiday: Each eligible employee may choose a day of his preference for his personal holiday by giving the Employer at least fifteen (15) calendar days' written notice prior to the day chosen. The Employer will grant the employee the day of his choice as his personal holiday, unless an excessive number of employees have chosen the same day and granting all the requests would affect the Employer's operation. In that event, the Employer may deny the request for the day chosen and the employee may request an alternate date.

Birthday and Anniversary Date Holiday: Each eligible employee shall notify his Employer of his birthday or anniversary date at least two (2) weeks prior to his birthday or anniversary date. The holiday shall be granted either on the employee's birthday or anniversary date, or, by mutual agreement between the Employer and the employee, on any other date in the week during, following or prior to the week in which the employee's birthday or anniversary date falls. If the employee's birthday or anniversary falls on another holiday specified in this Agreement, he shall be granted an additional holiday and, if the employee's birthday or anniversary date falls on February 29, his birthday or anniversary date shall be considered as falling on February 28.

Neither the birthday, anniversary date holiday, or personal holidays may be celebrated in the same week as another contract holiday except by mutual agreement between the Employer and the employee.

Part-time employees will receive pro-rata holiday allowance as presently calculated, based on the average hours worked by each employee in the four (4) consecutive weeks preceding the holiday week.

B. For night shift employees whose shifts end after 12:01 a.m., the eve of the day observed as the holiday shall be considered the holiday. If a night shift employee works the eve of the day observed as the holiday, the provisions covering pay for holidays worked shall become effective.

C. No employee shall receive pay for any holidays not worked or be eligible for overtime as specified in Paragraph A above unless such employee has reported for work on his regularly scheduled workday immediately preceding, the holiday itself (if scheduled), and the workday immediately following such holiday, except that employees shall be considered as reporting for work if absence is due to certified illness or express permission from or action of the Employer.

D. All contractual holidays will be observed on the holiday itself.

When a holiday is not a part of an employee's regular workweek, the Employer may, at its option, designate the work shift preceding the holiday or the work shift succeeding the holiday as the day to be observed in lieu thereof. Thus, where such substitutions are made and no work is performed on the shift that is designated as the holiday, an employee will receive five (5) days' pay for four (4) days' work and in the case where such substitution is not made, the employee will receive six (6) days' pay for five (5) days' work, both examples exclusive of overtime. The Employer agrees to give one (1) week's advance notice of such substitution.

ARTICLE 8 - VACATIONS

A. Vacations to begin between January 1 and December 31 of each year at the discretion of the Employer. Vacations must be taken unless, because of a hardship situation, the Employer and the employee agree otherwise. Seniority shall prevail in the initial selection of vacations. Thereafter, selections shall be based on availability and on a first come first serve basis.

B. FULL-TIME EMPLOYEES. Employees covered by this Agreement who have one (1) year's service with said Employer shall receive one (1) week's vacation each year with pay; those employees who have two (2) years' continuous service or more with said Employer shall receive two (2) weeks' vacation each year with pay. Employees who have five (5) years' continuous service or more with said Employer shall receive three (3) weeks' vacation each year with pay. Employees with fifteen (15) or more years of continuous service shall receive four (4) weeks' vacation each year with pay. Employees with twenty (20) or more years of continuous service shall receive five (5) weeks' vacation each year with pay. In the event an observed holiday occurs within the vacation period of an employee, the Employer may extend his vacation schedule by one (1) additional day or provide pay in lieu thereof.

C. PRO RATA.

1. Regular employees who are laid off, or whose employment is terminated other than from a voluntary quit after six (6) months of continuous employment but prior to fifteen (15) months of continuous employment shall be paid a pro rata of accumulated unpaid vacation due on the basis of 1/12th of one (1) week's pay for each month worked or major fraction thereof, and after fifteen (15) months but less than forty-two (42) months of continuous employment shall be paid a pro rata of accumulated unpaid vacation due on the basis of 2/12ths of one (1) week's pay for each month worked or major fraction thereof, and after forty-two (42) months of continuous employment shall be paid a pro rata of accumulated unpaid vacation due on the basis of 3/12ths of one (1) week's pay for each month worked or major fraction thereof. Employees who quit voluntarily after six (6) months but less than twenty-four (24) months of continuous employment shall be paid a pro rata of accumulated vacation on the basis of 1/12th of one (1) week's pay for each month worked or major fraction thereof, and after twenty-four (24) months but less than sixty (60) months of continuous employment shall be paid on the basis of 2/12ths of one (1) week's pay for each month worked or major fraction thereof, and after sixty (60) months of continuous employment shall be paid on the basis of 3/12ths of one (1) week's pay for

each month worked or major fraction thereof. Should an employee terminate after accumulating fifteen (15) or more years of continuous employment, he shall be paid a pro rata of accumulated unpaid vacation due on the basis of 4/12ths of one (1) week's pay for each month worked or major fraction thereof. Should an employee terminate after accumulating twenty (20) or more years of continuous employment, he shall be paid a pro rata of accumulated unpaid vacation due on the basis of 5/12ths of one (1) week's pay for each month worked or major fraction thereof.

2. Part-time employees shall be entitled to pro rata vacation pay each year on the anniversary date of their employment. For part-time employees who have accumulated less than 4,160 hours of continuous employment, such vacation pay shall be prorated on a one (1) week basis. For part-time employees who have accumulated 4,160 hours of continuous employment and less than 10,400 hours, vacation pay shall be prorated on the basis of two (2) weeks, and for part-time employees who have accumulated 10,400 or more hours of continuous employment, vacation benefits shall be prorated on three (3) weeks' basis. For part-time employees who have accumulated 31,200 or more hours of continuous employment, vacation benefits shall be prorated on a four (4) weeks' basis. For part-time employees who have accumulated 41,600 or more hours of continuous employment, vacation benefits shall be pro-rated on a five (5) weeks' basis. Any part-time employee whose employment is terminated prior to the accumulation of 1,040 hours of continuous employment shall not be entitled to any vacation benefits. In any event, a part-time employee shall not be entitled to vacation pay unless he has worked at least thirty (30) days in any one (1) year of employment.

D. VACATION TRUST. Additional vacation pay based on industry experience shall be provided in accordance with the provisions of the Industry Vacation Plan. Said additional vacation pay shall be paid to the employee by the Employer together with the vacation pay that is due from the Employer as set forth above. The additional amount of vacation pay paid to the employee because of industry experience, plus any other amounts which the Employer is required to pay by law in connection with such payments, shall be reimbursed to the Employer from the Trust Fund in accordance with the procedures established by the Trustees of said Fund.

E. FORFEITURE OF VACATION PAY. Employees guilty of and discharged for proven dishonesty shall forfeit all rights to such pro rata vacation pay. In the event the Employer wishes to make use of this Paragraph, and upon complaint of the employee concerned, the Union may investigate the case.

F. PAYMENT. Pay for such vacation shall be based on the average weekly earnings for the previous twelve (12) months the employee has worked, but in no event shall any employee receive less than forty (40) hours pay per week for such vacation. All employees desiring more time for vacation than they are entitled to by the above section may be granted same within reason without pay.

G. Absence from work up to seven (7) weeks within a period of fifty-two (52) consecutive weeks due to sickness, injury or temporary layoff, 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 paid based on the average weekly hours for the previous twelve (12) months.

Employees may designate at the time of bidding vacation either of these options:

(1.) Vacation pay to be paid on anniversary date.

(2.) Vacation pay to be paid on payday prior to start of vacation.

(3.) Vacation pay to be paid the first (1^{st}) payday following vacation.

H. After the Company has prepared the vacation schedules in accordance with the procedure set forth in Article 8-A, there shall be no change in the vacation schedules, except by mutual agreement between the affected employees and the Company.

When an employee is absent for an entire week, such week shall not be counted in calculating average weekly earnings. For example, if an employee is absent without compensation for two (2) weeks in twelve (12) months, his total earnings during that period shall be divided by fifty (50) weeks rather than fifty-two (52) weeks.

ARTICLE 9 - FUNERAL LEAVE

Funeral leave shall be due and payable at the straight-time rate for the hours scheduled for each workday lost because of such absence up to a maximum of three (3) calendar days within a period of fourteen (14) calendar days beginning with the date of death for the purpose of arranging for and attending the funeral of a member of the employee's immediate family. Immediate family shall be defined as follows: wife, husband, son, daughter, mother, father, brother, sister, grandparents, mother and father of employee's current spouse, or other relative living in the employee's home. Verification of time required for this purpose shall be supplied to the Employer by the employee if so required by the Employer.

ARTICLE 10 - MILITARY SERVICE

It is further agreed by both parties that in the event employees are inducted into Military Service of the United States Government, through the process of the Selective Draft Act of 1940, such employees shall be guaranteed their employment by the Corporation upon returning from Military Service, if they are mentally and physically fit, providing they apply for reemployment within ninety (90) days after their discharge from service, and the Union guarantees that if it becomes necessary in order to create a place for such returned members, those employed since their induction into Military Service shall willingly consent to being laid off. Said employee shall be given two (2) weeks' notice before being laid off.

ARTICLE 11 - CLOTHING REQUIREMENTS

The Employer will furnish his employees with all necessary linens, including gloves and have same laundered, limited to two pairs per week. The Employer will provide cold weather apparel for all employees. An employee will at all times be held fully accountable for such equipment and clothing that is issued to him, as well as their proper care and maintenance and replacement in the event that they are lost. An employee, who is laid off and/or quits and/or terminated, will be required to return to the Employer the equipment and clothing that has been issued to him in good condition prior to the receipt of his last paycheck and/or any regular or pro rata termination vacation pay that he may be entitled to or have the replacement cost of such equipment or clothing deducted from the same. The Employer agrees to supply the necessary safety equipment.

ARTICLE 12 - TIME RECORDS

All disputed claims for overtime shall be regulated so that no injustice shall be done the Employer or employee. Employer to keep time card, or time clock records for the checking of overtime and make available to the business agent or authorized representative of the Union in case of dispute. Where no time clock is used, the Employer shall see to it that time card weekly records are signed by the employee. There shall be no split shifts allowed.

Paycheck stubs will show year-to-date vacation, sick and personal leave balances when the technology is implemented by the Employer.

ARTICLE 13 - WORKWEEK

A. A regular workweek shall consist of any five (5) consecutive eight (8) hour days out of seven (7). The Company may designate, continue, or discontinue specified employee workweeks and make work assignments for such shifts. Seventy percent (70%) of the current employees in the Selector classification shall be subject to a regular workweek consisting of any five (5) eight (8) hour days out of seven (7).

For all employees in all classifications hired on or after June 5, 1986, a regular workweek shall consist of any five (5) eight (8) hour days out of seven (7).

When a permanent full-time position on any designated shift is vacated, the vacancy shall be posted and employees on shifts other than the one where the vacancy occurs shall be given the opportunity to bid the vacated job on the basis of seniority within classifications, provided, however, that employees bidding the vacated job have the required ability and qualifications.

In establishing new shifts, it is understood and agreed that the Company determines the manning requirements, but in making shift assignments will give consideration for shift preference to senior employees having the necessary ability and qualifications.

B. Eight (8) hours in a period of eight and one-half (8-1/2) hours shall constitute a regular work shift, with a one-half (1/2) hour meal period.

C. Forty (40) hours shall constitute a regular workweek for regular, full-time employees.

The Employer may, at its option, schedule a basic straight-time workweek of four (4) ten (10) hour days for any regular full-time employees, in accordance with the following:

1. Ten (10) hours shall constitute a day's work and shall be completed within ten and one-half (10-1/2) hours.

2. Ten (10) hours' work per day shall be offered such employee. When an employee requests to work less than ten (10) hours per day, he shall be paid at his regular hourly rate for the time actually worked.

3. All such employees shall receive at least two (2) consecutive days off each calendar week.

4. When a holiday falls on an employee's regularly scheduled day of work, and he is not required to work on that day, and his regularly scheduled workweek consists of four (4) ten (10) hour days, he shall be paid

as holiday pay, ten (10) hours' pay on that day and that shall be considered as ten (10) hours worked for the purpose of computing overtime in that workweek.

5. When a holiday falls on an employee's regularly scheduled day of work and the employee works on that day, he shall be paid as holiday pay, eight (8) hours' pay for that day and shall be paid in addition at the contract rate of pay for the number of hours that he actually works.

6. When a holiday falls on a day other than an employee's regularly scheduled day of work, and he does not work, he shall receive as holiday pay eight (8) hours.

7. In the event a holiday falls on a day other than an employee's regularly scheduled day of work, and the employee is required to work, he shall be paid double (2) time for working that day plus holiday pay of eight (8) hours.

8. All time worked in excess of ten (10) hours in any one day or forty (40) hours in any workweek shall be paid at one and one-half (1-1/2) times the regular straight-time hourly rate of pay.

D. All employees shall receive a ten (10) minute rest period twice each day. Such rest period shall be granted as near the middle of the first four (4) hours and the middle of the second four (4) hours of the shift as feasible.

E. All work performed in excess of eight (8) hours in any one (1) day or forty (40) hours in any one (1) week shall be paid for at the rate of time and one-half (1-1/2) the employee's regular straight-time hourly rate, in addition to the night shift premium where applicable. Work performed in excess of eight (8) hours on Sundays or holidays shall be paid for at the rate of time and one-half (1-1/2) the employee's regular straight-time hourly rate of pay or the applicable Sunday or holiday pay, whichever is higher. If holidays are worked, they shall be paid at the rate of time and one-half (1-1/2) the regular rate of pay over and above their weekly salary.

Sixth (6^{th}) or seventh (7^{th}) day overtime in a regular workweek or as an extra day in a holiday week shall be offered on the basis of seniority within classification. If an insufficient number of employees volunteer, then work will be scheduled by inverse seniority.

F. There shall be no regularly scheduled daily overtime in excess of two (2) hours without agreement with the Union. Scheduled overtime over two (2) hours shall be on a voluntary basis. When overtime up to two (2) hours is scheduled or required, a fifteen (15) minute paid break period will be granted at the end of the ninth (9^{th}) hour.

In addition, whenever overtime is needed, it shall first be on a voluntary basis. If there are not enough volunteers to cover the needed overtime without affecting operations, employees shall be required to work the overtime in inverse seniority order, until the needed overtime is covered.

G. Exclusive of overtime hours, there shall be a lapse of twelve (12) hours between the end of an employee's regular straight-time shift and the beginning of his next shift.

H. All time worked in excess of ten (10) hours in any one (1) day shall be paid for at the rate of double (2) time the regular straight-time hourly rate of the employee's classification.

I. Employees shall be paid double (2) time the regular straight-time hourly rate of pay when required to work the seventh consecutive day in a workweek.

J. Employees working more than five (5) hours without taking time off for lunch shall be paid at the rate of time and one-half (1-1/2) per hour for all time worked over the five (5) hour period until a lunch period is given. Further, in instances where there is a mechanical breakdown within fifteen (15) minutes of a scheduled break or thirty (30) minutes of a scheduled lunch period, the Company may at its option reschedule such break or lunch time in accordance with operational requirements of the Company. Should the employee be required to work more than ten and one-half (10-1/2) hours in any one shift, the employee shall receive $l.50 supper money.

K. There shall be no time off in lieu of overtime pay.

L. Any employee who is off for sickness or injury or who has been granted time off by the Employer for other reasons, before reporting back to work is required to call his supervisor at least twelve (12) hours in advance of such employee's regularly scheduled daily starting time. When the employee gives such notice and the absence is less than one (1) week, the employee shall be returned to work on his next scheduled shift. If the absence is longer than one (1) week, the employee is required to notify the Employer of his availability to return to work no later than Friday preceding the week in which he is to return. If the employee fails to comply with the above notice requirements, the Employer shall not be required to put the employee to work until the notice requirements are fulfilled.

M. Employees whose regular work shifts fall between the hours of 6 p.m. and 7 a.m. shall receive, in addition to their regular straight-time rate, twenty cents (20¢) per hour for the full eight (8) hour shift.

N. All extra employees ordered to work shall be guaranteed four (4) hours' pay. Overtime to start after eight (8) hours in any one (1) day.

Part-time employees shall be guaranteed at least four (4) hours' work per day and will be scheduled to work a minimum of twenty-four (24) hours each week. Junior employees will not be scheduled to work more hours than qualified senior employees.

O. With respect to part-time employees, it is understood that such employees are hired to work less than forty (40) hours a week. Schedules and work guarantees of part-time employees shall be governed by the preceding Paragraph.

P. The Employer shall post a work schedule designating the starting time of the daily and weekly shifts. Such schedules shall be posted not later than the end of the first shift on Friday preceding the first day of the following workweek.

Q. ACT OF GOD. 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 14 - WAGES AND CLASSIFICATIONS

A. WAGE RATES.

1. Base Rates. Effective September 19, 2014, the contractual straight-time hourly rates of pay for the Selector classification of employees shall be increased by forty cents (40¢) per hour. The apprentice progression periods for employees in this classification shall be increased based upon the appropriate percentage of the "Thereafter" contractual straight-time hourly rate of pay.

2. The Selector and Sanitation Classifications of Employees shall receive the same wage increases and/or lump sum bonus payments that are paid to the appropriate classification of Teamster members between September 19, 2014 - March 6, 2016.

Should the Teamsters negotiate a different or modified wage/classification schedule and/or lump sum bonus, bargaining unit members will receive the same wage/classification schedule negotiated by the Teamsters. Any remaining amendments (e.g. monies diverted to Teamsters pension, bonus) will be the subject of negotiations between the parties signatory to this agreement as soon as possible.

Working Foreman shall be established at twenty-five cents (25¢) per hour over the highest contract rate supervised.

3. Any employee working in two or more classifications shall receive the higher rate of pay for the actual hours worked in the higher classification.

4. The Classifications and minimum wages under this Agreement shall be as set forth in Appendix A, which is attached hereto, and is expressly made a part of this Agreement.

ARTICLE 15 - LEAVES OF ABSENCE

A. ILLNESS AND INJURY.

1. Leave of absence shall be granted up to nine (9) months for sickness or injury occurring off the job or for pregnancy for any employee who has been with the Company one (1) year or more. Leave of absence for injury on the job shall be granted up to nine (9) months to any employee, regardless of date of employment.

2. An employee absent due to any of the reasons specified in Paragraph 1 above in excess of thirty (30) days, whether consecutive or non-consecutive, shall accumulate seniority and vacation rights during the aforementioned thirty (30) days he is absent, but thereafter shall retain but not accumulate seniority and vacation rights. In the case of absences of less than thirty (30) days due to any of the above, seniority and vacation rights shall accumulate during such period. For absences due to injury on the job, seniority and vacation rights shall accumulate during any absence to a maximum of thirty (30) days for each absence.

3. An employee on leave of absence as set forth above due to illness or injury occurring either on or off the job or pregnancy shall be returned to a position comparable to the one held prior to his leave of absence provided that the employee is physically able to efficiently perform work comparable to that which he performed prior to such leave of absence.

B. OTHER PURPOSES.

1. Upon written request of an employee, leave of absence may be granted for purposes other than those set forth in this Article. Terms of all leave of absence shall be set forth in writing. Any employee who undertakes or continues other work or employment during any leave of absence without first securing written permission from the Employer and the Union, automatically cancels such leave of absence and will be considered to have terminated his employment. Failure to return to work in accordance with the terms of a leave of absence shall be cause for immediate termination.

2. The Employer agrees to grant a leave of absence up to thirty (30) days in the case of personal emergencies or death in the employee's immediate family.

ARTICLE 16 - JURY DUTY

A. A non-probationary employee who is required to be in court or courthouse for jury service and/or jury orientation and such service deprives such employee of pay that he otherwise would have earned, he shall be scheduled for a day shift on a Monday-through-Friday workweek and shall receive pay during such workweek for each day on such jury service and/or jury orientation at the rate of eight (8) hours times his straight-time hourly rate, except in the case of part-time employees the number of hours regularly scheduled on the day in question less any remuneration received by him for jury service and/or jury orientation. Remuneration for such jury duty service shall be limited to one (1) term of jury duty service during the term of this Agreement.

At the request of the employee, and to the extent that staffing needs can accommodate the request, an employee may serve a second (2^{nd}), jury service during the term of this Agreement. The second (2^{nd}) jury service will be without remuneration or benefit contributions, and the employee will be scheduled as provided in this Section A. It is also understood the employee give notice to the Employer as provided in Section F of this Article.

B. If such employee in addition works for the Employer on Saturday, he shall be paid at the rate of straight-time.

C. If an employee is excused, temporarily or permanently, from jury service for any scheduled day, i.e., Monday through Friday, he shall immediately report for work for such scheduled day as long as the transportation time will permit him to return to work prior to one (1) hour before the end of this shift.

D. The Employer may require proof of attendance for jury service.

E. In the event an employee is called for jury service for which he would not be eligible for pay, the Employer shall join the employee in seeking excuse from service if such service would cause a financial hardship to the employee.

F. The employee shall notify the Employer as soon as he receives his jury duty summons. Failure to provide such summons prior to the beginning of the workweek prior to the week of jury duty shall relieve the Employer from the scheduling requirements set forth in A above. The Employer will verify eligibility if provided with a timely summons. An employee making a false claim for jury duty pay shall be subject to discharge.

ARTICLE 17 - GRIEVANCE AND ARBITRATION

A. DISPUTE PROCEDURE.

1. Any grievance, controversy or dispute involving the interpretation of any provision of this Agreement, except wage claims or in cases governed by Article 3(A) of this Agreement, must be protested by the Union to the Employer, in writing, within fifteen (15) working days of the occurrence of such grievance, controversy or dispute, or such shall be null and void. Such written grievance, controversy or dispute shall set forth the nature of the grievance, including the material facts giving rise to the claim and the contract provision(s) allegedly violated.

Any grievance, controversy or dispute by an Employer pursuant to this Agreement, except wage claims, must be protested by the Employer to the Union, in writing, within fifteen (15) working days of the occurrence of such grievance, controversy or dispute, or such shall be null and void. Such written grievance, controversy or dispute shall set forth the nature of the grievance, including the material facts giving rise to the claim and the contract provision(s) allegedly violated.

(a) Diligent effort shall be made by both sides to adjust such grievance, controversy or dispute amicably within thirty (30) days from the date the grievance, controversy or dispute is first brought to the attention of both parties.

(b) The thirty (30) day period may be extended by mutual agreement.

(c) If there is no extension of time for amicable settlement, the grievance, controversy or dispute may then be referred to arbitration within fifteen (15) days.

(d) The matter may be referred to arbitration by the sending of a letter by either the Union or the Employer requesting that the parties select a neutral arbitrator from the panel of fourteen (14) permanent neutral arbitrators set forth below. Unless otherwise mutually agreed, the arbitrator shall be mutually selected from the permanent panel by alternately deleting names from the panel until one last name remains. The panel of fourteen (14) permanent neutral arbitrators for the term of this Agreement shall be:

Sara Adler	Edgar A. Jones
Howard S. Block	Walter Kaufman
Kenneth Cloke	Emily Maloney
R. Wayne Estes	Anthony Miller
Edna E. J. Francis	William W. Petrie
Joseph F. Gentile	Michael D. Prihar
Richard J. Hobin	Fred Horowitz

(e) If, because of refusal of either side to arbitrate, it becomes necessary for the other to file a petition to compel arbitration in the State or Federal courts, such petition shall be filed not later than sixty (60) days after said refusal to arbitrate.

(f) The findings of the arbitrator shall be binding upon the Union and the Employer, provided that the arbitrator shall not have the authority to change, alter or modify any of the terms or provisions of this Agreement.

(g) Failure to either settle the matter in dispute, or to refer the matter to arbitration, or to file a petition to compel arbitration within the time periods set forth above shall render such grievance, controversy, or dispute null and void and such claim shall be forever barred, and no further action shall be taken. Nothing herein is intended to prevent either party from raising any subject proper for bargaining in future negotiations for successor agreements.

2. In the event of a grievance involving the interpretation of any provision of this Agreement, it is mutually agreed that no strike, work stoppage, lockout or other economic action will be employed by either the Employer or the Union.

3. Paragraph 2 is inapplicable in cases where it is established between the Union and a representative of the Employer that an Employer failed to pay the wages and/or all contributions required under this Agreement, unless the Employer's failure to pay involves disputed classification of employees or an interpretation of this Agreement. In the above instances described in this Paragraph, the aggrieved party has the right to take such economic action as it deems necessary.

B. FEES. With the exception of arbitrations involving suspension and/or discharge under Article 3, the expenses of the arbitration shall be borne equally by both the Employer and the Union. All jointly incurred

expenses (i.e., transcripts, reporters' costs, arbitrator's fees, room rental) of arbitrations involving suspension and/or discharge under Article 3 shall be borne by the loser. Unless the grievance which has been submitted to the arbitrator is totally sustained or denied, it shall be deemed split and the jointly incurred expenses shall be borne equally between the Company and the Union.

C. OPTIONAL EXPEDITED ARBITRATION PROCEDURE. By mutual agreement between the parties, any grievance, controversy or dispute may be submitted to the following procedure:

If the matter is not settled within two (2) calendar weeks from the receipt of the written notice described in Paragraph A, above, the grieving party shall promptly submit the question in dispute in writing to expedited arbitration. The Employer shall notify the Union of the office and address to which all such demands for arbitration are to be sent.

The expedited arbitrator shall decide the issue at the next succeeding regular monthly arbitration meeting as set forth below unless either party notifies the other of its intent to pursue the matter in regular arbitration as set forth in Paragraph A above.

The arbitration hearings shall be held on the last Thursday of each month. Additional meetings may be scheduled as necessary and mutually agreed upon.

Unless otherwise mutually agreed, the expedited arbitrator shall be mutually selected from the permanent list of fourteen (14) arbitrators or by alternately deleting names from the list until a last name remains, the parties drawing lots to determine who shall be entitled to the first deletion.

The panel of fourteen (14) permanent Arbitrators for the term of the Agreement shall be Sara Adler, Howard S. Block, Kenneth Cloke, R. Wayne Estes, Edna E. J. Francis, Joseph F. Gentile, Richard J. Hobin, Fred Horowitz, Edgar A. Jones, Walter Kaufman, Emily Maloney, Anthony Miller, William W. Petrie, and Michael D. Prihar.

The expedited arbitrator selected in accordance with the above procedure shall serve for a period of three (3) months. At the end of this three-month period or succeeding three-month periods, at the election of either party, a new expedited arbitrator may be selected by again striking names from the permanent list of fourteen (14) arbitrators as described above.

The expenses of all mutual facilities and services except the fee of the expedited arbitrator shall be borne equally by the Employer and the Union.

The expedited arbitrator shall render a decision within forty-eight (48) hours of the conclusion of the hearing, exclusive of weekends and holidays, on each case in dispute, accompanied by a written award. The expedited arbitrator's fees shall be borne by the loser. Should a dispute arise as to who, in fact, is the losing party in any given arbitration and the arbitrator is called upon to make a determination as to who, in fact, is the losing party, his additional fees, if any, for making such final determination shall be paid by the losing party. Further, the arbitrator may order a splitting of the fees in cases where he cannot make a decision as to who, in fact, is the losing party. In the event there is more than one (1) case in dispute before the expedited arbitrator on any one (1) day, the fee of the expedited arbitrator shall be pro-rated and charged equally in each dispute for which a decision is rendered.

D. WAGE CLAIMS. Wage claims for unauthorized time shall be honored and paid in accordance with applicable rates of pay when presented in writing to the Employer or his representative where it can be established between the Union and the Employer or his representative that work was performed during such

time. In no case shall claim for such unauthorized time exceed six (6) months. Employees who work unauthorized time shall be subject to the procedures set forth in Article 3 - Suspension, Dismissal and Demotion - of this Agreement and all employees shall be so notified. Except as may be provided otherwise in this Agreement, all wage claims shall be limited to a maximum of a six (6) month period.

ARTICLE 18 - NEW METHODS OF OPERATION

A. NEW METHODS. Notwithstanding the above, it is agreed that should the Employer intend to institute any new method of operation that would result in a material change in any job presently being done and covered by this Agreement, the Employer shall give to the affected union or unions at least one hundred and twenty (120) days written advance notice by certified or registered mail setting forth the nature of such intended changes and/or methods of operations.

Upon written request by the Union, negotiations on job classifications, wages, working conditions, and/or the disposition of displaced employees resulting from the institution of such new methods shall begin promptly.

B. FAILURE TO REACH AGREEMENT ON NEW METHODS. If agreement is not reached in such negotiations on the subjects set forth in the preceding Paragraph within the first thirty (30) day period of the one hundred and twenty (120) day period described above, the parties shall submit all those unresolved issues to a factfinding panel during a second (2nd) thirty (30) day period. The factfinding panel shall consist as hereafter provided: Each party shall, within five (5) days, designate one person to serve as its representative and those two people shall select a third, who will act as chairman. Failing to agree upon a third, the two members shall, within five (5) days, notify the Federal Mediation and Conciliation Service, who will, within five (5) days from such notification, furnish a panel of fourteen (14) names from which the chairman will be selected by alternately striking until but one name remains. The panel shall make inquiries, investigations, hold meetings and take whatever steps it may deem appropriate to render a confidential report and recommendations within twenty (20) days, which report and recommendations shall not be binding upon either party.

Upon receipt of the confidential report of the factfinders, the parties shall resume negotiations for a period not to exceed a third (3rd) thirty (30) days.

In the event the parties do not reach agreement within such third (3rd) thirty (30) day period, then all unresolved issues in regard to job classifications, wages, working conditions, and/or the disposition of displaced employees shall be submitted to final and binding arbitration.

The arbitrator shall, within ten (10) days, be selected in accordance with the same procedure as is provided above for the selection of the chairman of the factfinding panel.

The parties further agree that the arbitrator's decision shall be final and binding, and that there will be no strikes, work stoppages, lockout, or economic action of any sort or form employed by either party in connection with or arising out of any dispute concerning or related in any way to the operation of this Article.

It is agreed and expected that the parties will exert every effort to accomplish the foregoing within the one hundred twenty (120) day allotted period, but failing to do so, shall not prohibit or in any way impede the Employer from installing or effectuating any such new methods, systems, or equipment upon the expiration of the allotted one hundred twenty (120) day period, unless such period is extended by mutual written agreement. The decision of the arbitrator shall be effective on or retroactive to the date such new method is installed. The cost of the impartial factfinder and/or arbitrator shall be borne equally by the parties.

The provisions of Article 18 of this Agreement shall in no way affect or be applicable to the procedures set forth in this Article.

ARTICLE 19 - TRUST FUNDS

A. BENEFIT FUND.

1. The Employer and Unions agree to continue the existing United Food and Commercial Workers Unions and Food Employers Benefit Fund (the "Benefit Fund"). The Benefit Fund will continue to provide health and welfare benefits that are consistent with the terms and limitations of this Agreement.

2. If any Employer ceases all or part of its operations covered by Agreement, files a petition in bankruptcy or otherwise becomes subject to the jurisdiction of the bankruptcy court, or sells all or part of its operations covered by this Agreement (and the buyer does not assume the obligations under this Article), then such Employer shall pay a lump sum to the Benefit Fund as of the date of the cessation of operations, the filing of the bankruptcy petition, or the closing date of sale. Said sum shall be owing without regard to whether any other Employer's successor collective bargaining agreement contains the maintenance of benefits contribution obligation set forth in Article 19 (A)(2) of the expired 1999-2003 Agreement. The lump sum payment shall be the amount determined in the second (2^{nd}) paragraph of Article 19 (A)(2) of the expired 1999-2003 Agreement, except that the total obligation of all Employers shall be deemed to be ninety million dollars ($90,000,000) and the total hours reported by both the Employer and by all Employers shall be measured from the beginning of this Agreement to the last day of the month preceding the month in which the cessation or sale occurs or the petition is filed. If an Employer ceases or sells less than all of its covered operations, only those hours attributable to operations ceased or sold shall be used. Notwithstanding the foregoing, this Paragraph shall apply only where the cessation or sale involves three hundred (300) or more of the Employer's eligible employees, or more than twenty-five percent (25%) of the Employers eligible employees, whichever is greater. A series of transactions occurring over any consecutive twenty-four (24) month period shall be considered a single transaction for the purposes of this Paragraph.

3. Resolution of Differences. Differences between the Employer and the Union as to the interpretation or application of the provisions of the Trust Agreement relating to employee benefits shall not be subject to the grievance or arbitration procedure established in any collective bargaining agreement. All such differences shall be resolved in the manner specified in the Trust Agreement.

4. Benefits and Eligibility. The Trustees are authorized and directed to maintain the following provisions:

(a) Benefits for Employees Hired Prior to March 1, 2004. All employees hired prior to March 1, 2004 ("Current Employees") shall continue to participate in Plan A, as modified herein. A Current Employee whose employment is terminated or who is laid-off and who is rehired by another Employer in the Industry following an absence of less than four (4) months shall maintain his status as a Current Employee (subject to the applicable contribution/premium rates for Current Employees).

(1) Effective April 1, 2012, and continuing thereafter, Current Employees will be required to pay premiums, deducted from their paychecks as a condition of participation in Plan A as follows: Employee only - seven dollars ($7.00) per week, Employee plus children - ten dollars and fifty cents ($10.50) per week, Employee plus spouse with or without children - fifteen dollars ($15.00) per week. Such premiums shall be deducted from the paychecks of Current Employees without further authorization.

(2) The Trustees are authorized and directed to modify Plan A in accordance with Section 4, Paragraph (c) below.

(b) Benefits for Employees Hired On or After March 1. 2004 ("New Hire"). The Trustees are authorized and directed to modify the New Hire Plan as described herein and maintain the following premiums:

(1) New Hire employees shall be required to pay weekly premiums, deducted from their paychecks as a condition of participation in the plan as follows: employee only - seven dollars ($7.00) per week; employee plus children - ten dollars and fifty cents ($10.50) per week; and employee plus spouse and/or children - fifteen dollars ($15.00) per week. The employee premiums shall be collected in advance by the Employer and paid to the Benefit Fund coincident with the Employers' contribution obligation for hours worked in a month.

(c) The bargaining parties agree to the contribution rates in Section 5 below accompanied by this joint direction from the bargaining parties to require the Board of Trustees to design a plan of benefits consistent with the *"Future Plan Design Commitments and Triggers"* outlined here. It is understood and agreed that the Union Trustees shall bear the primary responsibility for designing the benefit structure which will then be presented to the full Board of Trustees for consideration. Provided the newly proposed benefit structure does not violate any fiduciary responsibility or duty of the trustees and complies with the directive contained in this Agreement, it shall be approved by the Board of Trustees.

Additionally, the Union agrees that absent Employer Trustee approval, the newly proposed benefit structure will not (1) improve the current eligibility timetable or structure, (2) improve or expand the existing retiree plan of benefits or (3) add any plan design options or benefit improvements beyond the following:

(1) Continuation of coverage during disability for up to three (3) months upon graduation to the Gold Level, and

(2) Increase all dental annual maximums by two hundred dollars ($200.00).

Future Plan Design Commitments and Triggers

The bargaining parties direct the Trustees to implement the following components/modifications to the Fund structure:

a. Develop a Board of Trustees approved comprehensive, ongoing communication and outreach effort, sponsored through the Fund Office. Union and Employers. The goal is to ensure members awareness of program changes and their role and responsibility for using their benefits effectively.

   The key is to ensure ongoing and comprehensive communication form all stakeholders (Trust Fund, Unions and Employers).

   The Stakeholders agree to assist with the distribution of Trust Fund created communication and outreach which will occur through multiple channels some of which will be: enrollment packets, postcards, fliers regarding HRQ reminders, open enrollment reminders, HRA information or other trust fund health plan or wellness initiative information.

   The Trustees will approve the production of a Health Plan and Wellness Orientation video that will be provided to new hires by the Trust office with the enrollment packet.

The Employers will post trust approved posters in appropriate locations and for appropriate times in all stores. The Employers also agree to show trust fund produced videos on their in-store video loops.

Although not intended to be all inclusive, other forms of outreach by the Fund Office will be email/text, web (e.g. Fund websites and Union websites), and telephonic outreach. Member access to a web-based platform that includes relevant cost planning and comparison tools, and comprehensive customer service support (Benefits Ombudsman) is critical. Within sixty (60) days following ratification of this Agreement, the Trustees will agree on the initial, comprehensive communication/outreach effort. This will include timeline/effective date(s), methods of communication and specific parties to be involved in this initial effort.

Should a grievance under this section (a) be filed under the CBA and fail to be resolved, such grievance shall be arbitrated on an expedited basis. Any deadlock on the Trust Fund under this section (a) shall be submitted to expedited arbitration.

b. On an initial and on-going basis for both active and retiree plan(s), examine each current benefit structure (i.e., PPO and HMO) and vendor (e.g., Anthem, Kaiser, UHC, HMC, etc) along with the current and projected associated expenses to ensure plan assets are being utilized in the most efficient manner possible. Where necessary, the Trustees shall make modifications to ensure the appropriate funding of the Plan.

c. No later than July 2012, implement a reference based pricing design for certain medical procedures. The first phase of this design will target knee surgeries and hip replacement surgeries. The focus of this initial phase will be on procedures that either require precertification or would be expected to generate member (or provider) inquiries regarding benefit coverage. No later than July 2013, implement a reference based pricing design for additional medical procedures (e.g., diagnostic lab and imaging, colonoscopies, etc). The Trustees agree to implement an expand this program unless it is clear that a robust, comprehensive, on-going communication/outreach process is not working to properly inform the members about this plan design (and its requirements prior to service being rendered). In addition, the Trustees will make available the Castlight or similar web-site for participants to voluntarily shop and compare prices for medical services.

d. Allow employees hired after March 2004 and eligible to participate in Platinum level coverage the option to elect an HMO Plan subject to the following criteria:

Platinum HMO Equivalency Rates. The Trustees shall be directed to adopt the following rule and such shall apply beginning with the first open enrollment period following ratification of this Agreement in which the new Platinum HMO plan is offered:

"The maximum premium rates that an y current HMO (or any successor HMO) shall be allowed to charge for the first year of the new plan and for each year thereafter shall be determined as follows:

Platinum HMO Premium Rate - the Platinum HMO premium rate for participants in the Platinum level of benefits shall not exceed the projected per employee per month cost (the "Cost") for participants in the Platinum PPO level of coverage in the self-funded program of benefits. The Cost for the purpose of this provision shall be equal to the total of the following: PPO medical costs, PPO fees, UR fees and the jointly agreed cost directly attributable to the administration of PPO claims."

e. Implement the other jointly agreed plan design changes that have been discussed and agreed to. Specifically:

- Implement the Anthem Blue Cross JAA

- Establish a dependent audit procedure that will be performed every three years, or more frequently at the Trustees' direction, by an outside third party. Additionally, modify the annual enrollment procedures to provide for a more thorough annual check of dependent eligibility.

- All employees to Opt-in to use HRA funds for Rx co-pays.

- Allow employees who are reduced in classification to Clerk's Helpers in lieu of layoff to keep the benefit level and family eligibility earned in the previous classification.

- Modify the procedure used by the Funds to resolve errors when employee contributions are authorized by the employee but not timely deducted from the employee's check and forwarded to the Trust Fund. If the error is caused by the Employer or the Trust Fund, eligibility shall be triggered by timely submission of completed payroll deduction and election of coverage forms to the Fund Office.

- Review and set up procedures so that employees do not lose eligibility if vacation hour are incorrectly reported/recognized when employees take vacation (details still to be discussed and worked out).

- Allow covered immunizations or any other legally permitted medical benefits/procedures offered through the Trust to be obtained at in-store, network pharmacies.

f. Effective on the same date as the HMO for Platinum participants referenced in paragraph (f) becomes effective, increase the eligibility for retiree health and welfare from ten (10) years of service to fifteen (15) years of service with the understanding that any participant who has satisfied the prior ten (10) years of service requirement on or before the effective date of this change shall be grandfathered at the ten (10) years of service requirement.

g. Maintain a targeted reserve of 3.0 months expenses (based on the last twelve months of historical expenses.)

h. Implement the following benefit modifications:

1. Allow pregnant dependent children to drop welfare coverage.

2. Retiree "Kids Fly Free" rule applies to all retiree dependent children.

3. Cover transgender treatment and surgery under the PPO plan as discussed at the November 2015 Board meeting. It is understood that this benefit will require a compliant clinical review and approval process.

4. Annual income cap for disabled dependents - Restore to $6,000 and adjust annually based on CPI.

5. HMC will be given the authority to direct the Trust administration to remove the disincentive ($500 deductible increase) for any member HMC has confirmed was incorrectly identified (via the HMC predictive model) as having one of the disease states under management. This authority exists whether or not the member responds timely to the DM outreach/engagement initiatives and will apply to all deductible year increases/disincentives. To be considered incorrectly identified, the member must not have the disease state identified by HMC's predictive model.

6. If the member proves that both her home address and primary telephone number (cell and home if both are provided) used by HMC are inaccurate or incorrect, then the member will be given 14 days to provide an accurate home address and primary telephone number. Once updated information is provided to HMC, they will initiate another outreach process. Those members who (1) respond to HMC timely (same timeline as currently used for initial outreach/engagement) and (2) agree to participate in the program will have any deductible disincentive removed for the current and prior plan year.

(d) Except for those changes described in, required by, or necessary to implement this Article 19 A and C, and subject to the right of the Trustees to amend, modify or eliminate any Plan benefit or feature at any time as provided herein, the existing Plan coverages and all resolutions and letters of understanding shall initially be a part of the new Plan design. This provision shall not be interpreted, applied or construed to: (a) create any express or implied obligation to maintain or preserve any benefit or Plan feature for any period of time; (b) create any vested entitlement to any benefit or feature under the Plan; or (c) limit or restrict, directly or indirectly, the right of the Trustees to make changes in those benefits or features when they deem it necessary or appropriate under the Plan and/or as a matter of fiduciary duty.

5. Employer Contributions. The Employer agrees to the following hourly contribution increases to the current Plan A contribution rate of $4.42 to the Benefit Fund:

i. March 2016 hours: no increase
ii. March 2017 hours: no increase
iii. March 2018 hours: up to $0.25, if necessary, based on the co-consultants' joint recommendation of the rate needed to ensure a target reserve of at least 3.0 months on March 1, 2019.
iv. February 2019 hours: Any unused portion of the March 2018 contribution amount may, if necessary, be used to address the amount the co-consultants agree that total expenses exceed total income for Plan A as of February 28, 2019.

6. Plan B. The Trustees are directed to modify Plan B in a similar manner and with similar effect as in Plan A. In addition, the existing provisions governing the operation of Plan B shall continue as follows:

(a) The benefits of Plan B shall be based on the joint recommendation of the consultants based on a contribution rate of seventy-five percent (75%) of the cost of Plan A. Neither the contribution rate nor the benefits of Plan B shall be affected by the actual experience of Plan B.

(b) Any new Employer with more than three hundred (300) employees shall be reviewed by the consultants to ensure that their admission would not have a significant adverse actuarial impact. Employers with three hundred (300) or less employees, who otherwise meet the definition of eligible Employer, shall be admitted without any review.

(c) If an Employer moves from Plan B to Plan A, the employees of that Employer who are still employed on the date the Employer moves to Plan A shall be treated under all Plans (the pension plan, vacation plan, supplementary plan, ancillary plan, health and welfare plan, but not the individual account plan) as if the Employer had always been under Plan A. The Trustees shall adopt reasonable rules based upon recommendations of the consultants to govern the situation of an employee who moves from Plan B to Plan A as the result of moving from one Employer to another.

B. PENSION FUND.

1. Contributions. The Employers agree to contribute to the Pension Fund for the term of this Agreement based on the following contribution amounts:

(a) The Employer agrees to contribute to the pension Fund for the term of this Agreement one dollar and twenty cents ($1.20) per straight-time hour worked for all Employees covered by this Agreement regardless of date of hire.

(b) The contribution credited for a given Plan Year shall continue to be based on hours worked in the twelve (12) month period beginning November and ending October of the following year (which has been referred to as the "7 month shift").

2. Amended Trust Agreement and Pension Plan. The Agreement and Declaration of Trust providing for the Pension Trust Fund and the Pension Plan shall be amended, as may be required, to conform to the provisions of this Section B.

3. Other Pension Plans. The Employer retains the exclusive right to alter, amend, cancel or terminate any presently existing company-sponsored pension plan or employee retirement plan that existed prior to the establishment of this Pension Fund.

4. Laws and Regulations. The Trust and the benefits to be provided from the Pension Trust Fund and all acts pursuant to this Agreement and pursuant to such Trust Agreement and Pension Plan shall conform in all respects to the requirements of the Treasury Department, Internal Revenue Service, California Franchise Tax Board and to any other applicable state or federal laws and regulations.

5. Pension Protection Act. The Fund actuaries have: (a) certified under the Pension Protection Act (the "PPA") that the Pension Fund was in critical status for each of the Plan Years beginning 4/1/2008 to 4/1/2016, and that they expect the Fund will again be in critical status for the Plan Year beginning 4/1/2017; (b) determined that the 2014 Schedule (as that term is defined in the previous collective bargaining agreement) is no longer sufficient to permit the Fund to emerge from critical status during the required time frame, even if the Fund takes full advantage of the funding relief available under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (the "Pension Relief Act"). Therefore, the parties hereby agree as follows:

Because the 2014 schedule and the Rehabilitation Plan is no longer sufficient to permit the Fund to emerge from critical status by March 31, 2024, the Trustees are authorized and directed to adopt the 2016 Preferred Schedule which provides for increases in the employer contribution rates consistent with this Article (the "2016 Preferred Schedule"). The Trustees are further authorized to update the Rehabilitation Plan as required by the PPA and to be consistent with the 2016 Preferred Schedule. Upon adoption of the 2016 Preferred Schedule, it is hereby deemed approved by the bargaining parties and automatically incorporated into this Agreement. The following provisions shall apply to the implementation and operation of the Preferred Schedule:

i. The bargaining parties agree and understand that the Employer's obligation to make pension contributions in addition to the base contribution rate specified in Article 19, Section B(1) (a) of this Agreement shall be limited to the following contribution rates provided herein:

Effective with hours worked in January 2012, payable in February 2012, and ending with hours worked through June 2012, a supplemental contribution of eight and 3/10 cents ($0.083) per contribution-eligible hour;

Immediately in the event the Fund is unsuccessful in prospectively terminating its 412(e) relief, but no later than hours worked in July 2012, payable in August 2012, the foregoing supplemental contribution shall automatically be reduced to seven and 7/10 cents ($0.077) per contribution-eligible hour;

Effective with hours worked in October 2012, payable in November 2012, an additional supplemental contribution of seven and 7/10 cents ($0.077) per contribution-eligible hour; and

Effective with hours worked in October 2013, payable in November 2013, an additional supplemental contribution of seven and 7/10 cents ($0.077) per contribution-eligible hour.

Effective with hours worked in October 2014, payable in November 2014, an additional supplemental contribution of seventeen and 6/10 cents ($0.176) per contribution-eligible hour.

Effective with hours worked in October 2015, payable in November 2015, an additional supplemental contribution of seventeen and 6/10 cents ($0.176) per contribution-eligible hour.

Effective with hours worked in October 2016, payable in November 2016, an additional supplemental contribution of twenty and 7/10 cents ($0.207) per contribution-eligible hour.

Effective with hours worked in October 2017, payable in November 2017, an additional supplemental contribution of twenty and 7/10 cents ($0.207) per contribution-eligible hour.

Effective with hours worked in October 2018, payable in November 2018, an additional supplemental contribution of twenty and 7/10 cents ($0.207) per contribution-eligible hour.

The supplemental contributions described above shall be subject to the following:

The supplemental contributions shall be adjusted proportionally for other Trustee-approved base contribution rates.

These supplemental contribution increases, in the aggregate, shall not exceed a cumulative total of sixty-two and 2/10 cents ($0.621) per contribution-eligible hour during the term of this Agreement. Any and all future supplemental contribution increases commencing with hours worked in October 2019, shall be subject to bargaining in subsequent collective bargaining agreements.

These supplemental contributions shall be dedicated solely to improving the funding of the Pension Fund, and shall not be used to increase or improve benefits. Notwithstanding anything herein to the contrary, the October 2016 through October 2018 supplemental contributions provided herein will be reduced or discontinued before restoring benefits as provided in

subsection (v). Any such reduction of supplemental contributions shall be implemented by the Pension Fund's Trustees, based on projections provided by the Fund's actuaries, showing that such supplemental contributions are no longer needed to support the level of benefits provided for under the Pension Fund, or to enable the Fund to emerge from critical status in the required time frame.

ii. The 2016 Preferred Schedule shall first be effective with hours worked on and after October 1, 2016, as to the supplemental Employer contributions required in this subsection. The supplemental Employer contributions shall only be increased as provided above for the years during the term of this Agreement. The parties' expressly agree that future increases, if any, which may be required in the 2016 Preferred Schedule, commencing with hours working in October 2019, shall be subject to bargaining in subsequent collective bargaining agreements. For any employer who negotiates a new or extended collective bargaining agreement with a ratification date or execution date on or after March 7, 2016, that employer shall enter the 2016 Preferred Schedule and shall begin payment of contributions under this Schedule at the contribution rate then applicable for the year in which the Schedule first applies to that employer.

iii. The Trustees are authorized and directed to adopt and take into account to the extent legally permitted the relief granted to the Fund under IRC Section 412(e) in determining when the Fund emerges from critical status. Notwithstanding the previous sentence, the Trustees are authorized and directed to terminate such relief by amending the Plan, before April 1, 2016, so as to increase the liabilities of the Plan by increasing benefits by $1.00 per month, effective as of March 1, 2016, to retirees (as defined in the Pension Plan and excluding surviving spouses and other beneficiaries) who have reached the age of 90 prior to March 31, 2016. The Employer (along with Stater Bros. Markets) agrees to make a one-time voluntary contribution in the total amount of $59,000 to be funded on or before March 31, 2016, as follows: Ralphs Grocery Company to contribute $21,240; Albertsons, Inc./Vons, a Safeway Company to contribute $25,960; and Stater Bros. Markets to contribute $11,800, in a lump sum to the Fund, to pay for the increase in benefits. The foregoing contribution is an additional contribution not required or contemplated by the Fund's rehabilitation plan. This additional contribution will not be considered by the Fund in calculations performed by the Fund under Section 4219 of ERISA. The collective bargaining parties understand that this increase will be an increase within the meaning of IRC Section 412(f)(1), not subject to any exception under IRC Section 412(f)(2), as those sections were applies and administered before the enactment of the Pension Protection Act of 2006, and will terminate prospectively the Section 412(e) relief granted the Fund. The savings associated with the elimination of the Fund's 412(e) relief will be used to reduce the amount of each of the supplemental Employer contribution increases in the manner and the amount set forth in subsection (i); provided that in no event shall the employer supplemental contribution be reduced below zero.

iv. In no event shall any further contribution increases be required from the Employer during the term of this Agreement as a result of any required annual updates or other changes to the 2014 Preferred Schedule or, if applicable, to any Default Schedule. Nor will there be any benefit reductions during the term of this Agreement.

v. In the event the Trustees determine, based on projections provided by the actuaries of the Pension Fund that, during the term of this Agreement, a Schedule with lesser contribution rates and/or lesser benefit reductions would be sufficient to reasonably enable the Plan to emerge from critical status by the end of the Rehabilitation Period, or would otherwise be legally permissible and still support the Pension Fund benefits, the Trustees shall amend the Schedule in a manner that, to the extent possible, would (a) restore or otherwise improve benefits impacted in 2011 and/or 2012 based on input from the Fund's actuaries and taking into account the limitations of PPA Section 432(f), and (b) reduce the

Employer's pre-October 2016 supplemental contributions, in an equal manner and amount, based on actuarial equivalence, provided that such modifications to the Schedule would still allow the Plan to emerge from critical status by the end of the Rehabilitation Period, taking into account to the extent legally permitted relief granted under IRC Section 412(e) (subject to section (iii) above), as well as any other legally available funding relief under the Pension Relief Act or otherwise. In the event the Trustees amend the Schedule as provided in this subsection (i) or in this subsection (v), then the amended 2016 Preferred Schedule shall be deemed adopted by the bargaining parties, and the supplemental contribution rates and benefits will be adjusted as provided in the amended Schedule.

vi. The Board of Trustees is authorized and directed to take all reasonable measures to cooperate and assist in achieving these objectives, provided that the adoption of such measures is otherwise consistent with their fiduciary obligations.

vii. If, during the term of this Agreement, there are legislative, regulatory, judicial or other changes or interpretations of the PPA or other state or federal law which would impact the contribution increases set forth in the 2016 Preferred Schedule, the Trustees are authorized and directed to mitigate such contribution increases.

viii. The Parties have entered into the attached side letter confirming the Parties' collective commitments to devise and agree to a long-term funding solution to the pension issue.

C. RETIREE HEALTH AND WELFARE.

1. The Employer and the Union agree that the benefits provided to retirees hereunder are not vested, and that the Employer's sole obligation with respect to such benefits is the contribution stated above. The Employer shall not be obligated to fund or otherwise pay for any benefit beyond the term of this Agreement, except as may be subsequently and expressly agreed to by the Employer. The Trustees are directed to clarify the Plan document and descriptive material accordingly.

2. The Trustees shall be obligated to provide benefits under this Section only to the extent that assets are available.

3. Amend the Plan to suspend benefits to retirees that are working within the industry for other than a contributing employer. Subject to acceptance by the Trustees, effective January 1, 2000, benefits will be suspended for retirees working more than forty (40) hours per month (fifty (50) hours in a five (5) week month) for an Employer. Implement an enforcement plan to cover all benefit plans that will require retirees to provide social security records, IRS records and other documentation deemed necessary by the Trustees to demonstrate retiree status.

4. When disability retirements under the Pension Plan have a retroactive effective date, retiree health & welfare will be prospective only, except to the extent retroactive coverage is allowed under the rules in effect immediately prior to the effective date of this Agreement.

5. The Trustees are authorized and directed to require retirees to pay initial monthly premiums as a condition of participation in the Retiree Plan as follows:

(a) Non-Medicare: Single - ninety dollars ($90.00)
Family - one hundred eighty dollars ($180.00)

(b) Medicare: Single - forty dollars ($40.00)
Family - eighty dollars ($80.00)

(c) One over Medicare and one under non-Medicare will pay two (2) single rates one hundred thirty dollars ($130.00).

Effective April 1, 2012 and annually thereafter, the pre-65 retiree co-premium shall be equal to one hundred twenty-five dollars ($125.00) per person per month and the Post-65 co-premium shall be equal to fifty dollars ($50.00) per person per month. Thereafter, the retiree co-premium shall be adjusted by the same annual percentage increase of the Medicare Part B rates.

6. New Hire employees shall not be eligible for Retiree Health and Welfare Benefits.

D. ADMINISTRATION.

1. The Trustees shall continue a central administration office for the administration of the Trust, including but not limited to bookkeeping, tabulating, collection of contributions, record keeping and payment of claims and shall acquire appropriate office equipment and hire necessary personnel.

2. In addition to the central administration office, the Trustees are authorized and directed to continue the agreement and understanding entered into between the parties as outlined in the July 14, 1981 letter of agreement directing the Trustees to adopt a specific agreed-upon proposal concerning trust fund administration along with the supplemental agreement concerning trust administration dated February 10, 1982.

3. The Companies agree to change the Employer of the employees in the satellite offices from the Trust Fund to the respective Union (with a reimbursement from the Trust Fund in a manner consistent with applicable law as determined by the Trust Fund Attorneys).

E. PAYMENT OF CONTRIBUTIONS. Payment of contributions by the Employer required to be made to one or more of the Trusts established under this Article 19 shall be made on or before the twentieth (20th) day of each month based upon hours worked exclusive of overtime hours during the preceding calendar month by each employee covered by this collective bargaining Agreement.

Such payments shall be accompanied by a list of the names of the employees for whom such contribution is made, showing the number of hours worked, exclusive of overtime hours, by each such employee during the preceding calendar month. Time during vacation periods, sick leave, jury duty and holiday absences which is paid for as provided under this collective bargaining Agreement herein referred to and all work performed on Sundays and holidays, exclusive of daily or weekly overtime, shall be considered as time worked to which the provisions of this Article shall apply. The Trustees have the authority to adopt and maintain reasonable rules regarding the acceptance of contributions in connection with the resolution of grievances.

It is understood that the contributions required on behalf of any employee shall not exceed forty (40) straight-time hours per week or two thousand eighty (2,080) straight-time hours per year. Contributions shall not be made for payments made on the basis of industry experience as set forth in Article 8-D and unused sick leave paid in accordance with Article 10-E. The Employer, by payment of the amounts provided for in this Article, shall be relieved of any further liability and shall not be required to make any further contributions to the cost of benefits, either in connection with the administration of the plans or otherwise.

The parties recognize and acknowledge that regular and prompt filing of accurate Employer reports and the regular and prompt payment of correct Employer contributions to the Trusts is essential to the proper

management of the Funds, and that it would be extremely difficult, if not impossible, to fix the actual expense and damage to the Trusts which would result from the failure of an individual Employer to make accurate reports and to pay such accurate monthly contributions in full within the time specified above. Therefore, the amount of damage to the Trusts resulting from failure to file accurate reports or pay accurate contributions within the time specified shall be presumed to be the sum of fifteen dollars ($15.00) or ten percent (10%) of the amount of the contribution or contributions due, whichever is greater, for each inaccurate or delinquent report or contribution. These amounts shall become due and payable to the Trusts as liquidated damages and not as a penalty upon the day immediately following the date on which the report or the contribution or contributions become delinquent. Liquidated damages shall be paid for each delinquent or inaccurate report or contribution and shall be paid in addition to any contributions due. In the event the Trustees shall incur any cost for the collection of said delinquency, the delinquent Employer hereby agrees to pay said additional cost including reasonable attorney's fees. The imposition of the liquidated damages described above shall require affirmative action of the Trustees following examination of periodic delinquency reports from the Administrator.

F. BUSINESS EXPENSES. It is understood that the provisions of this Article are being entered into upon the condition that the payments made by the Employer under this Article 19 shall be deductible under the Internal Revenue Code as it presently exists or as it may be amended subsequent to the date of this Agreement and under any similar applicable state revenue or tax laws.

G. TRUSTEES.

1. Local Union Nos. 135, 324, 770, 1167, 1428 and 1442 on the one hand, and Albertsons, Inc., Ralphs Grocery Company, Stater Bros. Markets and Vons, A Safeway Company on the other hand, shall each appoint one trustee to the Board of Trustees of the Benefit Fund, Joint Pension Trust Fund, Individual Account Trust Fund, and Ancillary Benefit Fund. In any vote upon any matter, voting power shall at all times be divided equally between the Union Trustees and the Employer Trustees of each of the Board of Trustees. The Employer Trustees shall collectively cast a single unit vote and the Union Trustees shall collectively cast a single unit vote.

2. The Declarations of Trust shall provide for voting by proxy, and for alternate Trustees, and shall further provide that the tenure of Trustees, method of removal, and successor Trustees shall be designated by the parties empowered to appoint such Trustees. The Trustees shall amend the existing Agreements and Declaration of Trust as may be required to accomplish the purposes of this Article 19, and all parties to this collective bargaining Agreement agree to be bound by the terms and provisions thereof.

H. PRESERVATION OF TRUST FUNDS. The Employer and the Union hereby agree that each and all of the existing Trust Funds provided for in this Agreement shall be continued for the life of this Agreement, with the exception of the Ancillary Fund, which is being merged. In order to preserve and maintain the existence of these Trust Funds, the parties hereto expressly agree that neither the Employer nor the Union shall enter into any agreement or understanding nor undertake to dissolve, sever, partition or divide any of these Trust Funds. It is also agreed and understood between the parties hereto that during the term of this Agreement each and all of these Trust Funds shall continue to be administered at a central neutral location.

Notwithstanding the foregoing, the Individual Account Plan is being terminated in accordance with the time frame and procedures set forth in this Agreement.

I. ACCEPTANCE OF TRUSTS.

1. The Employer and the Union hereby accept the terms of the existing Benefit Fund and Joint Pension Trust Fund. By this acceptance the Employer agrees to and shall become a party to each of said Trusts with the same force and effect as though the Employer had executed the original Declarations.

2. Any amendments that from time to time may be made thereto, including the creation of supplementary trusts to handle any of the funds referred to in this Agreement, shall be binding upon the Employer.

3. The Employer and the Union hereby agree to amend the Trust Agreements of the various Funds referred to in Paragraph 1 above in order to comply with the terms of this Article 19.

4. The Employer hereby accepts and designates the existing Employer Trustees and any additional or successor Trustees under these Trust Agreements as may be appointed under these Trust Agreements in accordance with the procedures set forth in such Trust Agreements.

ARTICLE 20 - SICK LEAVE BENEFITS

A. SICK LEAVE ENTITLEMENT.

1. Regular Full-Time Employees: Regular full-time employees are credited with a maximum of forty-eight (48) hours [six (6) days] accrued sick leave on each anniversary date of hire provided they have worked a minimum of one thousand nine hundred (1,900) straight-time hours in the twelve (12) month period immediately preceding their anniversary date of hire.

If a regular full-time employee has worked less than one thousand nine hundred (1,900) straight-time hours during the twelve (12) month period immediately preceding his anniversary date of hire, sick leave shall be prorated on a ratio of total straight-time hours worked to one thousand nine hundred (1,900) hours.

2. Part-Time Employees: Sick leave will accrue to part-time employees on a pro rata formula based on a ratio of straight-time hours worked during the preceding twelve (12) months to two thousand eighty (2,080) hours.

B. ELIGIBILITY FOR SICK LEAVE BENEFITS. Employees will be eligible for sick leave benefits for days of disability which are not incurred by an on-the-job injury or illness up to a maximum of sick leave hours credited as of the preceding anniversary date of hire, not to exceed forty-eight (48) hours, provided the employee has completed twelve (12) months of continuous employment with his Employer.

All sick or injury leave must be verified by a certificate of a duly authorized physician.

If a regular full-time employee suffers an injury on the job that causes lost time as verified by the certificate of a duly licensed physician, he will be entitled to sick leave benefits up to a maximum of forty-eight (48) hours during the first year of employment. Sick leave hours paid prior to completion of twelve (12) months' continuous employment will be deducted for sick leave hours accrued as of the employee's first anniversary date of hire.

If an extra employee suffers an injury on the job that causes lost time as verified by the certificate of a duly licensed physician, he will be eligible for sick leave benefits but not to exceed the number of hours for which he was hired, not to exceed forty-eight (48) hours.

C. COMPUTATION AND PAYMENT OF SICK LEAVE BENEFITS FOR PERIODS OF DISABILITY. Upon receipt of a properly completed claim form, sick leave benefits will be paid if the employee is eligible for benefits as follows:

1. Sick leave benefit payments will commence on the first workday lost due to disability and will be payable for each workday lost due to such continuing disability up to the maximum accumulated sick leave hours, not to exceed forty-eight (48) hours or until the employee becomes eligible for Supplementary Disability Benefits, whichever occurs first.

2. Sick leave benefits will be computed on the basis of up to eight (8) hours per workday lost.

D. CONVERSION OF UNUSED SICK LEAVE TO A CASH PAYMENT. An employee will be entitled to a conversion of unused sick leave to a cash payment as follows: If an employee has a minimum of two (2) years' continuous employment with the Employer, he will be entitled to a payment for unused sick leave as of his second or succeeding anniversary date of hire with the Employer, up to a maximum of forty-eight (48) hours on each anniversary date.

E. TERMINATION OF EMPLOYMENT. An employee who has completed two (2) or more years with his Employer will receive payment for unused sick leave at the time of termination as follows:

1. Discharges (Except for Dishonesty) and Quits:

(a) Employee will be paid for unused sick leave accrued up to his last anniversary date of hire with the Employer, up to a maximum of forty-eight (48) hours.

(b) The employee will forfeit sick leave earned since the preceding anniversary date of hire with his Employer.

2. Discharge for Dishonesty: If an employee is discharged for dishonesty, he will forfeit all entitlement to sick leave benefits.

3. Layoff:

(a) Employee will be paid unused sick leave accumulated up to his last anniversary date of hire with the Employer, up to a maximum of forty-eight (48) hours, and, in addition,

(b) Employee will be paid on a pro rata basis for the unused sick leave earned since his last anniversary date of hire to date of layoff.

F. SUMMARY OF EXCLUSIONS AND LIMITATIONS. An employee will not be entitled to payment of sick leave for periods of disability during the first year of employment except for periods of disability due to an on-the-job injury.

Sick leave benefits will not be payable for any period of disability for which an employee is eligible to receive Supplementary Disability Benefits.

Sick leave benefits will not be payable for any period of disability which occurs while an employee is on paid vacation.

If an employee terminates employment or is terminated by his Employer prior to completing two years' continuous service with the Employer, he will not be entitled to a conversion of accrued unused sick leave to a cash payment.

If the employee terminates or is discharged from employment prior to his third or succeeding anniversary date of hire with the Employer, he will be paid for accrued unused sick leave up to his last anniversary date of hire and will forfeit sick leave earned from such last anniversary date of hire.

No payment will be made for unused sick leave if an employee is discharged for dishonesty.

ARTICLE 21 - MANAGEMENT PREROGATIVE

The management of the business of the Company and the direction of its working force, the type and variety of products to be handled, the work scheduled and methods and means of handling or processing, are prerogatives of Management, subject to and where not in conflict with this Agreement.

ARTICLE 22 - 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 provision 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 23 - SUCCESSOR 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 was signatory to the original Agreement.

B. NEW OWNER. In the event of bona fide sale or transfer of the operation covered by this Agreement during the period hereof, the new owner or such transferee shall be notified of the existence of this Agreement. The former owner shall be required to meet any and all monetary benefits that employees have accumulated under this Agreement, including any compensated policies or practice which are in effect at the time of the sale or transfer, but, except as provided in this Section, shall have no further or other obligations whatsoever, notwithstanding any other provision to the contrary in this Agreement.

C. ACCRUED VACATION. It is further agreed by the parties hereto that, upon sale or transfer of ownership of the operation 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 the operation, 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 may determine whether he wishes to stay with the seller or whether he 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 the operation, the new owner or transferee shall make every effort to fill his employment needs from those employees of the seller or transferor who were employed in the operation sold or transferred.

3. Such new owner or transferee, however, shall not be required to retain in his 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 Section D-2 of this Article 23.

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 most recent date of hire by such seller or transferor, for the purpose of determining benefits to which he is entitled under this collective bargaining Agreement with the new owner or transferee by virtue of such seniority, as if his employment were continuous, including retention of anniversary date of employment and vacation and sick leave benefits, 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 United Food & Commercial Workers Union 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 operation since January 1, 1956.

ARTICLE 24 - DURATION OF AGREEMENT

This Agreement shall be in effect from March 7, 2016, to and including March 3, 2019, 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 March 3, 2019 or at least sixty (60) days prior to any subsequent March 3, of any succeeding year of its desire to alter, amend or terminate this Agreement.

SIGNED THIS _____ DAY OF_____, 2016.

FOR THE EMPLOYER:	FOR THE UNION:
_____	_____
Stater Bros. Markets	UFCW Local 1167
Duane L. Snider,	Rick Bruer,
Vice President of Labor Relations	President

APPENDIX A - HOURLY WAGE RATES

Selector	Current	9/20/2015	9/18/2016	9/17/2017	9/16/2018
Thereafter	$24.995	$25.225	$25.625	$26.025	$26.425
3rd 1040 hrs 90%	22.496	22.703	23.063	23.423	23.783
2nd 1040 hrs. 80%	19.996	20.180	20.500	20.820	21.140
1st 1040 hrs. 70%	17.497	17.658	17.938	18.218	18.498

Sanitation	Current	9/20/2015	9/18/2016	9/17/2017	9/16/2018
Thereafter	$24.550	$24.780	$25.180	$25.580	$25.980
3rd 1040 hrs 90%	22.095	22.302	22.662	23.022	23.382
2nd 1040 hrs. 80%	19.640	19.824	20.144	20.464	20.784
1st 1040 hrs. 70%	17.185	17.346	17.626	17.906	18.186

Sunday Rates

	Current	9/20/2015	9/18/2016	9/17/2017	9/16/2018
Selector					
Thereafter	$31.918	$32.148	$32.548	$33.948	$33.348
3rd 1040 hrs 90%	28.726	29.933	29.293	29.653	30.013
2nd 1040 hrs. 80%	25.534	25.718	26.038	26.358	26.678
1st 1040 hrs. 70%	22.343	22.504	22.784	23.064	23.344
Sanitation					
Thereafter	$31.250	$31.480	$31.880	$32.280	$32.680
3rd 1040 hrs 90%	28.125	28.332	28.692	29.052	29.412
2nd 1040 hrs. 80%	25.000	25.184	25.504	25.824	26.144
1st 1040 hrs. 70%	21.875	22.036	22.316	22.596	22.876