

RETAIL PHARMACIST APPENDIX

MARCH 7, 2011 - MARCH 2, 2014

between

UFCW UNION LOCALS
135, 324, 770, 1167, 1428, 1442 & 8-GS

and

STATER BROS. MARKETS

COMMON QUESTIONS ASKED ABOUT A CONTRACT

WHAT IS A CONTRACT?

A Contract is a negotiated Agreement. It establishes rules at the worksite. It spells out what is required of your Employer, and what your Employer can require of you.

WHAT DOES THE CONTRACT COVER?

Wages, working conditions, health and welfare and pension benefits, seniority and grievance procedure, just to name a few. For a complete list, please refer to the INDEX.

WHY SHOULD I READ THE CONTRACT?

The better you know and understand your Contract, the more prepared and able you will be to make it work for you. If you don't know your rights, you can't know if and when they are being violated. Also, if you don't exercise your rights, you will lose them over time. The Contract requires that you must protest/grieve a violation of your rights (including wages) within certain time limits. Knowing your rights under the Contract will help make sure you are never taken advantage of on the job. It will also contribute significantly to making your Union stronger.

WHAT SHOULD I DO IF I AM ACCUSED OF A VIOLATION OF COMPANY POLICY?

If your Employer believes you violated a Company Policy, you could receive some form of discipline. If you receive a written warning, a suspension or are terminated, call the Union office as soon as possible and speak with your Union Representative or the "Rep of the Day". Remember, you must sign all warning notices, but signing them is not an admission of guilt. It only means that you have received a copy.

WHAT SHOULD I DO IF MY EMPLOYER VIOLATES THE CONTRACT?

If your Employer violates the Contract, such as, asking or requiring you to work "off-the-clock" or does not pay you correctly, you don't have to go it alone. Remember, your Employer has agreed to follow the Contract, so do not hesitate to exercise your contractual rights. Call the Union office as soon as possible and speak with your Union Representative or the "Rep of the Day". WE ARE HERE TO HELP!

INDEX

	Page
ARTICLE 1 - RECOGNITION OF THE UNION	1
A. BARGAINING UNIT	1
B. PHARMACY EXCLUSIONS.....	1
D. UNION JURISDICTION	1
ARTICLE 2 - EMPLOYMENT PROCEDURES	2
A. UNION SECURITY.....	2
B. NOTICE OF NEW HIRES.....	2
C. CONDITIONS OF WORK FOR NEW EMPLOYEES	2
D. ENFORCEMENT	2
1. Introductory Letter	2
3. Delinquency Notice.....	2
4. Termination Notice	3
E. NONDISCRIMINATION	3
F. GENDER REFERENCE	3
G. DUES DEDUCTION	3
ARTICLE 3 - DISCHARGE	4
A. DISCHARGE FOR CAUSE	4
B. TERMINATION FOR INCOMPETENCY AND LAYOFF	4
C. NOTICE OF INTENTION TO QUIT	5
D. TERMINATION PAYMENT	5
E. TERMINATION PROCEDURE.....	5
F. PROBATIONARY PERIOD	5
ARTICLE 4 - SENIORITY, TRANSFER & LAYOFFS.....	5
A. SENIORITY LISTS	5
B. LAYOFFS, TRANSFERS RESULTING FROM LAYOFF AND REINSTATEMENT	6
2. Seniority in Layoffs	7
3. Reinstatement.....	7
C. OPERATIONAL TRANSFER.....	7
D. SENIORITY GRIEVANCES.....	8
E. SENIORITY AND QUALIFICATIONS	8
F. PROMOTION	8
G. DEMOTION.....	9
H. CLARIFICATON.....	9
I. HIRING PROCEDURES	9
ARTICLE 5 - WORKING HOURS AND OVERTIME.....	9
A. FULL-TIME EMPLOYEE.....	9
B. PART-TIME EMPLOYEE	10
D. OVERTIME	10
E. SIXTH OR SEVENTH DAY	10
F. LUNCH PERIOD.....	11
G. READY FOR WORK	11
H. LEGAL PROCEEDINGS	11
I. WORK SCHEDULE	11
J. FALSIFICATION OF TIME RECORDS	11
1. No Employer Knowledge.....	12
2. Collusion	12
3. Coercion.....	12
K. CONSECUTIVE DAYS WORKED.....	12

L.	FULL-TIME PREDESIGNATED DAY OFF	12
M.	SUNDAY GUARANTEE	12
N.	WORKDAY DEFINED	12
O.	ON CALL	13
P.	PART-TIME EMPLOYEES - SIXTH DAY	13
Q.	TRAVEL PAY	13
R.	INTERRUPTION OF OPERATIONS	13
S.	ROTATION OF WORK	13
ARTICLE 6 - WAGES		13
A.	SCHEDULE OF RATES	13
B.	NIGHT PREMIUMS	14
C.	EMPLOYEE LIST	14
D.	NONPYRAMIDING	14
E.	WAGE DISCREPANCY	15
1.	Settlement Attempt	15
2.	Written Notification	15
F.	NO REDUCTION IN RATES	15
G.	OVERTIME BASIS	15
H.	PAY DAY	15
I.	NEW CONTRACT	15
J.	INJURY ON THE JOB	15
K.	BONUS PAYMENTS	15
ARTICLE 7 - HOLIDAYS		15
A.	PAID HOLIDAYS	15
B.	HOLIDAY PAYMENT	16
1.	Holiday Allowance	16
2.	Holiday Work	16
3.	Holiday Week - Overtime	16
4.	Guarantee	17
C.	VOLUNTARY WORK	17
D.	PART-TIME PHARMACISTS	17
E.	HOLIDAY WORK GUARANTEE	17
F.	REQUIREMENTS	17
G.	VOLUNTARY CLOSING	17
ARTICLE 8 - VACATIONS		17
A.	FULL-TIME EMPLOYEES	17
1.	One Year	17
2.	Two Years	17
3.	Five Years	17
4.	Fifteen Years	18
5.	Twenty Years	18
6.	Full Pay Defined	18
B.	PART-TIME EMPLOYEES	18
C.	VACATIONS FOR EMPLOYEES HIRED ON OR AFTER THE MARCH 1, 2004	18
D.	PRO RATA	18
E.	VACATION TRUST	19
F.	ABSENCE	19
G.	VACATION SCHEDULE	19
H.	NOTICE	20
I.	NOT WAIVED	20
J.	NOT CUMULATIVE	20
K.	HOLIDAY DURING VACATION	20
L.	PAYMENT DATE	20

ARTICLE 9 - LEAVES OF ABSENCE	20
A. PREGNANCY, ILLNESS AND INJURY	20
B. OTHER PURPOSES	20
1. Death in Family	20
2. Funeral Leave	20
3. Union Business	21
4. Military Duty	21
C. LEAVE REQUESTS	21
D. SENIORITY AFTER A LEAVE	21
E. TERMINATION AFTER A LEAVE	21
F. VERIFICATION	21
G. EMPLOYMENT	21
ARTICLE 10 - SICK LEAVE	22
A. SICK LEAVE ENTITLEMENT	22
1. Eligibility	22
3. Sick Pay Defined	22
B. DOCTOR'S CERTIFICATE	22
C. PRO RATA	22
D. UNUSED SICK LEAVE PAID	22
ARTICLE 11 - JURY DUTY	22
ARTICLE 12 - ADJUSTMENT AND ARBITRATION	23
A. CONTROVERSY, DISPUTE OR DISAGREEMENT	23
B. ADJUSTMENT PROCEDURE	24
1. Store Level	24
2. Meeting of Representatives	24
C. ARBITRATION	24
D. POWERS, LIMITATIONS AND RESERVATIONS	25
1. Arbitrator	25
2. Work Stoppages	25
3. Wage Claims	25
E. STATUS QUO	26
F. EXPENSES	26
G. TIME LIMITS	26
H. REPORTING DISCREPANCIES	26
ARTICLE 13 - VISITS TO STORES	26
ARTICLE 14 - GENERAL CONDITIONS	26
A. TRAINING SCHOOL FEES	26
B. REGISTER SHORTAGES	26
C. RELIEF PERIODS	27
D. STORE HOURS	27
E. UNIFORMS	27
F. FLOOR COVERINGS	27
G. SHOP CARD	27
H. UNION PRINCIPLES	27
I. UNION ACTIVITY	27
J. TITLES	28
K. ALTERATIONS	28
L. POLYGRAPH TESTS	28
M. INVENTORY	28
N. DONATIONS	28
O. STORE MEETINGS	28
P. WORKING RULES	28
Q. BOND	28

R. STEWARDS	28
S. MILEAGE PAY	28
T. PHARMACISTS RESPONSIBILITIES TO THE PUBLIC AND THE PHARMACY PROFESSION	29
ARTICLE 15 - TRUST FUNDS	30
ARTICLE 16 - NEW LOCATIONS	30
ARTICLE 17 - SUCCESSORS AND ASSIGNS.....	30
A. PARTNERSHIP DISSOLUTION.....	30
B. NEW OWNER	30
C. ACCRUED VACATION	31
D. SALE OR TRANSFER	31
ARTICLE 18 - OPERATIONAL CHANGES	32
ARTICLE 19 - SEPARABILITY CLAUSE	33
ARTICLE 20 - EXPIRATION AND RENEWAL	34

ARTICLE 1 - RECOGNITION OF THE UNION

A. BARGAINING UNIT.

1. The Employer recognizes the Union as the sole collective bargaining agent with respect to work, rates of pay, hours and terms and conditions of employment for all full-time and regular part-time pharmacists, graduate pharmacists, head pharmacists, intern and graduate intern pharmacists employed by the Employer. The jurisdiction of the Local Union as referred to in this Appendix is defined as set forth in Appendix H.

B. PHARMACY EXCLUSIONS. Excluded from the segment for pharmacies are:

1. Persons covered by another Collective Bargaining Agreement with the Employers and Union parties to this Appendix.

2. Notwithstanding any language to the contrary contained in this Appendix between the parties, it is agreed that this Appendix shall have no application whatsoever to any new pharmacy until fifteen (15) days following the opening to the public of any such new establishment. Neither shall this Appendix have any application whatsoever to any pharmacy which is reopened after it has been closed for a period of more than thirty (30) days following the date of such reopening to the public.

The Employer shall staff such new or reopened pharmacy with a combination of both current employees and new hires, in accordance with current industry practices of staffing such stores with a cadre of current employees possessing the necessary skills, ability and experience, plus sufficient new hires to meet staffing requirements. Employees, who are thus transferred, upon whom contributions are made to the various trust funds shall continue to have contributions to the several trust funds made on their behalf in the same manner and in the same amount per hour as such contributions were made prior to their transfer.

C. DEFINITIONS FOR THE PURPOSE OF THIS Appendix, the following definitions shall apply:

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

2. Graduate Pharmacists. A Graduate Pharmacist is a professional employee as described in Paragraph 1, above, during his first year of employment as a licentiate in pharmacy.

3. Head Pharmacists. All pharmacies shall have one (1) Head Pharmacist. No Head Pharmacist shall be demoted from that position because of deficient performance in the job without first having received a prior warning notice in writing, copy to the Union, calling attention to his deficiencies.

This Head Pharmacist shall receive an additional fifty cents (\$.50) per hour over the applicable pharmacy rate of pay. The selection of Head Pharmacist shall be solely vested in management.

D. UNION JURISDICTION. During the life of this Appendix, the Union will not engage in jurisdictional disputes on the premises of the Employer's places of business.

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 Appendix, or the effective date of this Agreement, or the date of signature, whichever is later.

B. **NOTICE OF NEW HIRES.** The Employer agrees to notify the Union, in writing, within fourteen (14) days from the date of first employment of any employee subject to this Appendix, of the name of such employee, mailing address, store number, Social Security number, the position for which employed, the date of first employment and the rate of pay at which the person is employed.

C. **CONDITIONS OF WORK FOR NEW EMPLOYEES.** The Employer shall pay such person so employed during the period said person is not a member of the Union, the regular Union wages provided for in this Appendix for the class of work said person is doing, and shall in all other respects require said person to work under and live up to all of the provisions set forth in this Appendix.

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-B of this Appendix 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 Appendix 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 Appendix.

(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 Appendix 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 Appendix. 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 Appendix shall be treated without discrimination.

E. **NONDISCRIMINATION.** To the extent required by Federal or State laws, the Union and the Employer agree not to discriminate against any employee or applicant for employment because of race, creed, religion, color, national origin, handicap, age, sexual orientation or gender.

F. **GENDER REFERENCE.** All references in this Appendix 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.

G. **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 Appendix 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.

ARTICLE 3 - DISCHARGE

A. DISCHARGE FOR CAUSE.

1. Employees may be discharged for good cause.

2. Employees who are discharged for failure to perform work as required, or excessive absenteeism, shall first have had a prior warning, in writing, of related or similar offense, with a copy sent to the Union. The employee so notified shall be required to initial such notice, but such initialing shall in no way constitute agreement with the contents of such notice. Except for failure to call prices, a warning notice shall not be required in the case of a discharge for cash register irregularities, but such alleged irregularities must constitute good cause for the purpose of sustaining said discharge.

3. Any employee who is discharged shall be informed at the time of discharge of the immediate cause of discharge. Such information shall be confirmed in writing promptly upon request.

4. The Employer shall provide the employee with a copy of all written warning notices when issued.

5. Warning notices and Last and Final notices shall not be used to support further disciplinary action after twelve (12) months (excluding absences for injury, illness or leave) from the date of issue.

B. TERMINATION FOR INCOMPETENCY AND LAYOFF. It is understood that discharge for incompetency shall occur only at the end of the employee's current workweek. Discharges for reasons other than incompetency may occur at any time without reference to the work schedule. A layoff shall occur only at the end of an employee's posted schedule.

C. NOTICE OF INTENTION TO QUIT. An employee who intends to quit his job shall, to the extent possible, give two (2) weeks' notice of his intention to quit. An employee who gives any notice of his intention to quit his job shall not be terminated, except for good cause or seniority layoff, or otherwise discriminated against during the current workweek and the workweek following the date on which he gives such notice, but in no event can he insist upon working later than his designated quit date.

D. TERMINATION PAYMENT. An employee who quits or is terminated for any reason shall be paid promptly all monies due.

E. TERMINATION PROCEDURE.

1. Upon the termination of an employee for any reason, the Employer shall within seven (7) days thereafter notify the Union in writing of such termination, stating the reason therefor.

2. A discharged grocery employee has seven (7) days from the date of discharge within which to file written protest with the Union. Following receipt of such written notice to the Union by the employee, the Union has fourteen (14) days in which to file a protest in writing to the Employer. If such protest by the Union is not filed with the Employer within the time limits specified herein, all rights possessed by said employee or by the Union to protest the discharge are waived.

3. Where the Employer fails to give said seven (7) days' notice to the Union, the Union may request a hearing not later than thirty (30) days from the date of termination.

F. PROBATIONARY PERIOD. The first (1st) forty-five (45) calendar days of employment shall be considered a trial period, during which time an employee may be terminated for any reason and he shall have no recourse to the grievance procedure set forth in this Appendix concerning such termination, provided, however, that such forty-five (45) day period may be extended for an additional fourteen (14) days at the option of the Employer so long as prior notification in writing is given to the Union and the employee.

Insofar as part-time employees are concerned, the probationary period shall be two hundred sixty-one (261) hours of work, but in no event to exceed sixty (60) calendar days.

ARTICLE 4 - SENIORITY, TRANSFER & LAYOFFS

A. SENIORITY LISTS.

1. Seniority shall date from the day of hire regardless of hours worked.

2. Seniority can only be broken by the following:

(a) Quit.

(b) Discharge.

(c) Layoff for a period of time equivalent to the employee's seniority but in no event to exceed twelve (12) months.

(d) Failure to return in accordance with the terms of a leave of absence or when recalled after a layoff.

B. LAYOFFS, TRANSFERS RESULTING FROM LAYOFF AND REINSTATEMENT.

1. Notwithstanding anything in this Appendix to the contrary, it is recognized that business conditions may require reduction of hours and/or layoffs of employees. In such an event, the following shall apply:

(a) In laying off an employee, other than during the probationary period, the Employer agrees to abide by the seniority rule as defined above in the following precedence: Seniority in the store, seniority in the Company district if the Company has established and notified the Union of such bona fide Company district. The Company will advise the Union of its Company districts and any realignments thereof. If the Company does not have districts, seniority shall be on a Company-wide basis.

In the event of the closure of all stores within an existing district, seniority for layoff purposes as provided in this Appendix may be applied to the remaining stores of the Company within the geographical jurisdiction of the Union Local in which the affected employees are employed at the time of such closure. It is not the intention of this clause to continue to retain a single store in the district for the purpose of making this Paragraph not operative.

The Employer will give the Union advance notice of a permanent store closing.

(b) The least senior full-time employee(s) being reduced in hours in the store, within classifications, may bump the least senior full-time employee working in the same classification within twenty-five (25) miles of his place of residence within the Company district in which he is employed. If such employee does not have sufficient seniority to displace the least senior full-time employee within the twenty-five (25) miles within such district, he may bump the least senior full-time employee in his classification within such Company district in which he is employed. Union jurisdictional lines shall no longer be applicable.

(c) The affected full-time employee may elect not to bump the least senior full-time employee in his classification in the Company district in which he is employed and may take a reduction to part-time within his own store based on seniority and the hours available for which he is qualified and available to work.

(d) The least senior full-time employee within the affected classification who is being displaced by the procedure in Paragraph (b) above, may bump the least senior full-time employee in his classification within the Company district in which he is employed. If the affected full-time employee is the least senior within the Company district, he shall be reduced to part-time within his own store or laid off based on seniority and qualifications.

(e) The least senior part-time employee within an affected classification who is being laid off from work in his store, may displace the least senior part-time employee in the same classification within the Company district in the same manner as set forth in Paragraphs (b) and (d) above. If the affected part-time employee is the least senior within the Company district, he shall be laid off and shall have no bumping rights.

(f) The above is subject to qualified employees being available to perform the required work. It is recognized that the affected employees must possess the necessary ability and qualifications to perform the available work when they assert their seniority rights under these provisions.

2. Seniority in Layoffs. Except as specified herein, in terminating the employment of an employee, other than for good cause, the Employer agrees to abide by the seniority rule, which means the length of employment, and that the employment of the last employee employed by the Employer shall be the first (1st) to be terminated. Age, sex, or color shall not be grounds for the termination of an otherwise qualified employee, as long as those factors do not nullify Section A of Article 3, nor any of the other provisions of this Article.

3. Reinstatement.

(a) The last employee(s) laid off, by reason of slackening of business, shall be given the first opportunity to reinstatement in the former position, if said employee presents himself for work within ninety-six (96) hours, excluding Saturday and Sunday, from the postmarked date of a certified or registered letter to the employee's last known address, and such letter shall state that failure of such employee to present himself within the ninety-six (96) hour period shall cancel his seniority. Failure of such employee to present himself within ninety-six (96) hours shall cancel his seniority.

(b) A full-time employee, who has been reduced to part-time employment because of slackening of business or for medical reasons, must be offered the first (1st) full-time job that opens in the Company district in which he is currently employed, provided that his ability and skill equip him to fill that job. The parties expressly agree that the one-for-one remedy provided for under Paragraph 3-(d) of Section D of this Article shall not be applicable to any full-time job opening that is filled by an Employer pursuant to this provision and that the Employer shall not have any monetary liability of whatsoever nature under this provision until the second (2nd) weekly work schedule posted following its receipt of a written grievance alleging a specific violation of such provision.

(c) Twenty-one (21) days after the store opens to the public, employees who are laid off or reduced from full-time to part-time or reduced in classification in the district shall be recalled by seniority and classification before any new employees who have been hired in the store during this period are retained.

C. OPERATIONAL TRANSFER.

1. It is recognized that to meet the necessities of the business or to advance the Employer's equal employment opportunity program, transfer of employees either within the geographical jurisdiction of a Union party to this Appendix or from the jurisdiction of one such Local Union to another such Local Union may be required. In such cases where such transfer is effected by the Employer, the transferred employee will carry to such employee's new assignment all seniority, as defined above, acquired in the employ of the Employer. This transfer rule shall have application to both the "available" and "self-restricted" seniority lists. Transfers referred to in this Section shall not require an employee to travel one way more than twenty-five (25) miles between the employee's residence and the new location. Reasonable tolerance of these limits shall be allowed for temporary transfers such as vacation relief and store openings.

2. In cases involving operational transfers, the Employer must show either (a) business necessity or (b) the transfer's necessity to advance the Employer's equal employment opportunity program.

3. A senior employee may refuse an operational transfer only if it is over twenty-five (25) miles from his place of residence; provided, however, that the employee is protected inasmuch as the operational transfer provisions shall not be applied in an arbitrary, capricious, or discriminatory manner, or for disciplinary purposes, and shall not be utilized as a device for creating hardship to the employee in order to force or provoke resignation.

4. If an employee, on either list, is transferred to another store for any reason, he carries his seniority with him, provided that no employee on the "available" seniority list is displaced or reduced in hours as a direct result of a transfer from the geographical jurisdiction of one Local Union party to this Appendix to the geographical jurisdiction of another Local Union party to this Appendix.

5. The Employer shall have the right to transfer employees from one Company district to another Company district without regard to Local Union jurisdiction and without penalty. Such transferred employees shall retain all their seniority rights.

D. SENIORITY GRIEVANCES. Grievances pertaining to the application of seniority shall be filed in writing with the Employer within forty-eight (48) hours of the posting of the schedule. Grievances not filed within this time limit shall be deemed null and void for the week that was scheduled or any prior week. Said time limitation shall not apply to grievances relating to the filling of permanent full-time vacancies, except as to claims on behalf of the employees employed in the store in which the vacancy occurs. In such cases where the said time limitation does not apply, when the Employer fills a permanent full-time vacancy, written notice to the Local Union shall be mailed within seven (7) days from that date advising of the name of the individual selected to fill such vacancy. The Local Union may file a protest or claim within seven (7) days of the receipt of such notice, provided that any such protests or claims filed after the expiration of such seven (7) day period shall be deemed null and void. Such claims shall not have retroactive application before the date that such claim is filed by the Local Union unless the Employer fails to give the seven (7) day notice described above and, in the event of such failure, retroactivity of any claim may begin as of the date of the challenged assignment to the permanent full-time vacancy. In the event that the notice of the filling of such permanent full-time vacancy is sent to the Local Union after the expiration of the seven (7) day period, the Local Union shall still have seven (7) days after the receipt of such tardy notice to file its protest or claim. As above, protests or claims not filed by the Local Union within such seven (7) day period shall be deemed null and void.

E. SENIORITY AND QUALIFICATIONS. When seniority is invoked by an employee, qualifications for performing the work claimed shall be one of the determining factors in establishing such rights.

Should an issue arise regarding the application of seniority where employees are hired 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.

It is not the intent of this Article to allow selection by the employee of job assignments or specific hours of duty. The employee declaration of the "available" or "self-restricted" list does not allow selection of job assignment or specific hours. Neither shall part-time jobs be created for the purpose of destroying the eight-hour day or the forty-hour week principle.

F. PROMOTION. In the event an employee is transferred, within the Company, out of the bargaining unit for any reason and is later transferred back, he shall be returned to employment without loss of seniority from his last date of hire.

G. DEMOTION. No person shall be denied his seniority because of demotion.

H. CLARIFICATION. Nothing in this Article shall in any way hinder or prevent the application of Section A of Article 3.

I. HIRING PROCEDURES . Nothing contained in this Article 4 shall impair any of the rights of the Employer to hire new or additional employees to meet the employment needs of the Employer, in accordance with the terms and provisions of this collective bargaining Agreement or to meet the obligations of the Employer under Article 2, Section E of this Appendix or to take affirmative steps to comply with any requirements under any applicable Federal or State law prohibiting discrimination in employment.

ARTICLE 5 - WORKING HOURS AND OVERTIME

A. FULL-TIME EMPLOYEE.

1. Full-time Pharmacists shall receive eighty (80) hours work per two (2) week schedule period, to be scheduled in five (5) days or fewer per workweek.

With written agreement by the company, the union and the employee, an employee may work an alternate work schedule consisting of shifts of not more than twelve (12) hours at straight-time. In such cases, any work over ten (10) hours shall be at time and one half (1½) and any work over twelve (12) hours shall be at double time (2x). Approval of such alternate work schedule shall not be withheld arbitrarily or discriminatorily by the Union.

The workweek shall be Monday through Sunday. Eight (8) hours shall constitute a regular day's work, and forty (40) hours, consisting of five (5) eight (8) hour days shall constitute a regular week's work. All employees hired to work on a full-time basis or who are scheduled and work at least forty (40) hours in ten (10) consecutive weeks shall be guaranteed forty (40) hours work per week, except in a holiday week, in which it shall be thirty-two (32) hours, provided the employee is available and able to work the required work schedule. Part-time jobs shall not be created or scheduled for the purpose of destroying the forty (40) hour week principle.

2. Guarantees.

a. Full-Time Scheduled Day. All full-time employees reporting for work on their scheduled workday shall be guaranteed a full day's work of eight (8) hours with pay (except as provided under the alternative workweek provisions); except if a full-time employee is scheduled to work six (6) days in any workweek, the employee shall be guaranteed four (4) hours' work on the sixth (6th) day. The four (4) hour day need not be the actual sixth (6th) day, but may be, in the Employers discretion, any one of the workdays in the weekly work schedule except Sunday.

b. The integrity of the eight (8) hour day shall be preserved and all time worked shall be paid for. Part-time jobs shall not be created or scheduled for the purpose of destroying the eight (8) hour day principle.

B. PART-TIME EMPLOYEE.

1. Part-Time Pharmacist. A part-time Pharmacist is one who is scheduled to work less than forty (40) hour per week.

2. Part-Time Guarantee. Upon reporting for work, all part-time employees and those replacing employees in an emergency shall be guaranteed not less than four (4) hours work with pay.

C. EXTRA PHARMACISTS. Extra Pharmacists who work up to ten (10) hours on any workday shall be compensated at their straight-time hourly wage rate. Extra Pharmacists working more than ten (10) hours on any workday shall receive time and one-half ($1\frac{1}{2}x$) their straight-time hourly wage for all hours worked in excess of ten (10) hours on any workday. For purposes of this provision, an Extra Pharmacist shall be defined as a Pharmacist who works two (2) or less days per week, including a week in which a holiday occurs. Extra Pharmacists working on a holiday, as set forth in Article 7 shall be compensated at the applicable holiday premium.

D. OVERTIME All time worked in excess of eight (8) hours in any one (1) day or ten (10) hours for pharmacists working an alternate work schedule pursuant to written agreement between the company and the union shall be paid at the overtime rate of time and one half ($1\frac{1}{2}x$). All time worked in excess of twelve (12) hours per day shall be paid at the overtime rate of double time ($2x$). All work performed in excess of forty (40) hours of work within a workweek shall be deemed overtime and paid at the overtime rate of time and one-half ($1\frac{1}{2}x$) the employee's regular straight-time rate of pay or a higher premium rate, if such is applicable.

Pharmacists hired on or after October 7, 2011 will be paid one and one-half times ($1\frac{1}{2}$) the regular straight-time hourly rate on all hours worked over ten (10) per day, double time ($2x$) the regular straight-time hourly rate on all hours worked over twelve (12) per day and one and one-half times ($1\frac{1}{2}$) the regular straight-time hourly rate on all hours worked over forty (40) per week.

With written agreement by the company, the union and employee, an employee may work an alternate work schedule consisting of shifts of not more than twelve (12) hours at straight-time. In such cases, any work over twelve (12) hours shall be at double time ($2x$) and any work over forty (40) hours in a workweek shall be at time and one-half ($1\frac{1}{2}x$). Approval of such alternate work schedule shall not be withheld arbitrarily or discriminatorily by the Union.

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

E. SIXTH OR SEVENTH DAY. A full-time employee may be scheduled to work six (6) days in any workweek. In that event, and in addition to the guarantee of five (5) eight (8) hour days, he shall be guaranteed a minimum four (4) hours' work for such sixth (6th) day, as long as such sixth (6th) day is not Sunday. The four (4) hour day need not be the actual sixth (6th) day of work, but may be, at the Employer's discretion, any one of the six (6) days in the weekly work schedule, other than Sunday. Time and one-half ($1\frac{1}{2}$) shall be paid on such day if the employee is scheduled to work less than eight (8) hours, and contingent upon the employee's completion of his schedule, provided that all time over eight (8) hours in any one (1) day, or forty (40) hours in any one (1) week, shall be paid at the overtime rate. No employee shall be required to work seven (7) days in any workweek except in an emergency.

F. LUNCH PERIOD.

1. One Hour. All hours shall be worked consecutively, except for a lunch period which shall be one (1) hour. No employee shall be scheduled more than one (1) hour after the middle of his shift or less than one (1) hour before the middle of his shift for a meal break. Lunch period shall be one (1) hour; however, by mutual agreement between the Union and the Employer, less than one (1) hour may be established to meet business conditions, but in no event may less than one-half (½) hour be given.

2. Pharmacist "On-Call". When a Pharmacist is working a shift greater than six (6) but not more than ten (10) hours, the Pharmacist may take an on-call lunch of one-half (½) hour on the employer's time if there is ancillary staff on duty during such lunch period. Said Pharmacist shall remain within the store during the lunch period, but shall not be called upon to perform any duties during this lunch period except in the case of a bona fide emergency. Pharmacists working more than a ten (10) hour shift shall take a lunch break on his own time of not less than one-half (½) hour and said Pharmacist shall not be required to remain in the pharmacy during this lunch period.

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

H. LEGAL PROCEEDINGS.

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

2. In addition, employees shall be paid as time worked under this contract for time spent at appearances in legal proceedings under subpoena issued at the request of any public authority and enforceable by a court when the event, or events, giving rise to the issuance of the subpoena occurred while the employee was on duty working for the Employer, and so long as the Employer is not a party defendant or respondent in such proceeding, and no relief of any kind is sought against the Employer nor the imposition of any penalty or punishment upon him.

3. Employees who at the time of the legal appearance are no longer employed by the Employer, shall be paid by such Employer at the rate of straight-time for the time spent at the legal appearance, with a minimum guarantee of four (4) hours per day.

I. WORK SCHEDULE. The Employer shall post a work schedule for a two (2) week period in advance, in ink, for all employees, showing their surname and first (1st) initial, not later than the end of the first shift on the Wednesday preceding the first day of the following two (2) workweeks. Any alteration in such work schedule must be made not later than the end of the first shift on the Friday of the week. If the work schedule within any day is changed after the end of the first (1st) shift on Friday without reasonable cause, the matter may be subject to the grievance procedure. The Employer agrees that changes after the Wednesday posting will only be made for operational purposes and shall not be made for arbitrary and capricious reasons. An employee shall be guaranteed pay for the specific days in a workweek upon which the employee is scheduled to work, provided the employee is available for such work subject to Article 5-R of Appendix. It shall be the responsibility of each employee to check his work schedule.

J. FALSIFICATION OF TIME RECORDS. The Employer and the employee shall be jointly required to maintain daily records of time worked on time cards or other forms furnished by the Employer and the employee shall be required to verify such report weekly. Such daily record shall be

available for inspection at all times by the employee's supervisor, or upon request by the Union official entitled to such information.

1. No Employer Knowledge. In the event of proven falsification of such time records by an employee, where it is established that the Employer or his representative had no knowledge of such falsification, the employee may be summarily dismissed, and he shall be entitled only to pay for the time reported.

2. Collusion. In the event of falsification of time records where it is established that both the employee and the Employer or his representative had knowledge of such falsification, the employee may be disciplined, and he shall be paid for all time worked by check mailed to the Union. In such cases, where an employee receives pay for work that was not recorded on the time report, a sum equal to that amount shall be paid by the Employer to the Health and Welfare Fund. All claims under this Section shall be limited to the ninety (90) day period immediately prior to the date the claim is presented to the Employer.

3. Coercion. Where it is found that time worked without pay is the result of coercion on the part of the Employer or his representative, and provided that the employee has reported such coercion to the Union by the next following payroll period, payments to the Health and Welfare Fund shall be made as hereinabove set forth and the employee shall not be subject to discipline, and shall receive pay for all time due.

K. CONSECUTIVE DAYS WORKED. Where a five (5) day, full-time employee is scheduled to work more than seven (7) consecutive days in any combination of workweeks, said employee shall receive time and one-half (1½) (or such higher premium as may apply) for all time worked after the seventh (7th) consecutive day, until such time as his consecutive days of work have been interrupted by a prescheduled day off. The above shall not apply to regularly scheduled six (6) day employees, provided that overtime and/or premium rates are paid where applicable.

L. FULL-TIME PREDESIGNATED DAY OFF . Any full-time employee called for work on their predesignated day off, as established in the work schedule provisions, shall be guaranteed not less than four (4) hours work at the overtime rate of pay.

Where employees exchange days off for their convenience, the overtime provision shall not apply.

M. SUNDAY GUARANTEE.

1. Any Pharmacist who works on Sunday shall be guaranteed eight (8) hours' work. On Sunday schedules, if eight (8) hour shifts create unnecessary overlapping of Pharmacists, the Employer may schedule part-time Pharmacists for four (4) hours or more, but the number of such part-time Pharmacists shall not exceed the number of full-time Pharmacists on said Sunday.

2. This clause shall be deemed to have been complied with if less than an eight (8) hour shift is worked on Sunday, but said hours are part of an eight (8) hour shift which includes hours on either Saturday or Monday.

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

O. ON CALL. If the Employer requires an employee to remain at home “on call” on a Sunday or holiday, the Employer shall guarantee the employee four (4) hours’ pay at the appropriate premium rate for such day. All Employer requests for an employee to remain available for “on call” duty shall be in writing to the employee.

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

Q. TRAVEL PAY.

1. Whenever an employee is required by the Employer to change from one (1) store to another store during the same day, all time spent by such employee in travel between stores shall be considered and paid for as a part of the employee’s regular duties.

2. When an employee is assigned to work in more than one (1) market in one (1) day, all work and travel time shall be paid for, except in instances where an employee is hired to work in more than one (1) market. Bus fare or taxi fare, at the Employer’s option, shall be paid by the Employer or, if the employee uses his own car, he shall be paid for such use at the prevailing Internal Revenue Service mileage rate for the total mileage from the market of origin to the market of reassignment and return.

3. Any employee, who is temporarily assigned for a full day or more but less than two (2) weeks to a market over forty (40) miles from said employee’s home, shall receive travel pay at the prevailing Internal Revenue Service mileage rate once each way to the assignment and return, and said employee shall be reimbursed for his room and meals on each day so assigned.

4. When the employee is required to travel as provided in this section, the Employer shall provide the employee with mileage reimbursement documents on the day(s) or at the end of the week(s) in which the travel occurred.

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

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

ARTICLE 6 - WAGES

A. SCHEDULE OF RATES.

1. Base Rates. The contractual straight-time hourly rates for all Head and Experienced Pharmacists shall be as follows:

	<u>Current Rates</u>	<u>Effective First Monday After Ratification</u>	<u>Effective 3/5/12</u>	<u>Effective 3/4/13</u>
<u>PHARMACISTS</u>				
Pharmacist	\$56.50	\$57.50	\$58.50	\$60.00
Head Pharmacist	\$59.75	\$60.75	\$61.75	\$63.25

The Employer retains the right to pay pharmacy employees above scale at its discretion. All pharmacists earning an hourly wage rate above the contractual rate will receive the following increases: Monday after ratification, \$1.00 / hour; effective 3/5/12 - \$1.00 / hour, effective 3/4/13 - \$1.50 / hour.

The contractual straight-time hourly rates for all Experienced Intern Pharmacists shall be as follows:

	<u>Current Rates</u>	<u>Effective First Monday After Ratification</u>	<u>Effective 3/5/12</u>	<u>Effective 3/4/13</u>
<u>INTERN PHARMACIST</u>				
	\$26.00	\$27.00	\$28.00	\$29.50

Undergraduate Pharmacists contractual rates shall be as follows:

	<u>Current Rates</u>	<u>Effective First Monday After Ratification</u>	<u>Effective 3/5/12</u>	<u>Effective 3/4/13</u>
<u>UNDERGRADUATE PHARMACISTS</u>				
5 th Year of Pharm School	\$19.00	\$19.00	\$19.00	\$19.00
4 th Year of Pharm School	17.50	17.50	17.50	17.50
3 rd Year of Pharm School	15.00	15.00	15.00	15.00
2 nd Year of Pharm School	14.50	14.50	14.50	14.50
1 st Year of Pharm School	13.50	13.50	13.50	13.50

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

C. EMPLOYEE LIST. The Employer agrees to permit the Union representative, upon request of the Union, to check the list or lists of employees available in the store and to check the respective wage scale of each employee.

D. NONPYRAMIDING. There shall be no pyramiding or combination of one premium pay with another or of premium pay with overtime pay but only the highest applicable rate shall be paid except:

1. Where daily or weekly overtime and the night premium operate concurrently, the amount paid shall be time and one-half (1½) the straight-time hourly rate plus the night premium provided that this exception shall not apply to any work performed on Sundays or holidays.

2. Overtime shall be computed on the base straight-time hourly rate.

E. WAGE DISCREPANCY

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

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

F. NO REDUCTION IN RATES. No employee shall suffer any reduction in hourly rates or general working conditions by reason of the signing of this Appendix. No employee receiving hourly rates in excess of the rates herein shall be replaced by another employee at a lesser hourly rate for the purpose of avoiding any of the provisions of this Appendix.

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

H. PAY DAY. Employees shall receive their pay each week. In the case of termination of employment of any employee, the final paycheck shall be given to the employee not later than seventy-two (72) hours after the completion of his last shift.

I. NEW CONTRACT. When a first contract is signed the period of employment for vacation and sick leave eligibility shall be measured from the last date of hire with the Employer, except as provided in Article 17, Section D hereof.

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

K. BONUS PAYMENTS. Bonus or lump sum payments to employees, other than regular wage payments, shall not be used to defeat the wage provisions of this Appendix.

ARTICLE 7 - HOLIDAYS

A. PAID HOLIDAYS.

1. The Employer agrees that the following days shall be considered holidays and granted without reduction in pay:

New Year's Day
Memorial Day
Independence Day
Labor Day

Thanksgiving Day
Christmas Day
Three (3) Personal Holidays

2. Personal Holidays. Effective January 1st of each year employees, who have one (1) or more years of service with the Employer as of that date, shall be eligible for three (3) personal holidays that shall be observed by the employee during the calendar year-in-question. Each employee shall give the Employer no less than two (2) weeks' advance written notice of the date(s) on which he wishes to observe his personal holidays. Personal holidays may not be celebrated in the same week as any of the other contractual holidays except by mutual agreement between the employee and the Employer.

The Employer shall endeavor to grant such request subject to store operational requirements. The Employer will grant such holiday time off with pay to the senior requesting employee(s). Personal holiday dates, once granted for the year, will become permanent fourteen (14) calendar days prior to the date selected, and no senior employee(s) shall have the right to such date.

Personal holidays are expected to be scheduled and taken. In cases where an employee has been scheduled for a personal holiday, and the Employer cancels such holiday, the employee will receive holiday pay in accordance with the provisions of Section B, below. Mutual rescheduling may be undertaken in lieu of holiday pay.

An employee, who fails to receive a personal holiday(s) that he is contractually entitled to during a calendar year, shall be paid for such a personal holiday(s) immediately following the end of the calendar year-in-question. Hours of holiday pay that are paid in accordance with these provisions in lieu of a day off shall not be considered to be a day and/or hours worked for the purposes of computing weekly overtime under this Appendix.

3. All contractual holidays shall be observed on the holiday itself.

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

B. HOLIDAY PAYMENT.

1. Holiday Allowance. A full-time Pharmacist who does not work on a holiday shall be paid eight (8) hours' holiday allowance. A part-time Pharmacist shall receive holiday allowance as provided in Section D, below.

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

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

4. Guarantee. Any Pharmacist called in on a holiday which is his predesignated day off shall be guaranteed eight (8) hours' work at the overtime rate of pay as provided in Article 5-L in addition to his holiday allowance for each hour worked.

C. VOLUNTARY WORK. Work on Thanksgiving and December 25th for Pharmacists shall be voluntary to the greatest extent possible.

D. PART-TIME PHARMACISTS. Holiday pay for part-time Pharmacists shall be based on twenty percent (20%) of the Pharmacist's average hours worked per week in the six (6) weeks worked immediately preceding the holiday or the number of weeks worked if less than six (6) except that in computing pay for the New Year's holiday, the same period of time used in computing pay for the Christmas holiday shall be used.

E. HOLIDAY WORK GUARANTEE. An employee who works on a holiday shall be guaranteed not less than the number of hours regularly worked on such day, unless the pharmacy department is open less than its regular hours, in which case a four (4) hour minimum is provided.

F. REQUIREMENTS.

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

2. A probationary Pharmacist may be terminated prior to a holiday without being paid for such holiday even though said Pharmacist has worked during the holiday week.

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

ARTICLE 8 - VACATIONS

A. FULL-TIME EMPLOYEES.

1. One Year. All full-time employees who have been continuously employed by the Employer for one (1) year shall receive one (1) week's vacation with full pay.

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

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

4. Fifteen Years. All full-time employees who have been continuously employed by the Employer for fifteen (15) years shall receive four (4) weeks' vacation with full pay.

5. Twenty Years. All full-time employees who have been continuously employed by the Employer for twenty (20) years shall receive five (5) weeks' vacation with full pay.

6. Full Pay Defined. The term "full pay" shall be defined as forty (40) hours' pay at the employee's straight-time hourly rate which was in effect at the time his vacation became due.

B. PART-TIME EMPLOYEES. Part-time employees shall be entitled to vacation pay on each anniversary date of their employment, prorated on the basis of the average straight-time hours worked during the preceding year, according to the vacation formula set forth above.

C. VACATIONS FOR EMPLOYEES HIRED ON OR AFTER MARCH 1, 2004.

1. Sections A, B, E and K of this Article do not apply to employees hired on or after March 1, 2004. The provisions set forth below and Sections D, G, H, I, J and L are the only vacation provisions applicable to employees hired on or after March 1, 2004.

(a) All employees shall receive a paid vacation in accordance with the following schedule:

(1) One (1) week of vacation after completing one (1) year of service,

(2) Two (2) weeks of vacation after completing three (3) years of service,

(3) Three (3) weeks of vacation after completing seven (7) years of service.

(b) Employees must work at least one (1) year to be eligible for any vacation entitlement.

(c) Part-time employees shall be entitled to vacation pay prorated on the basis of the average weekly straight-time hours worked during the preceding year to one thousand nine hundred forty (1,940) hours.

D. PRO RATA. Upon termination of employment for any reason other than discharge for proven or admitted dishonesty, an employee shall receive whatever vacation pay is due, prorated on the basis of the number of straight-time hours worked, provided that the employee has been in the continuous employ of the Employer for six (6) months or longer. Said vacation pay shall be prorated according to the ratio that the straight-time hours actually worked bear to two thousand eighty (2,080) hours. The forfeiture of vacation pay for proven or admitted dishonesty shall not be retroactive beyond the employee's last anniversary date.

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

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

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

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

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

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

E. 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.

F. ABSENCE. 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 prorated according to straight-time hours actually worked.

G. VACATION SCHEDULE.

1. Vacation periods shall be fixed by the Employer to suit the requirements of his business, but as far as possible and practicable, vacations will be given during the summer months, and for employees with school-age children, during the school vacations. Vacation periods shall be unbroken unless by mutual consent between Employer and employee, or where it is impractical. Grievances relating to this Section shall be subject to the Adjustment and Arbitration Procedure in this Appendix.

2. Time off, based upon service in the Industry Vacation Plan, may be granted to an employee by mutual agreement between the Employer and the employee. The Employer shall not be required to give time off based upon service under the Industry Vacation Plan. However, if such additional industry vacation time off is granted to an employee, such time off shall be counted as time worked for the purpose of computing the employee's earned vacation benefits on his next anniversary date of employment.

H. NOTICE. In scheduling a vacation of an employee, the Employer shall give at least two (2) weeks' notice prior to the date of beginning the vacation.

I. NOT WAIVED. Vacations may not be waived by employees, nor may extra pay be received for work during the period; provided, however, that by prior mutual agreement between the Employer, employees and the Union, this provision may be waived.

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

K. HOLIDAY DURING VACATION. If a holiday, named under Article 7 of this Appendix, falls within the vacation period of an employee, he shall be granted an additional day's pay in lieu of the holiday.

L. PAYMENT DATE. The Employer shall pay the employee the vacation pay accrued during the employee's anniversary year, either prior to taking the vacation or on the employee's anniversary date. The payment of an employee's vacation pay shall be by separate check or computed at same tax rate schedules as the computation of regular wages per week.

ARTICLE 9 - LEAVES OF ABSENCE

A. PREGNANCY, ILLNESS AND INJURY. Except as set forth in Article 3, Section A, and for pregnancy as set forth below, the Employer agrees to grant to any employee who has been with the Employer for six (6) months or more, a leave of absence for certified illness and/or injury, up to ninety (90) days, and to an employee who has been with the Employer for one (1) year or more, a leave of absence for certified illness and/or injury up to six (6) months. In cases of Workers' Compensation, the employee's leave of absence shall be continuous until such time as said employee has been released from his period of temporary disability and is available and qualified for work, provided, however, such leave of absence shall not exceed one (1) year.

The Employer agrees to grant to any pregnant employee who has been with the Employer for less than one (1) year, a leave of absence for that pregnancy, childbirth or related medical conditions, pursuant to the California Fair Employment Practices and Housing Act, Sec. 12945-b)(2), for a reasonable period, not to exceed four (4) months. If the employee has been with the Employer for one (1) year or more, the leave may be up to six (6) months.

B. OTHER PURPOSES.

1. Death in Family. At the request of the employee, the Employer may grant a leave of absence for other purposes. The terms and conditions of all leaves of absence shall be set forth in writing. The Employer shall grant an automatic leave of absence, if so desired, not to exceed two (2) weeks, in cases of critical illness or injury or death in the employee's immediate family. Any period in excess of two (2) weeks shall require the written consent of the Employer. When possible, the employee shall request such leaves of absence; but in any event, the Employer shall be notified within twenty-four (24) hours.

2. Funeral Leave. Leave for all employees shall be provided for the purpose of arranging for and attending the funeral of a member of the employee's immediate family. Pay for such leave shall be at the straight-time rate for the hours scheduled for each workday lost because of such absence. Paid funeral leave shall be confined to a maximum of three (3) calendar days within a period of fourteen (14)

calendar days beginning with the date of death. Verification of time required for such paid leave shall be supplied to the Employer by the employee if requested. Immediate family shall be defined as the employee's spouse, registered domestic partner, child, mother, father, brother, sister, mother and father of the current spouse, grandparent, grandchildren or other relative living in the employee's home.

3. Union Business. An employee in good standing with the Employer, whose acceptance of employment with the Union takes him from his employment with the Employer, shall, upon written request to the Employer by the Union, receive a leave of absence for the period of his service with the Union, of not less than thirty (30) days nor more than one (1) year. A Union's request for such a leave of absence, and for the return of an employee to work at the conclusion of such a leave, shall each be served upon the involved Employer, in writing, a minimum of two (2) calendar weeks immediately preceding the date of the proposed commencement of the requested leave and the proposed return to work, respectively. Not more than one (1) employee shall be given such a leave from the same store during the same period of time, nor shall more than three (3) employees in the company be on such a leave at one time. An eligible employee shall not be granted more than one (1) such leave of absence during the term of this Appendix, nor shall such a leave of absence be granted to an employee who, at the time of his request for such leave of absence, is on a leave of absence from the Employer for any other reason. Upon his return, he shall be reemployed at work similar to that in which he was engaged immediately prior to his leave of absence in accordance with Article 9, Section D. During the period of the authorized leave of absence, the Union shall be obligated to make Trust Fund contributions on behalf of the involved employee.

4. Military Duty. The Company agrees to comply with all provisions of the Uniform Services Employment and Reemployment Recovery Rights (UUSERRA).

C. LEAVE REQUESTS. All requests for leaves of absence must be in writing.

D. SENIORITY AFTER A LEAVE. At the end of any period of such leave of absence for illness and/or injury or Union business as set forth in Section B-3 above, an employee shall be restored to employment with the Employer with full seniority to a position comparable to the one he held immediately prior to such 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. In restoring such employee to employment with full seniority, no employee, who has actually worked a longer period of time for the Employer than the absentee has worked, shall be replaced.

E. TERMINATION AFTER A LEAVE. Should an employee exceed the leave of absence granted by the Employer, vacation pay which has accrued for time worked to such employee as of the date of the beginning of such leave of absence shall be computed and a check for same shall be forwarded to the employee with a notice that his employment has been terminated.

F. VERIFICATION. This Article shall not be used to justify or support excessive absenteeism, and, should the Employer wish to verify an employee's illness or his ability and/or inability to perform the work required, it may employ a doctor of its own choosing for such purpose, paying all charges for such doctor's services.

G. EMPLOYMENT. An employee may not accept other employment while on leave of absence and may be terminated for violation of this provision, except where written consent has been obtained from the Employer.

ARTICLE 10 - SICK LEAVE

A. SICK LEAVE ENTITLEMENT.

1. Eligibility. All employees covered by this Appendix who have been continuously employed by the Employer for a period of at least one (1) year shall be entitled to forty-eight (48) hours sick leave with pay and on each anniversary date of employment thereafter, he shall be entitled to forty-eight (48) hours sick leave with pay; however, such sick leave benefits shall not accumulate from year to year. Sick leave shall be payable beginning with the first (1st) working day's absence due to nonhospitalized illness or injury and until the employee has received or is entitled to receive Workers' Compensation disability benefits or State disability benefits. In instances where the employee works less than half (½) their scheduled shift, that day will count as first (1st) day. In any event, sick leave shall be payable only during the first (1st) week of absence and shall not be payable if the employee is receiving supplementary disability benefits under this Appendix.

2. Supplementary Disability Benefits. Supplementary disability benefits will be provided in accordance with the provisions of Section D of Article 15 hereof.

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

B. DOCTOR'S CERTIFICATE. A doctor's certificate or other authoritative verification of illness may be required by the Employer. A doctor's certificate will not be arbitrarily or discriminatorily requested by the Employer.

C. PRO RATA. Sick leave shall be paid to all full-time and part-time employees, including Clerk's Helpers, on the basis set forth above. The total number of hours of accrued sick leave benefits shall be calculated on the ratio of total hours worked during the year preceding his anniversary date of employment to two thousand eighty (2,080) hours.

D. UNUSED SICK LEAVE PAID. For the employee's second (2nd) and succeeding anniversary dates of employment, any unused sick leave to which an employee may be entitled shall be paid on the employee's anniversary date of employment. After a year's employment, the employee in the event of termination, shall be entitled to a payoff of unused sick leave entitlement and to pro rata payment of accumulated sick leave since his last anniversary date. The pro rata payment of accumulated sick leave, since his last anniversary date, shall not be paid to an employee who is discharged for proven or admitted dishonesty or who quits voluntarily.

ARTICLE 11 - JURY DUTY

A. When a non-probationary, full-time employee is required to be in any court or courthouse for jury service and such service deprives such employee of pay that he otherwise would have earned, he shall be scheduled a Monday through Friday workweek between the hours of 8:00 a.m. and 5:00 p.m. and paid for each day on such jury service at the rate of eight (8) hours times his straight-time hourly rate, less any remuneration received by him for jury service.

When a non-probationary, part-time employee is required to be in any court or courthouse for jury service and such service deprives such employee of pay that he otherwise would have earned during

the Monday through Friday portion of his normal workweek, he shall be scheduled a shift between the hours of 8:00 a.m. and 5:00 p.m. He will be paid for that part of his normal workweek based upon his average hours worked or paid for in each workweek, Monday through Friday, in the four (4) such workweeks immediately preceding the week(s) in which jury duty is required, less any remuneration received by him for such jury service. Utilization of such an employee on the Saturday and/or Sunday portion of his normal workweek shall continue to be at the discretion of the Employer; provided the minimum weekly hour guarantee is satisfied.

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

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

If an employee is permanently excused from jury service he shall immediately report for work to complete the remaining hours of his scheduled work shift that day. Failure to so report shall disqualify an employee from any pay for jury duty for the day in question as long as the transportation time will permit him to return to work prior to one (1) hour before the end of his shift. If the employee is not required to report, he shall call the manager to inform him that he has been permanently released. Thereafter, the manager may place him on a work schedule similar to which he normally works.

D. The employee shall notify the Employer as soon as he receives his jury duty summons. Failure to provide such summons prior to the posting of the schedule shall relieve the Employer from the scheduling requirements set forth above. The Employer will verify eligibility if provided with a timely summons. The Employer may require proof of attendance for jury service. An employee making a false claim for jury duty pay shall be subject to discharge.

E. An employee shall be eligible for jury duty pay for three (3) tours of jury duty service only during the life of this Appendix. The total number of days that an employee may receive jury duty pay is limited to fifteen (15) days through the life of the Appendix. An employee shall no longer be eligible for jury duty pay when three (3) tours are served or when fifteen (15) days have been compensated, whichever occurs first. Jury duty pay shall not be required for Grand Jury service. 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.

ARTICLE 12 - ADJUSTMENT AND ARBITRATION

A. **CONTROVERSY, DISPUTE OR DISAGREEMENT.** Any and all matters of controversy, dispute or disagreement of any kind or character existing between the parties and arising out of or in any way involving the interpretation or application of the terms of this Appendix, except as may be otherwise provided in Section D of this Article, shall be settled and resolved by the procedures and in the manner hereinafter set forth.

B. ADJUSTMENT PROCEDURE.

1. Store Level. The Union through its representatives shall attempt to settle or resolve any such matter with the appropriate store supervisor or person designated by the Employer in the manner indicated in Article 13 of this Appendix.

2. Meeting of Representatives. Upon receipt of a written notice setting forth the exact nature of the grievance from either party, the representatives of the Employer and the representatives of the Union may meet within a calendar week and attempt to settle or resolve the matter. Such meeting may be accomplished by telephone at the option of either party.

3. After a grievance is settled with the Union under Paragraph 2 above involving adjustment in compensation, the Union shall be notified in writing of the settlement, including the amount thereof.

C. ARBITRATION.

1. (a) Any matter not satisfactorily settled or resolved in Section B hereinabove shall be submitted to arbitration for final determination upon written demand of either party. The written demand for arbitration may be made at any time after the expiration of fifteen (15) days but not later than sixty (60) days from the date of the notice, submitting the matter under Section B-2, hereinabove, to the meeting of representatives. Failure to comply with the time limits set forth in this Section and in Section B-2 above, shall render such grievance null and void.

Nothing contained herein shall prevent an individual Employer and an individual Local Union from mutually agreeing to submit a timely grievance involving a discharge or suspension only to a mediator/arbitrator that has been mutually selected by the parties for a final and binding decision. A mediator/arbitrator, who has been selected to hear a discharge or suspension grievance, shall attempt to mediate a mutually agreeable resolution of the involved grievance. If the mediator/arbitrator is unable to achieve a mediated resolution of such grievance, he is expressly authorized to render a final and binding arbitral decision on the grievance-in-question and is hereby empowered and directed to do so.

A mediated resolution of a grievance and/or arbitrator's decision under this mediation/arbitration process shall be final and binding on all of the parties to such grievance, including the grievant(s), and shall be of no precedential or evidentiary value of whatsoever nature in any other grievance arising under the terms of this Appendix. An arbitral decision pursuant to this mediation/arbitration procedure shall be issued, in writing, within seven (7) calendar days of the conclusion of such proceeding. A mediator/arbitrator's authority in cases in which the mediator/arbitrator finds it necessary to render a final and binding arbitral decision shall be expressly limited to that provided for in Paragraph 1 of Section D of this Article.

In the event that more than one (1) grievance is submitted to a mediator/arbitrator for resolution on any one (1) day, the fee of the mediator/arbitrator shall be prorated and charged equally between the involved grievances for which a decision is rendered. The mediator/arbitrator's fees shall be borne by the loser in a grievance in which he is required to render a final and binding arbitral decision. Should a dispute arise as to who, in fact, is the losing party in any arbitration held pursuant to these provisions and the mediator/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 a final determination shall be paid by the losing party. Further, the mediator/arbitrator may order a splitting of the fees in cases where he cannot make a decision as to whom, in fact, is the losing party.

(b) Notwithstanding anything else contained in this Appendix to the contrary, by mutual agreement between the Employer and the Union, any timely grievances involving discharges or suspensions only, may be submitted to an expedited arbitration process if any dispute involving a discharge or suspension is not resolved under Section B of this Article.

The parties may submit the issue to expedited arbitration within fourteen (14) calendar days. Except as set forth below, the arbitrator shall render his decision in writing to the parties within seven (7) days following the close of the hearing. However, either party may require a transcript of the proceedings and may require written briefs within a thirty (30) day period following the close of arbitration hearing. In the event that a transcript and/or briefs are required by either party, the arbitrator's decision shall be rendered in writing to the parties no later than fifteen (15) days following receipt by the arbitrator of both documents.

The parties will jointly select and arbitrator. In the event the parties cannot agree either party may request a regional panel of nine (9) arbitrators from the Federal Mediation and Conciliation Service. The parties will split the cost of any panel which is jointly requested. The parties shall then choose the arbitrator by alternatively striking a name from the list until one (1) name remains as the arbitrator chosen by the parties and empowered to arbitrate the dispute.

(c) Any of the time limits set forth in this Article 12 may be extended by mutual agreement.

2. The arbitrator shall be empowered to hear and determine the matter in question and the determination shall be final and binding upon the parties, subject only to their rights under law. The arbitrator shall have the power to decide the date or dates upon which the arbitration is to be held if agreement cannot be reached by the parties.

D. POWERS, LIMITATIONS AND RESERVATIONS.

1. Arbitrator. The arbitrator shall not have the authority to decide questions involving the jurisdiction of any Local, or of the International, or which may in any way affect or change the Union Security clause; nor shall the arbitrator have the authority to effect a change in, modify, or amend any of the provisions of this Appendix, or to make decisions on provisions covering wages or working conditions to be incorporated either in a new appendix or any subsequent annual appendix. If a question of the arbitrability of an issue is raised by either party, such question shall be determined in the first instance by the arbitrator. Neither party to this Appendix shall refuse to proceed to arbitration upon the grounds that the matter in question is not arbitrable.

2. Work Stoppages. Matters subject to the procedures of this Article shall be settled and resolved in the manner provided herein. During the term of this Appendix, there shall be no cessation or stoppage of work, lockout, picketing or boycotts, except that this limitation shall not be binding upon either party hereto if the other party refuses to perform any obligation under this Article or refuses or fails to abide by, accept or perform a decision or award of an arbitrator.

3. Wage Claims. In the case of direct wage claim or a claim for contributions to employee benefit plans which does not involve an interpretation of any of the provisions of this Appendix, either party may submit such claim for settlement to either the grievance procedure provided for herein or to any other tribunal or agency which is authorized and empowered to effect such a settlement. Except as may be provided otherwise in this Appendix, wage claims shall be limited to a maximum of a six-month period.

E. STATUS QUO. During the period of adjustment or arbitration as provided in this Article, the conditions in effect at the time of receipt of written notice specified in Section C above, shall continue in effect pending final decision. This Section shall have no application to, and shall not be invoked, in connection with any store closing, store sale or transfer of a store.

F. EXPENSES. With the exception of arbitrations involving suspension and/or discharge, the expenses of the arbitrator 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 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 Employer and the Union.

G. TIME LIMITS. The time limits set forth above may be extended by mutual agreement between the parties.

H. REPORTING DISCREPANCIES. It shall be the responsibility of the employee to report any claimed discrepancy to the Union promptly upon discovery and it shall then become the responsibility of the Union to notify the Employer promptly of such claimed discrepancy. In any event, so long as this does not conflict with any other Article in this Appendix, all complaints by Grocery Department employees must be filed in writing within thirty (30) days after the matter in dispute or disagreement is first reported to the Union. All complaints by Meat Department employees must be filed in writing within fifteen (15) working days of the occurrence of such dispute or disagreement. Complaints not filed within the limits herein specified shall be deemed null and void.

ARTICLE 13 - VISITS TO STORES

It is the general policy of the Union for its representatives not to visit the stores during the busy afternoon hours, Saturdays, or days preceding holidays. However, upon the receipt of reported violations, the Union representative shall have the privilege of visiting such store for the purpose of investigating such violations. The Union further agrees that it will arrange with the store manager for such investigation, and that any meetings between employees and Union representatives shall be limited to one (1) employee at a time and shall be conducted with the least possible interference with store operations. Such meetings shall be held on the premises in a place designated by the store manager. Further, the Union representative and employees shall not engage in Union activities during working hours. In instances where employees are working during hours that the stores are closed to the public, Union representatives shall be admitted to the premises if they are identified or recognized by the employees on duty.

ARTICLE 14 - GENERAL CONDITIONS

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

B. REGISTER SHORTAGES.

1. No employee may be required to make up cash register shortages unless he is given the privilege of checking the change and daily receipts upon starting and completing the work shift and

unless the employee has exclusive access to the cash register during the work shift, except as specified below.

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

C. RELIEF PERIODS. All employees working more than three and one-half (3½) hours and up to and including five (5) hours per day shall receive one (1) ten (10) minute rest period. All employees working more than five (5) hours and up to and including six (6) hours per day shall receive one (1) fifteen (15) minute rest period. All employees working more than a six (6) hour day shall receive two (2) ten (10) minute rest periods.

D. STORE HOURS. The Employer shall have the sole right to fix and determine the opening and closing hours of his market.

E. UNIFORMS . The Union members shall have the right to wear their Union buttons.

F. FLOOR COVERINGS. Wood, rubber matting, or other suitable floor covering shall be placed behind pharmacies and at all work stations where employees stand.

G. SHOP CARD. The Union Shop Card is the property of the United Food and Commercial Workers International Union Local No. _____, and is loaned to the Employer for display, who signs and abides by this Appendix. The Employer agrees at all times to display it in a conspicuous place. The Shop Card can be removed from any market by the President of the Union or his Deputy for any violation of this Appendix.

H. UNION PRINCIPLES.

1. It shall not be a violation of this Appendix and it shall not be the cause for discharge or disciplinary action in the event an employee refuses to go through or work behind any lawful, sanctioned, primary picket line, including the lawful, sanctioned, primary picket line of the Union party to this Appendix, and including such picket lines at the Employer's place of business.

2. For the purposes of this Section, a sanctioned picket line shall be one which is sanctioned by the Local Union signatory to this Appendix and the Southern California Food and Drug Council.

3. The Union shall not command, order or direct employees to exercise their rights under the foregoing clause but shall have the right to advise employees whether the strike or picket line is sanctioned, as to the facts of the particular labor dispute, and as to the employee's rights under the foregoing clause. Neither shall the Employer command, order or direct employees to refuse to exercise their rights under the foregoing clause.

4. Each individual employee shall have the right to make his free choice to cross or not to cross any sanctioned picket line as defined above. The Union shall not abridge or interfere with the employee's individual privilege of decision with respect to this matter.

I. UNION ACTIVITY. No employee covered by this Appendix shall be discriminated against for membership in or legal activity on behalf of the Union.

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

K. ALTERATIONS. This contract can only be altered, amended or changed by an instrument in writing signed by the Union and the Employer and any oral statements or agreements shall be of no force and effect whatsoever.

L. POLYGRAPH TESTS. No Employer shall demand or require any applicant for employment or prospective employment or any employee to submit to or take a polygraph lie detector or similar test or examination as a condition of employment or continued employment.

M. INVENTORY. All inventory work in the Pharmacy shall be considered as part of the duties of employees to be performed under the requirements of this Appendix.

N. DONATIONS. It is recognized that the Employer may sponsor donations to worthy charitable organizations. However, no employee shall be required to make contributions nor shall any employee be told a specific amount he should contribute. There shall be no compulsion with regard to such contributions.

O. STORE MEETINGS. No store meetings shall be held as to conflict with the regular meetings of the Union, and upon three (3) days' notice to the Employer of a special meeting, the Employer agrees to hold no store meetings in conflict therewith.

P. WORKING RULES. When an Employer establishes working rules, a copy of such rules shall be made available to all employees at the store and it shall be the responsibility of each employee to familiarize himself with those rules. Said working rules shall not be in conflict with the terms of this Appendix. Changes in the working rules shall also be made available to employees in the store.

The Union will be provided, on an annual basis in January, an update of all rules, regulations, policies and procedures that employees are required to sign off on. If the Retail Operations Rules and Regulations change at any time during the year, the Employer will give a copy to the Union.

Q. BOND. Whenever the Employer requires the bonding of any employee or the carrying of any insurance for the indemnification of the Employer, the premiums for the same shall be paid for by the Employer. Should an employee be refused bond by a bonding company, after his first (1st) thirty (30) days of employment, the Employer agrees to make a reasonable effort to secure a bond in an appropriate case.

R. STEWARDS. The Union's contractual entitlement to Stewards as set forth in the Food Industry Agreement will also include Pharmacy Departments. No additional Stewards will be appointed to separately cover the Pharmacy Departments by virtue of this provision.

S. MILEAGE PAY. The mileage allowance shall be set forth by the Internal Revenue Service (I.R.S.).

T. PHARMACISTS RESPONSIBILITIES TO THE PUBLIC AND THE PHARMACY PROFESSION.

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

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

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

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

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

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

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

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

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

(f) The Employer will indemnify, as required by applicable law, the Pharmacist for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties.

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

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

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

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

The duties and functions of the Committee shall not abridge or preclude either the Union or the Employer from taking unresolved grievances arising under the terms of this Appendix through arbitration as set forth in Article 12 of this Appendix.

ARTICLE 15 - TRUST FUNDS

The Employer agrees to comply with and adopt the contribution rates and Plan modifications approved by the trustees of the Southern California Drug Benefit (Platinum Plan) and Pension Funds for the life of this Appendix.

Contributions required on behalf of any Pharmacist will be made on all hours worked and/or paid for not to exceed eighty (80) hours per two (2) week period, or two thousand eighty (2080) hours per year.

Unless expressly provided for otherwise, the term "Pharmacist" as used in this contract shall be interpreted and construed to apply to both the "Pharmacist" and "Graduate Pharmacist" classifications.

Except as otherwise expressly provided for herein, all of the terms and conditions of employment established under this contract shall be effective as of the first (1st) Monday following March 5, 2011.

ARTICLE 16 - NEW LOCATIONS

When an Employer establishes a new location within the geographical jurisdiction of Locals 135, 324, 770, 1167, 1428, 1442 and 8-GS, and recruits part of the crew from one of his places of business already under Agreement with any of the above-named Unions, all rights as to seniority and as to other provisions of this Appendix shall apply to such employees.

ARTICLE 17 - SUCCESSORS AND ASSIGNS

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

B. NEW OWNER. In the event of bona fide sale or transfer of any store covered by this Appendix during the period hereof, the new owner or such transferee shall be notified of the existence of this

Appendix. The former owner shall be required to meet any and all monetary benefits that employees have accumulated under this Appendix, but, except as provided in this Section, shall have no further or other obligations whatsoever, notwithstanding any other provision to the contrary in this Appendix.

C. ACCRUED VACATION. It is further agreed by the parties hereto that, upon sale or transfer of ownership of any store or upon dissolution of business, vacation pay for all months worked for which no vacation pay has been given shall be immediately paid to all employees coming under this Appendix, regardless of length of time said employee has been with the Employer.

D. SALE OR TRANSFER.

1. In the event of a sale or transfer of a store or stores, an employee shall be allowed a seven (7) day period from the date of announcement to the employees of the sale or transfer during which time he 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 Appendix.

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

3. Such new owner or transferee, however, shall not be required to retain in his 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 17.

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 Appendix 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 same store since January 1, 1956.

5. Notwithstanding Section D-4 above, with respect to (and only with respect to) any sale or transfer occurring on or before July 29, 1990, vacation benefits accruing by reason of seniority with the seller or transferor shall be the responsibility of the Benefit Fund under the Industry Vacation Plan of benefits; provided, however, that the Benefit Fund shall not be responsible for any such vacation benefits accruing on or after July 29, 1991, regardless of when the sale or transfer occurred. Such sale

or transfer industry vacation benefits due on and after July 29, 1991, shall be the responsibility of the buyer or transferee regardless of when the sale or transfer of a store or stores occurred. The amount of benefits shall be determined by the buyer or transferee by using the same formulas and procedures used by the Benefit Fund as of June 1990 for sale or transfer industry vacation benefits.

In any sale or transfer of a store or stores occurring on and after July 30, 1990, sale or transfer industry vacation benefits resulting from such a sale or transfer shall be the responsibility of the buyer or transferee. The Benefit Fund shall have no liability for any such benefits.

ARTICLE 18 - OPERATIONAL CHANGES

The parties recognize and agree that it is in the mutual best interests of the parties to this Appendix and the bargaining unit employees covered thereunder that the Employer be able to effectively compete in the highly competitive Southern California Area Marketplace in that both its continued successful operations and employment of bargaining unit employees is directly dependent upon its being able to do so. The parties also recognize the Employer's need to continually seek new or improved methods of operations, systems and equipment that will enable it to achieve the necessary efficiencies and increased productivity that will enable it to continue to effectively compete in the Marketplace and agree that nothing contained herein shall prohibit the Employer from instituting any such new methods, systems or equipment.

The parties agree that in cases in which the Employer intends to institute any operational change, new method of operation, system or equipment that will have a material impact on the employment of its then employed bargaining unit employees covered by this Appendix, the Employer shall give the affected Union or Unions at least sixty (60) days' advance written notice, by certified or registered mail, of its intention to implement the involved operational change, new method, system or equipment, whichever the case may be, with such notice to set forth the nature of the intended change(s) and/or new method(s) of operations.

The Union upon its receipt of the advance written notice provided for in the preceding Paragraph may request, in writing, negotiations with respect to the following subjects and such negotiations shall be promptly held by the parties: rates of pay for any new job(s) which may be created; efforts to avoid displacement of bargaining unit employees whose job may be modified as a direct result of the Employer's institution of such operational change(s), new method(s), system(s) or equipment. The Employer agrees that it will retrain those employees displaced as a direct result of technological change of the nature contemplated herein.

In the event that the parties do not reach agreement within the sixty (60) days' period provided herein, all unresolved issues as set forth above shall be submitted to final and binding arbitration. It is not the intent of the parties that such negotiations or arbitration will in any way jeopardize the efficiencies and increased productivity to be gained by the installation of such operational change(s), new method(s), system(s) or equipment. The arbitrator shall be selected in accordance with the provisions of Article 12 of this Appendix.

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 sixty (60) day allotted time period, but failing to do so shall not prohibit or in any way impede the Employer from installing or effectuating any such operational change(s), new method(s), system(s) or equipment upon the expiration of such time period, unless such period is extended by mutual written agreement of the parties. The decision of the arbitrator or the parties shall be effective on or retroactive to the date such operational change(s), new method(s), system(s) or equipment is installed. The cost of the impartial arbitrator shall be borne equally by the parties. In the event of any conflict between any of the provisions of this Article and the provisions of Article 12 of this Appendix, the provision(s) of this Article shall be deemed to be controlling.

ARTICLE 19 - SEPARABILITY CLAUSE

The provisions of this Appendix are deemed to be separable to the extent that, if and when a court of last resort adjudges any provisions of this Appendix 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 Appendix, 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 20 - EXPIRATION AND RENEWAL

This Appendix shall be in effect from March 7, 2011 to and including March 2, 2014, 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 2, 2014, or at least sixty (60) days prior to any subsequent March 2 of any succeeding year of its desire to alter, amend or terminate this Appendix.

SIGNED THIS _____ DAY OF _____, 2012.

FOR THE EMPLOYER:

FOR THE UNION:

Stater Bros. Markets
George A. Frahm,
Executive Group Senior Vice President
Retail Operations & Administration

UFCW Union Local 135
Mickey Kasparian, President

UFCW Union Local 324
Greg M. Conger, President

Duane Snyder, Director of
Labor Relations

UFCW Union Local 770
Ricardo F. Icaza, President

UFCW Union Local 1167
Bill Lathrop, President

UFCW Union Local 1428
Connie Leyva, President

UFCW Union Local 1442
Michael A. Straeter, President

UFCW Union Local 8-GS
Jacques Loveall

The jurisdiction of the Local Unions as referred to in Article 1 of this Pharmacist Appendix is defined as follows:

LOCAL 8-GS - Inyo, Kern and Mono Counties.

LOCAL 135 - San Diego County.

LOCAL 324 - Orange County and Long Beach, California, including Orange County, Long Beach area west to Alameda, Alameda north to 168th Street, west to Central Avenue, north to Rosecrans Avenue, east to Alameda, north to Pacific Electric tracks, southeast on Pacific Electric tracks to Orange County line at Fullerton Road.

LOCAL 770 - San Luis Obispo, Santa Barbara, Ventura, and Los Angeles Counties except that portion of Los Angeles County bounded by the Ventura County line east along Mulholland Drive to Sepulveda Boulevard, south to Sunset Boulevard, east on Sunset Boulevard to Beverly Glen, south through center of parkway to Cattaraugus, thence to Robertson Boulevard, Robertson Boulevard to Venice Boulevard, east on Venice Boulevard to Cattaraugus, south to Jefferson Boulevard, Jefferson Boulevard to Sepulveda Boulevard, south to Imperial Highway, east to Crenshaw Boulevard, south to 190th, west to Hawthorne Boulevard, south to Newton and west to the Pacific ocean and also excepting that portion of Los Angeles County including the Long Beach area west to Alameda, Alameda north to 168th Street, west to Central Avenue, north to Rosecrans Avenue, east to Alameda, north to Pacific Electric tracks, southeast on Pacific Electric tracks to the Los Angeles Rivers, north to Rio Hondo River, Rio Hondo River north as outlined on jurisdictional map, continuing to Kern County.

LOCAL 1167 - Imperial County, Riverside County, and San Bernardino County west to Archibald Avenue, extending due north and south.

LOCAL 1428 - Archibald Avenue in San Bernardino County, extending due north and south, the Orange County line to the Rio Hondo River, the Rio Hondo River north through Crystal Lake to the Kern County line, the Kern County line east to Archibald Avenue.

LOCAL 1442 - Ventura County line east along Mulholland Drive to Sepulveda Boulevard, south to Sunset Boulevard, east on Sunset to Beverly Glen, south through center of parkway to Cattaraugus, thence to Robertson Boulevard, Robertson Boulevard to Venice Boulevard, east on Venice Boulevard to Cattaraugus, south to Jefferson Boulevard, Jefferson Boulevard to Sepulveda Boulevard, south to Imperial Highway, east to Crenshaw Boulevard, south to 190th, west to Hawthorne Boulevard, south to Newton and west to the Pacific Ocean.

NOTE: The above boundaries do not include all of the detail shown on the jurisdictional map, which is the final authority.

NOTES