

**AGREEMENT
(MEAT)**

BETWEEN

**SAFEWAY INC.
(FARMINGTON/AZTEC, NEW MEXICO)**

AND

UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL NO. 1564

EFFECTIVE: November 4, 2018 THROUGH November 3, 2022

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AGREEMENT

Between

**Safeway Inc.
(Farmington/Aztec, New Mexico)**

And

United Food and Commercial Workers Union, Local No. 1564

Effective: November 4, 2018 through and including November 3, 2022

This Agreement has been made and entered into by and between Safeway Inc., Farmington and Aztec, New Mexico, hereinafter referred to as the "Employer" and United Food and Commercial Workers Union, Local No. 1564, chartered by the United Food and Commercial Workers International Union, hereinafter referred to as the "Union".

WITNESSETH: That for and in consideration of the mutual promises and conditions hereinafter set forth, and in order to assure and secure the benefits intended to be derived by the employees and the Employer under these Sections of Agreement, herein, it is hereby expressly understood and agreed as follows:

SECTION 1 RECOGNITION

1.1 The Employer recognizes the Union as the exclusive collective bargaining representative for all meat cutters, apprentice meat cutters, meat wrappers and delicatessen employees, seafood employees, coffee shop employees, including part-time workers employed by the Employer in the meat markets owned and operated by the Employer in the cities of Farmington and Aztec, New Mexico, but excluding all store managers, assistant store managers, non-food managers, employees covered by the companion Retail Clerks Agreement for Farmington and Aztec, New Mexico, office and clerical employees, janitors, parking lot attendants, confidential employees, watchmen, guards, professional employees and supervisors as defined in the National Labor Relations Act, as amended, and all other employees.

1.2 The Company shall have the right to place Management personnel in the Meat Departments for the purpose of receiving on-the-job training and instructions, up to a maximum of eighty (80) hours per person, provided no regular employees are laid-off or suffer a reduction in their normal hours, and such Management personnel will not be required to become members of the Union. It is further agreed that the Union will not attempt to impose any restrictions or penalties upon an Employer for exercising this right.

1.3 All work performed in the Meat Department, Delicatessen Department, **Seafood Department and Coffee Bar** will be done by members of the bargaining unit. For the purpose of this Agreement, the Meat Department is defined as the area occupied by the meat storage rooms, the meat preparation rooms and the service and/or self-service display cases where fresh, smoked, cooked and frozen meats, poultry, fish or sea foods are offered for retail sale. All meat products received in the meat department that are not pre-priced will be priced on the premises by members of the bargaining unit.

Notwithstanding anything contained herein to the contrary, the Employer shall not be restricted from obtaining and offering for sale fresh, smoked, cured, cooked and frozen meats, poultry, fish, sushi, or seafood which have been cut, prepared, processed, packaged, weighed and/or priced off the Employer's premises and it is expressly understood and agreed that such shall not constitute a violation of this Agreement. Notwithstanding the preceding sentence, the Employer agrees that no head meat cutter, journeyman meat cutter, or meat wrapper employed in such position by the Employer before July 21, 2002 shall be laid off as a result of utilization of the products as set forth above.

The Employer shall continue to have the right to lay off meat employees in accordance with the provisions of this Agreement, provided that the layoff of any such employee, employed by the Employer, in the aforementioned classifications before July 21, 2002 is for reasons other than the Employer's utilization of the products set forth above.

1.4 The Employer agrees to maintain and operate the deli departments during the term of this Agreement, provided the stores remain open.

SECTION 2

UNION SECURITY AND PROBATIONARY PERIOD

2.1 Union Membership. Membership in the Union on or after thirty (30) days following the beginning of employment, or the effective date of this Agreement, whichever is later, shall be a condition of employment to the extent consistent with the law. Under the law, employees have a choice to be "full members" or "dues payers" of the Union. No employee covered by this Agreement shall be required as a condition of employment to be a full member of the Union. Whether or not an employee chooses to become a full member or a dues payer of the Union is his or her voluntary choice, and both the Union and the Company shall respect such choice.

After the thirty-first (31st) day of employment, an employee shall be required to pay an initiation fee and periodic Union dues as a condition of employment. If an employee chooses to be a full member of the Union, the amount of such initiation fee and dues shall be those uniformly assessed by the Union with respect to other full Union members in like classification and status. If an employee chooses to be a dues payer only, his only obligation shall be to pay pro rata initiation fees and dues which are directly related to Union expenses for collective bargaining, contract administration, grievance adjustment and other chargeable expenses as may be established by law.

- (a) Seven-day Notice. Upon the failure of any employee to comply with the terms and conditions of Section 2.1, the Union shall notify the Employer and the employee in writing of such notice, and not more than seven (7) days thereafter, the Employer shall discharge such employee, unless the Union has notified the Employer that the employee has satisfied the requirements of good standing.
- (b) The Union shall indemnify the Employer and hold the Employer harmless from any liability which may arise from the application of Section 2.1 (a) and (b) at the request of the Union.
- (c) For the purpose of Section 2.1 (a), the execution date of this Agreement shall be considered as its effective date.

2.2 The Employer agrees to notify the Union of the names of newly hired employees within seven (7) days of the employee's first paycheck. The Union will furnish self-addressed, stamped postcards for this purpose.

2.3 "Good Standing" is interpreted to mean the payment or tendering of initiation fees and periodic Union dues to an authorized Agent of the Union.

2.4 Whenever the Union requires the Employer to discharge an employee for failure to join or maintain his membership in the Union in good standing in accord with the terms of this Section, the Union agrees to furnish the Employer an itemized copy of the delinquent's account with the Union together with a written request for discharge. The Employer will discharge any employee who falls within the bargaining unit, as described in Section 1.1 hereof, within ten (10) days after the receipt of said written request for discharge, unless, within said ten (10) day period the delinquent employee pays or tenders his delinquent initiation fee and/or delinquent Union Dues to an authorized Agent of the Union. The Union shall indemnify the Employer and hold the Employer harmless from any liability which may arise from the application of this Section.

2.5 PROBATIONARY PERIOD - The first **ninety (90)** days of any new employee's tenure shall be considered as probationary. All terms of this Agreement shall apply during said probationary period, provided, however, that such employees may be terminated during such period for any reason. Probationary employees shall have no seniority rights, but upon successful completion of said probationary period, seniority rights shall date back to the initial date of employment.

SECTION 3 CHECK-OFF

3.1 The Employer agrees to deduct the weekly Union dues (including initiation fees for new employees) from the net amount due each employee in the bargaining unit as described in Section 1 hereof who has furnished the Employer (either directly or through the Union) with an individual written authorization for making such deductions on a form mutually agreed upon between the Employer and the Union. It is understood that the check-off authorization is to be entirely voluntary upon the part of each such individual employee, and that any such employee may revoke his individual check-off authorization upon giving thirty (30) days' written notice to the Employer and the Union.

3.2 The Employer agrees to remit all such deductions to the President of the Local Union within ten (10) days after the last pay period of each month.

3.3 The Employer agrees to deduct amounts designated by employees for the Active Ballot club when the Employer has been furnished an individual written authorization for making such deductions on a form mutually agreed upon between the Employer and the Union. It is agreed that the ABC authorization is to be entirely voluntary upon the part of each individual employee and that such employee may revoke his ABC check-off authorization upon giving thirty (30) days written notice to the Employer and the Union.

SECTION 4 DISCHARGE AND DISCRIMINATION

4.1 NON-DISCRIMINATION - The Employer and the Union agree that each will fully comply with applicable laws and regulations prohibiting discrimination against any employee or applicant for employment, because of such person's race, religion, color, national origin, sex, physical disability, mental disability or age. Discrimination on the basis of physical or mental disability shall be deemed to include the failure to make or agree to reasonable accommodation to the known physical or mental impairments of an otherwise qualified individual with a disability. Reference in this Agreement to gender will apply equally to both sexes. The Employer shall not discriminate against nor discharge any employee for engaging in lawful union activity.

4.2 DISCIPLINE - The Employer shall have the right to discharge, demote or suspend any employee for just cause. Such action will be taken within a reasonable time of the Employer becoming aware of the facts.

4.3 Any employee who is discharged shall be informed at the time of discharge, of the immediate cause of discharge. Employees who are discharged for failure to perform work as normally required shall first have had a prior warning, in writing, of a related or similar failure to perform work as normally required with a copy sent to the Union.

Suspension. Any employee who is suspended shall be informed of the length of the suspension at the time of the suspension. The Employer may suspend an employee indefinitely pending the completion of a reasonably prompt investigation.

Appeal. If an employee does not agree with any of the above actions taken by the Employer, such employee shall have the right to appeal to the Store Manager with a copy to the Labor Relations Department and the Union within fifteen (15) days following the formal receipt of the corrective action notice or other action.

4.4 TERMINATION PAYMENT - An employee who quits or is terminated for any reason shall be paid as required by New Mexico State Law all monies due.

4.5 WARNING NOTICES - Employees shall be required to sign warning letters, but such signing shall in no way constitute agreement with the contents of such notice. Written warnings shall be effective for a period of twelve (12) months provided that no written warning for a related offense occurs during said twelve (12) months.

Where reasonably possible and appropriate, the issuance of disciplinary action to an employee shall occur in private and away from the store's sales area and employee work areas, except in cases requiring immediate response to offenses such as, but not limited to, insubordination, violation of safety guidelines, or unbecoming conduct. Disciplinary action shall not include routine instruction to employees in connection with such employee's job performance or compliance with Company policies and procedures.

4.6 UNION REPRESENTATION - Any employee covered by the terms of this Agreement may request a representative of the Union be present during any investigatory interview by management which the employee reasonably believes may result in disciplinary action. Upon such request, the

Employer agrees to immediately cease any further questioning. The Union agrees to make a representative available within a reasonable time during the same day such request is made.

SECTION 5 NO REDUCTION

5.1 The Employer agrees that employees coming under the jurisdiction of this Agreement, regardless of their classification or designation either by the Employer or the Union, who are enjoying or receiving higher rates of pay than set forth in the Agreement, such higher rates of pay will not be abolished or altered in any manner whatsoever, either before and/or after the signing of this Agreement. This provision shall apply to the individual and not to the job classification or designation.

5.2 The hourly rates and benefits contained herein are contract minimums, and the Employer may pay individual's wage rates/benefits in excess of the contract rates/benefits and may reduce the rate no lower than the contract rates/benefits.

SECTION 6 RIGHTS OF MANAGEMENT

6.1 The management of the Company and the directions of the working force, including the right to plan, direct and control retail operations, to hire, layoff or relieve employees from duties, to maintain the discipline and efficiency of the employees and to require employees to observe Company rules and regulations, demote or discharge employees for cause, are to be the sole right of, and function of the Employer.

6.2 The parties agree that the foregoing enumeration of management's rights shall not be deemed to exclude other functions not specifically set forth. The Employer, therefore, retains all rights not specifically covered in this Agreement.

6.3 The exercise of the foregoing rights shall not alter any of the specific provisions of this Agreement, nor shall they be used to discriminate against any member of the Union.

SECTION 7 UNION AFFAIRS

7.1 **UNION VISITATION** – Authorized representatives of the Union shall be permitted to visit the market regarding Union matters during working hours after making his presence known, to the Store Manager or his authorized representative. Such visits shall not interfere with the efficient operation of the Employer's business.

7.2 **UNION MARKET CARDS** – The Union Market Card of this Union is the sole property of the Union and is loaned only to Employers and Shop owners who sign and abide by this Agreement. Such Union Market Card can and will be removed by the President of this Union or his duly authorized representative for violation of any part and/or parts of this Agreement.

7.3 **BULLETIN BOARD** – The Employer agrees to permit the Union to post notice of Union business, such as recreational affairs, social affairs, notice of elections, appointments, results of Union elections, and notice of Union meetings. The Employer shall designate the place of such posting.

7.4 UNION LEAVE - Employees shall be allowed time off without pay for purposes of attending Agreement negotiations, arbitrations, or for Union meetings and conventions. Such leave shall be granted to not more than one employee per store, not to exceed one (1) week per year; provided, notice for such leave is given in advance sufficient to provide adequate replacement of the employee to be on leave.

7.5 UNION STEWARD - The Union shall have the right to appoint store stewards to perform such duties as may be assigned by their Local Union; provided such duties do not interfere with any employee's job duties. The names of the stewards will be furnished to the Employer. The Employer agrees not to discriminate against any store steward for engaging in lawful union activity.

SECTION 8 HOURS OF WORK AND OVERTIME

8.1 The Company guarantees to each regular full-time employee at least forty (40) hours of work in each week of employment to be completed in five (5), eight (8) hour days, except in a week containing one holiday, then the guarantee shall be thirty-two (32) hours of work to be completed in four (4), eight (8) hour days. Any absence, excused or otherwise, nullifies the guarantee by the number of hours of absence in that week.

In the event it becomes necessary to reduce the number of full-time employees said full-time employees shall be reclassified to part-time, based on seniority, at the close of the work week. In order to qualify for the above guarantee the employee must perform the work required. In the event an employee is discharged for cause, the above guarantee shall not apply.

8.2 LUNCH PERIODS – During each work day one uninterrupted hour shall be granted each employee for lunch without pay and without any restrictions being applicable to the employee's personal liberty during such period of time. An unpaid lunch period of thirty (30) minutes duration may be scheduled if the employee and the Employer mutually agree **or the lunch may be waived by the employee if mutually agreeable.**

8.3 REST PERIODS – Employees shall be granted a fifteen (15) minute rest period with pay as near the middle of each shift as possible. One rest period to be taken in the half shift worked prior to lunch and one rest period to be taken in the shift worked after the lunch period as near the middle of the shift as possible.

8.4 Employees who are scheduled and report for work shall be guaranteed four (4) hours work or four (4) hours pay at their straight time hourly rate of pay.

8.5 WORK WEEK – The work week shall coincide with the calendar week.

8.6 OVERTIME PAY – Time and one-half (1-1/2) the basic hourly rate of pay will be paid for all hours worked in excess of eight (8) hours in a day or forty (40) hours in a week.

8.7 SUNDAY PREMIUM PAY – All work performed on Sundays shall be paid at time and one-half (1-1/2). Full-time employees who work six (6) days, including Sunday, shall receive time and one-half (1-1/2) for Sunday as such apart from any overtime which may be payable for hours worked in

excess of forty (40) in the work week. The Sunday premium shall be one (\$1.00) dollar per hour for all employees hired on or after February 1, 2004. Employees hired on or after October 30, 2005 shall not be eligible for Sunday Premium.

8.8 NIGHT PREMIUM PAY – A premium of thirty-five cents (\$0.35) per hour shall be paid for all work performed between the hours of 6:00 p.m. and 6:00 a.m. Night shift premium shall not apply when an employee is working on overtime, on Sunday, or on a holiday. Employees hired on or after October 30, 2005 shall not be eligible for Night Premium Pay.

8.9 SPLIT SHIFTS – No split shifts shall be allowed by regular or part-time employees on a regularly scheduled workday, further, no restrictions shall prevail with respect to the number of hours such employees may work on any regularly scheduled workday, when circumstances beyond the control of the Employer involve liability of excessive shrinkage or spoilage of perishable merchandise being delivered to or in the possession of the Employer.

8.10 STORE MEETINGS – If employees are required to attend store meetings outside the scheduled daily or weekly work hours, such time will be considered as time worked for purposes of computing amount of pay but not for split-shift call-in pay or other similar purposes. No employee shall be disciplined in any manner for failing to attend a store meeting scheduled for such employee's vacation, personal holiday or when on a scheduled day off.

SECTION 9 WORK SCHEDULE

9.1 POSTING OF SCHEDULE – The Employer agrees to post a work schedule for the week in ink, in each store by **Thursday at 12 Noon** prior to the start of the next work week. Each schedule shall show the first and last name of each employee, starting time, meal time, quitting time and days off. All employees listed on the schedule will be provided the work or pay for the hours posted; provided they report to work as scheduled.

No employee shall be required to stay beyond the time scheduled off, either for meal periods or the end of the employee's daily shift, however, employees may be asked by management to stay past their scheduled quitting time due to emergency situations such as temporary replacement for other employees who do not report for work, and for other legitimate needs.

9.2 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.

9.3 CHANGING OF SCHEDULES – It is understood that circumstances may require the management to change or alter schedules during the work week in case of emergency (emergency shall be defined as fire, strike, flood, illness, funeral leave, or act of God) or other similar events beyond the control of the Employer. In case of emergency as defined, the Employer shall notify affected employees of schedule change immediately. In such cases the changes shall be made to assure a full-time employee of his or her forty (40) hours pay, provided he or she works the altered schedule. Part-time employees will be assured a minimum of four (4) hours pay each day of an altered schedule, provided he or she works the altered schedule. Schedules for part-time employees shall not be altered to deliberately reduce the original posted hours of work.

9.4 The parties agree the schedule will not be used for arbitrary, capricious or retaliatory scheduling of employees.

SECTION 10 SENIORITY

10.1 Seniority shall apply for employees by classifications in layoffs and recalls, provided, the employee has the ability to perform the work. Employees who are laid off shall retain seniority rights for three hundred sixty-five (365) days.

10.2 No employee shall be entitled to any of the benefits of this Agreement while on layoff, and if not rehired within three hundred sixty-five (365) days the employee will be terminated.

10.3 Actual time worked in the Meat Department or Delicatessen Department will be accumulated in determining the employee's total seniority in the Meat Department or Delicatessen Department, except that no employee shall acquire seniority rights during his first ninety (90) days of employment.

10.4 An employee's refusal to accept, or his acceptance of a promotion shall not cause him to lose seniority rights accumulated under this Section. No employee shall be transferred for disciplinary reasons.

10.5 Part-time employees, in accordance with their established seniority within their respective seniority group in each individual store, shall be offered all unscheduled part-time work available in their classification up to and including forty (40) straight-time hours per week, provided they are qualified to perform the work. Part-time employees shall have their choice by seniority of the part-time schedule within their seniority classifications, provided they have the ability to perform the work.

10.6 Part-time employees may exercise their seniority within their classification for purposes of claiming another employee's work schedule that provides a minimum of four (4) additional hours of work per week. Employees desirous of exercising such a claim shall make a request to the Employer in writing and said request shall be granted within one (1) week, providing the claim is based upon an employee who is receiving four (4) or more hours of work in excess of those hours of the senior employee. In determining the number of hours of the two (2) persons involved, the four (4) week period immediately prior to the date of the request shall be averaged. Any employee seeking to exercise the seniority right shall identify in the written request the shorter service employee by name and the store involved. A junior service employee displaced under this procedure shall assume the work schedule of the senior employee who has exercised the seniority right.

10.7 Seniority will be exercised within the following classifications:

- (1) Head Meat Cutter
- (2) Journeyman Meat Cutters and Apprentices
- (3) Meat Wrappers
- (4) Delicatessen Department Employees

(5) Starbucks Department Employees

(6) Seafood Department Employees

10.8 For purposes of layoff and recall, seniority will be exercised within the bargaining unit for all employees covered by this Agreement.

10.9 Head Meat Cutters shall be allowed to voluntarily return to the Journeyman classification without loss of seniority upon giving thirty (30) days written notice to the Company. A Head Meat Cutter who returns to the Journeyman classification shall carry his/her original seniority date into the classification.

SECTION 11 VACATIONS

11.1 All regular full-time employees and part-time employees covered by this Agreement, shall receive:

- (a) One (1) week of paid vacation after one (1) year's service;
- (b) Two (2) weeks paid vacation after two (2) years of service. Effective with employees hired after February 13, 1996, two (2) weeks of paid vacation after three (3) years of service.
- (c) Three (3) weeks paid vacation after five (5) years of service. Effective with employees hired after February 13, 1996, three (3) weeks of paid vacation after seven (7) years of service.
- (d) Four (4) weeks of paid vacation after fifteen (15) years of service.
- (e) Five (5) weeks of paid vacation after twenty (20) years of service.

Employees hired on or after October 30, 2005 must work 1040 hours during their anniversary year to qualify for a paid vacation.

Employees hired on or after October 30, 2005 shall receive one (1) week paid vacation after one (1) year of continuous service, two (2) weeks paid vacation after four (4) years of continuous service, three (3) weeks of vacation after eight (8) years of continuous service **and four (4) weeks paid vacation after fifteen (15) years of continuous service.**

11.2 Such vacations shall be paid straight time rates. The number of hours for which such employees shall be paid for a vacation week shall be the average number of weekly hours worked during the twelve (12) months immediately preceding the employee's anniversary date of employment, with the understanding that an employee who works 1800 hours in his anniversary year shall be entitled to his full vacation. Hours paid for vacations and holidays shall be considered as hours worked for the purpose of computing vacation amounts. The Employer shall pay the employee the vacation pay accrued during the employee's anniversary year prior to the taking of vacation (if requested two (2) weeks in advance of such vacation). In the event employees have their vacation approved at least two (2) weeks in

advance of their vacation and an employee's vacation check is not made available in accordance with the contract, a cash advancement, which approximates the net amount owed, shall be given to the employee at the store, provided the employee signs the cash advance voucher. The Company shall recover the advancement from the employee's vacation check. If an employee receives his vacation pay and the Employer later requests the employee postpone his vacation, the employee may keep the vacation check if the vacation is rescheduled within thirty (30) days. No employee shall receive vacation payments in excess of forty hours per week.

11.3 If any one of the holidays enumerated in Section 10 hereof falls during an employee's vacation, the employee shall receive an extra day's vacation pay because of it.

11.4 In the event a regular full-time employee, covered by this Agreement, who has been employed one (1) year or longer, voluntarily quits or is discharged for reasons other than dishonesty or drunkenness, such employee shall be paid pro rata vacation pay earned up to the time the employment relationship is severed.

11.5 The Employer shall pay the employee the vacation pay accrued during the employee's anniversary year prior to the taking of the vacation (if requested two (2) weeks in advance of such vacation). In the event employees have their vacation approved at least two (2) weeks in advance of their vacation and an employee's vacation check is not made available in accordance with the contract, a cash advancement, which approximates the net amount owed, shall be given to the employee at the store, provided the employee signs the cash advance voucher. The Company shall recover the advancement from the employee's vacation check. If an employee receives his vacation pay and the Employer later requests the employee postpone his vacation, the employee may keep the vacation check if the vacation is rescheduled within thirty (30) days.

11.6 Selection of Vacations

The selection of vacations shall be by seniority with the Job Classification on a store basis based upon the following:

- (a) On a vacation schedule posted by the Employer no later than December 31 of each year, employees shall be allowed to select their vacation for the calendar year up to March 31. When two (2) or more employees select the same weeks, employees having the most seniority shall be granted first choice.
- (b) The Employer will make every reasonable effort to maximize the number of employees permitted to select vacations during the period of May 15 to September 15.
- (c) Employees who do not make a vacation selection by March 31 will be allowed to select unscheduled available weeks, subject to four (4) weeks notice, but in no event shall they be allowed to displace any persons who have selected their vacation by March 31. However, all employees must make a vacation selection no later than by September 15.
- (d) After March 31, the vacation schedule may only be changed by mutual agreement between the Store Manager and employee.

- (e) The Employer retains the right to determine the number of employees that will be allowed to be off on vacation during any given week(s) depending on individual store needs and legitimate business circumstances.

11.7 Employees "on the payroll" or providing "service on the payroll" shall be those employees who have worked continuously for their Employer for the required number of years as specified in Section 11.1. Such continuous work shall include paid vacation time.

11.8 Employees may be allowed to take vacation one day at a time, subject to approval by the Employer and based on the following requirements:

- (a) Daily vacation may not be scheduled through the annual sign-up procedure.
- (b) Daily vacation must be requested of the store manager in writing by Tuesday prior to the posting of the schedule for the week in which time off is requested.
- (c) Employees may not receive more than five days vacation pay in any calendar week.
- (d) Not more than one (1) week (five (5) days) may be taken one day at a time per anniversary year.
- (e) Weekly vacation requests shall take preference over daily vacation requests.
- (f) The Employer shall submit daily vacation time to payroll the week it is taken, and the Employer shall make a bona fide attempt to pay the employee the following week. However, in no event shall it be more than two (2) weeks from the date of the request.

The hours paid for each day of vacation will be based on the average weekly hours of vacation, as calculated in Section 11.2, divided by five (5).

SECTION 12

WAGE RATES AND CLASSIFICATIONS

12.1 The rates of pay during the term of this Agreement are as shown in Appendix "A" and by reference hereto made a part of this Agreement. The Employer may hire any employee at any rate in the progression schedule in the event market conditions preclude hiring at the entry rate.

12.2 In the event an employee works at a higher classification for a period of one week or more, the employee shall receive the higher rate of pay for all hours worked, for a period of one week or more.

12.3 One Apprentice shall be allowed for the first Journeyman, and one additional Apprentice shall be allowed for every two (2) additional Journeyman who are employed in each market operated by the Employer.

12.4 When an Apprentice Meat Cutter has completed ten thousand (10,000) hours of employment, such Apprentice shall automatically become a Journeyman Meat Cutter and thereafter receive the weekly rate of pay stipulated in the Agreement for this classification.

12.5 Hiring/Retention Incentive – The Company may establish/maintain/discontinue a hiring retention incentive for Department Heads. The terms, timing, duration, application or non-application of such incentive to any employee or employees shall not be subject to the grievance or arbitration provisions of this collective bargaining agreement.

12.6 The Employer shall have the right to place cash registers/checkstands in any department within the store that it deems desirable to ring up customer purchases in that department (as well as any other incidental customer purchases), and clerks assigned to such departments shall operate such cash register/checkstand in addition to the duties historically performed by their classification.

12.7 New Classification/Departments – When a new department or job is created by the Employer, the Union shall be notified immediately, and the parties shall meet in good faith to establish a new wage rate for such department/job. Until such time as the parties can agree, an initial wage rate shall be established by the Employer, and then upon the agreement between the parties, the agreed wage rate shall be retroactive to the first hour worked in the new classification/department.

12.8 Clean Up – Courtesy Clerks may be used for clean-up duties, not including the tools of the trade. Such duties may include floors, walls, counters, windows, trays, lugs, and wrapping stations

SECTION 13 GENERAL PROVISIONS

13.1 UNIFORMS AND TOOLS – All linens required and used for the maintenance of proper sanitary conditions, regardless of its nature, including any special wearing apparel required by the Employer and worn by the employees during working hours shall be furnished and laundered at the expense of the Employer. And it is further provided that all hand saw frames and all hand saw blades shall be furnished by the Employer. The Employer will also furnish an oil stone to each market for use of the employees in sharpening all hand tools, regardless of their nature.

13.2 SAVINGS CLAUSE – In the event any part and/or parts of this Agreement are contrary thereto or conflict with any obligation imposed by State or Federal law, then that part and/or parts shall automatically be considered amended and modified to conform with the provisions of enacted laws; provided such law is specifically applicable to this Agreement, and, except as to such changes, all provisions of this Agreement shall remain in full force and effect unchanged.

13.3 POLYGRAPH – An employee shall not be required to take a polygraph examination or other similar electronic type device as a condition of continued employment.

13.4 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.

13.5 FINANCIAL DEDUCTIONS – No employee shall be required, as a condition of employment, to have deducted from his pay, nor to make any financial donation or contribution to or for any cause not specifically provided for in the Agreement or required by State or Federal Statutes or Law. Any contributions which may be made by employees for charitable purposes shall be purely voluntary.

13.6 TRANSFERS – Where there is more than one store covered by the terms of this contract, a transfer will not be made for arbitrary, capricious or unlawfully discriminatory reasons. The employee

shall have the right to refuse a transfer provided that a less senior employee of equal classification, job skills and full-time or part-time status is available in that store and is otherwise eligible to transfer.

If an employee wishes to transfer from one store to another store within the bargaining unit, the employee shall make a request to the District Manager in writing, stating the reasons why, and when a vacancy of the appropriate classification, job skills and full-time or part-time status occurs in that store, the Company will make a reasonable effort to accommodate the employee. Within fifteen (15) days of any denial, the employee may request that the Employer state the reason in writing. Nothing shall require the Employer to consider the request of an employee for a transfer outside of the bargaining unit.

13.7 Previous comparable experience within ten (10) years from date of present employment shall be the basis for determination of an employee's rate of pay. Previous experience must be stated at the time of employment and shown on the application for employment. Claims for rate adjustment based on previous experience must be filed within forty-five (45) days from the date of employment; otherwise, the employee forfeits any claim under the provisions. Rate adjustments based on previous experience will be made within the first thirty (30) days or day of confirmation whichever comes first.

SECTION 14 HOLIDAYS

14.1 All non-probationary employees who work on one of the following holidays shall be paid for the following holidays:

New Year's Day	Labor Day
Easter Sunday	Thanksgiving Day
Memorial Day	Christmas Day
Fourth of July	Three (3) Personal Holidays

Employees hired on or after February 1, 2004, who have completed at least one year of continuous service, shall be eligible for the three personal holidays outlined above.

Employees hired on or after October 30, 2005 shall be eligible for Thanksgiving and Christmas holidays after completion of their probationary period, and **four (4)** personal holidays effective as of the first calendar year following one (1) year of service.

14.2 When a holiday falls on Sunday, the following day shall be observed.

14.3 The Company shall be given written notice by the employee at least two (2) weeks prior to Personal Holidays.

- (a) These days must be mutually agreed between the Company and the employee, but if not agreed, then the day must be set within ten (10) days before or after the date being sought.
- (b) None of these holidays will be observed in a week where a common holiday is observed.
- (c) In the event the employee does not request the Personal Holiday prior to June 30, the

company may assign such holiday.

14.4 As pay for an unworked holiday, regular full-time employees will be paid at straight time for the number of hours they would normally have worked on the day in question, but not to exceed eight (8) hours. If the holiday falls on a day which would normally have been such employee's scheduled day off, he shall be paid eight (8) hours at straight time as pay for the unworked holiday.

Non-probationary part-time employees shall receive holiday pay in accordance with the hours they are normally scheduled to work on the day on which the holiday occurs. The Employer will not reschedule the hours of work in the work week immediately prior to the work week in which the holiday occurs in order to defeat the purpose of this Agreement.

14.5 In order to qualify for pay for an unworked holiday, an employee otherwise eligible for such pay under the terms of this Section must work his regularly scheduled day immediately preceding the holiday, the day of the holiday if scheduled and his regularly scheduled day immediately following the holiday; unless, he has been previously excused from such work by the Employer, or unless he was prevented from so working due to a bona fide illness substantiated by an acceptable Physician's Statement. A Physician Statement which only indicates that an employee "may return to work on ...", may not in all cases be considered acceptable.

14.6 An unworked holiday, even though paid for under the terms of this Section shall not be counted as a day worked for the purpose of computing overtime pay in a holiday work week.

14.7 Such holidays, when scheduled, may be changed only by agreement between the Company and employee except when required by legitimate business necessity.

14.8 In the event one of the above-named holidays falls within an employee's vacation period, he shall receive an extra day's vacation pay at straight time in addition to his vacation pay.

14.9 Employees hired prior to February 1, 2004 will receive one and one half (1-1/2) times their straight time hourly rate for all hours worked on a holiday in addition to holiday pay as provided above. Employees hired on or after February 1, 2004 shall receive a one-dollar (\$1.00) per hour premium for all hours worked on a holiday in addition to holiday pay as provided above.

14.10 The Company may (but shall not be required to) operate its stores on any of the holidays recognized by this agreement.

14.11 At least twenty-one (21) days preceding the Thanksgiving holiday and at least twenty-one (21) days preceding the Christmas holiday, the Employer shall post a roster for such holiday, and employees interested in working the applicable holiday may sign such roster, up to the Tuesday before that holiday work schedule is to be posted. Employees who sign the roster shall be assigned such holiday work in order of their seniority within their classification and department. Should there not be sufficient volunteers, the Employer may seek qualified volunteers from excess volunteers in other stores in the bargaining unit, or the Employer may assign work in inverse order of seniority within the store. Excess volunteers from other stores shall not have bumping rights over employees regularly assigned to the store that is seeking additional volunteers.

SECTION 15 NO STRIKE OR LOCKOUT AND PICKET LINES

15.1 The Union agrees that there shall be no strike, lockout, boycott, picketing, slow down, hand-billing, or economic action against the Employer in any manner whatsoever during the term of this Agreement. The Employer, for its part, agrees that there shall be no lockout for the term of this Agreement.

15.2 It shall not be a violation of this Agreement nor grounds for discipline or discharge for a person covered hereunder to refuse to cross a lawful, primary picket line.

15.3 The Union agrees to give the Company all possible notice, and the employees will not refuse to cross a lawful, primary picket line until the Company has been given 72 hours written notice of such intended refusal.

SECTION 16 GRIEVANCE AND ARBITRATION

16.1 Controversy, Dispute and Arbitration. Any and all matters of controversy, dispute or disagreement of any kind or character whatsoever existing between the Employer and the Union or Members of the Bargaining Unit and arising out of or in any way involving the interpretation or application of the terms of this Agreement shall be settled and resolved by the procedures and in the manner hereinafter set forth.

16.2 Grievances shall be filed promptly but no later than fifteen (15) days of the discovery of the event, in the following manner:

- (a) The employee and/or the Representative of the Union shall first take the issue up with the Store Manager. Any such settlements reached at this level shall not establish any precedent and will be resolved without prejudice and the parties will not introduce, or attempt to introduce, such settlements, or the terms and conditions thereof, into any grievance or arbitration proceeding in any manner whatsoever, and such settlements shall have no evidentiary value in any such proceeding, or
- (b) For those issues outside the realm of store level management or that cannot be resolved at the store level within five days, the Representative of the Union may reduce the issue to writing and file a formal written grievance with the Company's Labor Relations Department. The Employer may file a grievance against the Union by reducing the complaint to writing and filing the formal written grievance with the Union's President.

The Grievance shall specify the following:

- 1. The action complained of;
- 2. The dates, places and persons involved;
- 3. The contract provision allegedly violated;
- 4. The proposed remedy.

- (c) The Employer agrees to provide its response in writing. If it is an Employer grievance, the Union agrees to provide its response in writing.

16.3 No grievance may be considered unless the procedure provided herein has been followed. For Union grievances, once the Employer Representative has been contacted, he shall have fourteen (14) working days in which to respond to the Union, or the grievance shall be considered denied. For Employer grievances, once the Union President has been contacted, he shall have fourteen (14) working days in which to respond to the Company, or the grievance shall be considered denied. Time limits may be extended in writing by mutual agreement.

16.4 Settlements. Where the parties are able to amicably resolve any grievance, such settlement shall be reduced to writing.

16.5 Arbitration. If the dispute is not settled in a satisfactory manner to the Union or to the Employer, or in the event there is no response within the fourteen (14) day time limit, the Union or the Employer, may request on behalf of both parties, that the Federal Mediation and Conciliation Service (FMCS) submit a list of seven (7) qualified arbitrators. Such list shall only include arbitrators who are members of the National Academy of Arbitrators. Such requests must be made within thirty (30) days after the final determination of the Employer. From this list, each party shall strike three (3) names in alternation. The remaining name will be empowered to act as the arbitrator. The parties agree to alternate in striking first from the panel.

16.6 Arbitration Decision. The Arbitrator shall issue his or her decision within thirty (30) days from the date of the hearing or the date of the receipt of post-hearing briefs, whichever is later, unless the thirty (30) day time limit is extended by mutual consent. The decision of the arbitrator shall be final and binding on both parties; however, the arbitrator shall not have the power to add to, subtract from or in any way modify the terms of this Agreement and shall limit his decision strictly to the interpretation of the language of this Agreement. In the event an arbitrator awards back pay, he may reduce such award by all earnings including unemployment compensation which as been received by the aggrieved party during the period of the award. The expenses of the arbitrator and meeting room shall be shared equally between the Employer and the Union.

The employer agrees to outline full settlement of all grievances and arbitration settlements to the Union with a copy of back pay awards, if any, so the Union may assure prompt and correct settlement. Upon request by the Grievant, and where the Grievant provides the Employer with an up-to-date mailing address, the back-pay award will be mailed directly to the employee by the Labor Relations Department.

SECTION 17

HEALTH AND WELFARE

Effective June 30, 2015, employees shall cease to participate in the New Mexico UFCW Unions and Employers Health and Welfare Trust Fund ("New Mexico Health Fund"). Effective July 1, 2015, the New Mexico Health Fund shall be merged with, and employees of the bargaining units and their eligible dependents shall participate in, the United Food and Commercial Workers and Employers Arizona Health and Welfare Trust ("Arizona Health Fund") on the same basis in terms of the Plan rules and regulations, eligibility for benefits, benefit designs and employee co-premiums as employees covered under the Safeway collective bargaining agreement with UFCW Local 99.

Except as modified herein and until such time as a merger with the Arizona Health Fund has been completed, employees shall participate in the New Mexico Health and Welfare Fund as provided in Section 17 of the collective bargaining agreements which expire on November 1, 2014. However, spouses who were eligible for benefits and who were enrolled in the New Mexico Health Fund on the date of ratification who, by virtue of their participating spouse's (employee's) date of hire would be ineligible to participate in the Arizona Health Fund, will be grandfathered in under the current New Mexico Fund tunnel for spousal eligibility.

The Trustees of the Arizona Health Fund shall establish separate accounting for the New Mexico group with the understanding that contributions from the New Mexico employers shall not be used to provide, or subsidize benefits for the Arizona group and that contributions from the Arizona Employers shall not be used to provide, or subsidize benefits for the New Mexico Group. Administrative expenses shall be prorated between the groups as determined by the Trustees of the Fund.

Effective January 1, 2015 the New Mexico Plan A benefits shall be modified to the same benefit provisions as Arizona Plan A, the New Mexico Plan B benefits shall be modified to the same benefit provisions as Arizona Plan B and the New Mexico Plan C benefits shall be modified to the same benefit provisions as Arizona Plan B1, except the co-insurance rates for participants who will be covered under Arizona plan A or B, shall continue to be equal to those co-insurance rates which applied to those participants under the New Mexico Health Fund until otherwise modified by the Trustees of the Arizona Health Fund. In addition, the short term disability benefit for the New Mexico group shall be the same provided under the New Mexico Health Fund. Additionally, effective January 1, 2015, the administration of the New Mexico Health Fund shall be switched to the same administrator handling the Arizona Health Fund.

It is further understood that as a condition of receiving the contributions provided below, the Trustees of the Arizona Health Plan will establish Plan(s) of benefits, which can be supported by the contributions provided herein and such Trustees shall have the authority to modify such benefits as they deem necessary to maintain the Plan in a fully reserved status.

The Trustees of the New Mexico Health and Welfare Fund shall be directed to promptly pursue a merger with Arizona Health and Welfare Fund as provided herein and during such period the Long Term Funding Policy of the Plan shall be suspended through June 30, 2015.

Employer Contributions. The Employer shall continue to contribute to the New Mexico Fund the amounts described below each month by the twentieth (20th) day of the month for each of its eligible employees covered under Plan A, Plan B and Plan C but on the same eligibility basis as is required under the Safeway collective bargaining agreement with UFCW Local 99, except that such contributions shall continue to be made on a Per Eligible Per Month basis. The Employer will make contributions on all eligible employees, in all plans, regardless of opt out status. Upon merger, such contributions shall be made to the Arizona Health Fund. Upon merger, in the event Safeway increases, or decreases, its employer contribution rate into the Arizona Fund, then the employer contribution rates required under this agreement shall be increased, or decreased, by the same percentage and at the same time as Safeway's contributions into the Arizona Health Fund are increased or decreased. Employee Contributions to be paid shall be the same as the Arizona Safeway group.

	January 1, 2015 (December 2014 Hours)
Plan A	\$690.53
Plan B	\$557.37
Plan C (New Mexico Health Fund) B1 (Arizona Health Fund)	\$384.15

Effective January 1, 2015 (December hours), provided Albertsons, Smith's, and Local 1564, who will be participating in the Arizona Health Fund upon merger, also agree to pay, the employer shall make a temporary, supplemental contribution at the rate of \$20.23 per eligible employee, per month for a total of thirty-six (36) months. In addition, as of January 1, 2015, all employees, regardless of hire date, will be required to contribute five dollars (\$5.00) per week for employee only coverage, ten dollars (\$10.00) per week for employee + dependent children, and fifteen dollars (\$15.00) per week for employee + spouse or employee + spouse + dependent children.

It is further understood and agreed that in the event the Trustees reach agreement with the Arizona Health and Welfare Fund and if the Trustees of the Arizona Health and Welfare Fund require the bargaining parties to make an additional lump sum payment to the Arizona Health Fund, for the purpose that upon the transfer of assets and liabilities by the New Mexico Health Fund into the Arizona Health Fund that the Arizona Health and Welfare Fund will not be adversely impacted upon the initial transfer of assets and liabilities that if required by the Arizona Health and Welfare Fund Trustees, such lump sum payments shall be deemed agreed to by the bargaining parties subject to the following limitations:

- Such lump sum shall be paid provided Albertsons, Smith's, and the Local Union who will be participating in the Arizona Health Fund upon merger also agree to pay their percentage of the lump sum amount.
- For calendar year 2015, a lump sum in the aggregate of up to \$1,127,077 times the employer percentage of participation in the Fund, 7.8%. Such lump shall not exceed \$87,912. If allowed by Arizona Health Fund Trustees, such lump sum amount may be paid in twenty-four (24) monthly payments.
- For calendar year 2016, a lump sum in the aggregate of up to \$233,074 times the employer percentage of participation in the Fund, 7.8%. Such lump shall not exceed \$18,179. If allowed by the Arizona Health Fund Trustees, such lump sum amount may be paid in twenty-four (24) monthly payments.

In the event a merger with the Arizona Health Fund fails to be consummated by July 1, 2015, then none of the contribution increases, lump sum payments, or supplemental contributions provided herein shall be applicable and the employer may choose to either receive a full refund of the additional amounts paid over the contribution rate in effect on the effective date of this Agreement or offset, against future contributions, the full amount paid over the contribution rate in effect on the effective date of this Agreement. In such event, the Long Term Funding Plan shall immediately be reinstated.

Eligible Employees. Eligibility for coverage shall be as defined in the Safeway collective bargaining agreement with UFCW Local 99 and by the Arizona Health Fund.

If legislation is enacted which affects Health and Welfare or related benefits, or costs of providing them, this Contract may be opened by either party upon thirty (30) days written notice to the other party for the purpose of negotiating the Section so affected only.

SECTION 18 SICK LEAVE

18.1 All meat employees who have been employed by the Employer for a period of one (1) year or more shall be qualified to receive up to three (3) days of sick leave payment per each complete anniversary year worked. Employees requesting such sick leave payments may be required to substantiate illness with an acceptable Physician's Statement. Additionally, earned sick leave shall be cumulative not to exceed a maximum of fifteen (15) days. Prior accrued sick leave benefits will be frozen on October 28, 1995 and employees shall be eligible for past earned benefits under the Plan as frozen at that time. Accrued sick leave is not convertible to cash. The Employer agrees to provide the Union with a monthly accounting of accrued sick leave upon request.

18.2 An employee who has sufficient earned sick leave shall be paid such sick leave up to two (2) working days for scheduled time missed due to bona fide illness or injury. If an employee's illness extends beyond two (2) working days, such employee, must seek reimbursement from the New Mexico UFCW Unions and Employers Health and Welfare Trust Funds' weekly disability income benefit provisions. After the Trust Fund makes appropriate payment, the involved employee may make a written request for Safeway to coordinate any further payment from Safeway sick leave. Such request shall include documentation from the Trust Fund indicating the amount of payment made. If such involved employee's sick leave accumulation is sufficient for subsequent payment, Safeway shall make payment for the difference in the amount the employee would have received for time scheduled but missed, commencing with the third working day of the employee's absence, and the amount received from the weekly disability benefits of the New Mexico UFCW Unions and Employers Health and Welfare Trust Fund. Under no circumstances shall an employee receive sick leave pay from Safeway in excess of the amount he/she has accumulated under the sick leave provisions of this Section.

18.3 During any calendar year, no Doctor's note shall be required in the first and second instance, except for absences: (1) occurring on the day before or after a holiday; (2) the day before or after the employee's scheduled vacation or personal day; or (3) the employee has been assigned to work overtime or on a Sunday or holiday and is absent.

SECTION 19 LEAVES OF ABSENCES

19.1 After ninety (90) calendar days (within a minimum of 180 hours of work) of service, the following leaves of absence shall be granted to the employees covered by this Agreement under the following conditions:

- (a) Injury or illness on or off the job, up to three (3) days not under the care of a physician or osteopath.
- (b) Injury or illness on or off the job, up to thirty (30) days when under the care of a physician or osteopath. Such leave can be extended by a physician or osteopath up to a maximum of six (6) months.

- (c) Leaves beyond one (1) year can only be granted by the Employer, and if not granted will constitute termination.
- (d) Leaves of absence without pay for reasonable period not to exceed thirty (30) days may be granted by the Employer to employees who have completed one (1) year of continuous service for other reasons mutually agreed to between the Employer and the employee. Employee requests for this personal leave of absence must be submitted in writing.

For employees with one or more years of continuous service in the bargaining unit, a leave of absence for either parent shall be granted without pay for up to twelve months for the purpose of newborn or adopted child care. The employee shall be guaranteed reinstatement in accordance with their seniority. An employee who wishes to change his or her date of return to work shall notify the store manager two weeks in advance and shall be returned to work as set forth above. The leave of absence for either parent must end no later than twelve months from the date of birth or adoption. The Employer may require verification of the parent relationship to the newborn or adopted child.

A family care leave, without pay, shall be granted upon request by an employee for a total of up to six (6) consecutive months within a two year period. The employee requesting leave must have a minimum of one year's continuous service in the bargaining unit at the time of the request. The employee shall be guaranteed reinstatement in accordance with their seniority. An employee who wishes to change his or her date of return to work shall notify the store manager two weeks in advance of the date they intend to return. The purpose of this leave shall be to care for seriously ill family members. For the purpose of this leave, family members shall be:

1. Spouse and parents of the employee.
2. Biological or adopted unmarried children, under nineteen (19) years of age and full-time students up to the age 23.
3. A child of any age who is incapable of self-support.
4. Any relative residing in the employee's home and dependent upon the employee for care.

Except as required by law, employees must be continuously employed by the Employer for no less than 90 calendar days (with a minimum of 180 hours of work) before being eligible for a leave of absence.

19.2 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.

19.3 All leaves of absence, except where expressly provided, are understood to be leaves without pay. Holiday pay shall not be paid to any employee on a leave of absence.

19.4 This Section 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.

19.5 Seniority shall continue to accrue while on any type of leave of absence to a maximum of six (6) months at which time, if leave has been extended by the Employer, seniority will remain frozen until the employee returns to active service.

SECTION 20 FUNERAL LEAVE

20.1 Upon request, a non-probationary employee covered by this Agreement shall be granted the necessary time off with pay at his regular straight time rate of pay in order to make arrangements for and/or attend the funeral occasioned by a death in his immediate family. Such time off with pay shall in no event exceed three (3) regularly scheduled working days, and the amount of such paid time off actually granted shall normally depend on the distance involved. The "immediate family" is defined as the employee's father, mother, spouse, children, father-in-law, mother-in-law, brother, sister, grandparents and grandchildren. Payments shall not be made hereunder where the relative's death occurs while the employee is on vacation or on a leave of absence. An employee may have unpaid funeral leave of up to seven (7) consecutive calendar days.

SECTION 21 JURY DUTY

21.1 Non-probationary employees who are required to serve on any jury, shall receive the difference between his regular straight time rate of pay and the amount received for jury duty, provided however, that the employee notified the Employer within twenty-four (24) hours of receipt of the jury summons. When an employee is excused from jury service, temporarily or permanently, on any scheduled work day, the employee shall promptly report to complete any remaining hours of his scheduled work day. Jury duty pay shall be limited to thirty (30) working days per year.

SECTION 22 PENSION

22.1 The Company shall contribute the sum of one hundred forty-nine dollars (\$149.00) for employees first participating in the plan on or after to September 1, 2005, and one hundred fifty-nine dollars (\$159.00) for employees first participating in the plan prior to September 1, 2005. **The contribution will be increased by \$5.00 per month effective with hours worked in July 2020.**

Contributions shall be paid, on account of work performed on and after the first day of the calendar month after such employee has been on the Company's payroll for thirty (30) calendar days and has averaged twenty-four (24) hours or more per week for at least four (4) consecutive weeks. Such contributions shall not be made on any month in which an employee fails to average twenty-four (24) hours or more per week for at least four (4) consecutive weeks.

22.2 Contributions to the Pension Fund shall be discontinued as of the first of the month immediately following a layoff or leave of absence of thirty (30) calendar days or more. Contributions to the

Pension Fund discontinued shall be resumed as of the first of the month following return from layoff or leave of absence.

22.3 Contributions to the Pension Fund shall be continued under the following conditions:

- (a) In case of non-work accident, one (1) month's contribution following the month in which the employee incurred the accident.
- (b) In case of pregnancy, one (1) month's contribution after the month in which the employee begins her pregnancy leave of absence.
- (c) In case of illness, two (2) month's contribution following the month in which the illness occurs.
- (d) In case of compensable injury, three (3) month's contribution following the month in which the injury occurs.
- (e) The Company agrees to pay the contribution to the Pension Fund for eligible employees for one (1) month following termination of employment.

22.4 Parties to this Agreement do hereby ratify and reaffirm all acts by the Trustees done pursuant to the Agreements and Declarations of Trust, as amended.

22.5 The Company shall begin Pension contributions on new employees on the first day of the month immediately following completion of the employee's probationary period.

22.6 The term "eligible employee" shall mean an employee who has worked an average of twenty-four (24) hours for a period of four (4) consecutive calendar weeks, or (96) hours.

SECTION 23 STORE CLOSING

23.1 In the event the Employer closes or sells a store and employees are terminated as a result thereof, pay equal to one week's pay shall be provided for each year of continuous service commencing with the third (3rd) year of continuous service for employees, up to, but not to exceed eight (8) weeks pay at their regular rate. However, those employees who have an incomplete year of continuous service as an employee will receive pro rata severance pay for that year as follows:

- 1. 0-3 months equals twenty-five (25) percent of a week's pay.
- 2. 3-6 months equals fifty (50) percent of a week's pay.
- 3. 6-9 months equals seventy-five (75) percent of a week's pay.
- 4. Over 9 months equals one week's pay.

Severance pay shall be computed based on the average hours worked per week for the fifty-two (52) weeks preceding a voluntary lay-off or termination.

23.2 The Employer shall continue contributions to the Pension and Health and Welfare Trust Funds for three (3) full months following termination on an hourly basis in direct relationship to the severance

pay received for those employees who receive severance pay, except those employees who secure employment with a contributing Employer in the Pension and Health and Welfare Trust Funds.

23.3 All monies due employees, including severance pay, shall be paid in a lump sum upon termination.

23.4 An employee who is terminated and who is eligible for severance pay, and accepts severance pay, forfeits his seniority and has no recall rights. However, an employee may elect to accept a voluntary layoff not to exceed ninety (90) days. At the end of the ninety (90) days period, if he has not been recalled, he will be paid severance pay and forfeit his seniority. Any extensions of this ninety (90) days period must be agreed upon in writing and signed by the employee, a representative of the Union and the Employer. In no case will such extension exceed a total of six (6) months from the date the employee accepted the layoff.

23.5 If an employee is offered a transfer or other employment with the Employer within forty (40) miles of the store in which he was last working and he refuses to accept the transfer or other employment with the Employer he forfeits his rights to severance pay and Pension and Health and Welfare contributions.

23.6 If a store is sold and the successor Employer offers employment to an employee who is otherwise eligible for severance pay under the terms of this Section and the new job is comparable, then no provisions of this Section shall apply.

23.7 The Employer agrees to give the employees and the Union four (4) weeks' notice in advance of a store closing or sale. When such notice is given, an employee shall remain with the Employer until the plant or store closes, or forfeit his rights under this Section, unless mutually agreed to by the employee, Employer and Union.

23.8 No benefits shall accrue under the terms of this Section unless the Employer makes a business decision to close or sell a store. If a store closing is caused by fire, flood, storm, land condemnation or remodeling, then this Section shall not apply.

23.9 It is understood and agreed that employees can exercise their seniority rights under the Layoff Section; however, if they exercise such seniority rights, the provisions of this Section shall be null, void and not applicable.

SECTION 24 WAIVER

24.1 The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the Employer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though

such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement.

SECTION 25 TERM OF AGREEMENT

25.1 This Agreement shall be effective from **November 4, 2018** and shall remain in full force and effect until its expiration date, **November 3, 2022**.

25.2 On or before sixty (60) days prior to the expiration date set forth above, either party hereto may notify the other party in writing of its desire to negotiate the terms and provisions of a successor Agreement. Promptly following such notification and during such sixty (60) day period, the parties hereto shall meet and engage in such negotiations.

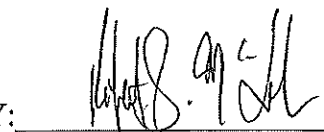
25.3 If neither party hereto gives notice to the other party of its desire to negotiate a successor Agreement prior to the expiration date of this Agreement as above provided, this Agreement shall automatically be renewed for successive one (1) year terms thereafter.

IN WITNESS WHEREOF, the parties above named have signed their names and affixed the signature of their authorized representative on this 19th day of February, 2020.

FOR THE EMPLOYER:
SAFEWAY INC.

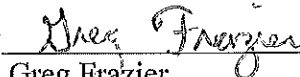
FOR THE UNION:
UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL NO. 1564

BY: _____



Robert McLauchlin
Director Labor Relations

BY: _____



Greg Frazier
President

**APPENDIX A
WAGE RATES AND CLASSIFICATIONS
Farmington/Aztec Meat**

CLASSIFICATIONS	Current	11/4/2018	11/3/2019	11/8/2020	11/7/2021
Head Meat Cutters	\$21.00	\$21.30	\$21.60	\$21.90	\$22.15
Dept Mgr (Deli & Seafood)	\$15.42	\$15.72	\$16.02	\$16.32	\$16.57
Starbucks Supervisor	\$12.38	\$12.68	\$12.98	\$13.28	\$13.53
Assistant Deli Manager	\$12.38	\$12.68	\$12.98	\$13.28	\$13.53

EMPLOYEES HIRED PRIOR TO FEBRUARY 1, 2004

Meat Cutters	\$19.62	\$19.92	\$20.22	\$20.52	\$20.77
Wrappers	\$15.25	\$15.55	\$15.85	\$16.15	\$16.40
Wrappers-Red Circled, Rate Fzn	\$15.24	\$15.54	\$15.84	\$16.14	\$16.39
Delicatessen Clerks	\$11.38	\$11.68	\$11.98	\$12.28	\$12.53

EMPLOYEES HIRED ON OR AFTER FEBRUARY 1, 2004

	11/4/2018	11/3/2019	1/1/2020	11/8/2020	1/1/2021	11/7/2021	1/1/2022
Wrapper/Deli							
Step 1 1040 hours worked	\$7.70	\$7.70	\$9.20	\$7.70	\$10.70	\$7.70	\$11.70
Step 2 1040 hours worked	\$7.80	\$7.80	\$9.30	\$7.80	\$10.80	\$7.80	\$11.80
Step 3 1040 hours worked	\$7.90	\$7.90	\$9.40	\$7.90	\$10.90	\$7.90	\$11.90
Step 4 1200 hours worked	\$8.25	\$8.25	\$9.50	\$8.25	\$11.00	\$8.25	\$12.00
Step 5 1200 hours worked	\$8.75	\$8.75	\$9.60	\$8.75	\$11.10	\$8.75	\$12.10
Step 6 1200 hours worked	\$9.25	\$9.25	\$9.70	\$9.25	\$11.20	\$9.25	\$12.20
Step 7 1200 hours worked	\$9.75	\$9.75	\$9.80	\$9.75	\$11.30	\$9.75	\$12.30
Step 8 1200 hours worked	\$10.45	\$10.45	\$10.45	\$10.45	\$11.40	\$10.45	\$12.40
Thereafter	\$11.90	\$12.20	\$12.20	\$12.50	\$12.50	\$12.75	\$12.75
Meat Cutters							
1st 2000 hours worked	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
2nd 2000 hours worked	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
3rd 2000 hours worked	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
Thereafter	\$18.40	\$18.70	\$18.70	\$19.00	\$19.00	\$19.25	\$19.25

Minimum Wage: The first step will be \$0.20 above minimum wage and every other step will increase at least \$0.10 so that all steps are at least \$0.10 apart.

APPENDIX B DRUG AND ALCOHOL POLICY

POLICY

Because of the importance of safety in the workplace and the safety hazards associated with the use of drugs and alcohol, it is the policy of Safeway to provide a workplace free of drugs and alcohol. This policy applies to all employees in Safeway's Farmington and Aztec, New Mexico stores, and will be posted in every covered facility.

The Union expressly reserves its right to grieve, under the grievance and arbitration provisions of the applicable collective bargaining agreement, the Employer's application of this Policy.

RESPONSIBILITY

All employees are encouraged to come forward with any information regarding the use of drugs, alcohol, or any other substance which may affect a person's ability to perform his or her job safely. It is the responsibility of all managers and supervisors to ensure that this policy is enforced.

PROHIBITIONS

This section sets forth the types of actions which violate this policy and will result in disciplinary action up to and including termination.

1. **Alcohol** - Possessing, consuming, selling, attempting to sell, distributing, being under the influence of alcohol, or having a blood/alcohol (or urine equivalent) level of .04 (or higher) on the job or on Company premises is strictly prohibited.

2. **Drugs** - Possessing, using, being under the influence of, testing positive for, selling, attempting to sell, purchasing, distributing, manufacturing, or dispensing a controlled substance, or other drug on the job or on Company premises is strictly prohibited. However, possessing and/or using prescription or over-the-counter medication is permitted within the limitations set forth in the following paragraph.

3. **Prescription and Over-the-Counter Drugs** - When a physician prescribes the use of prescription or over-the-counter drugs, or when over-the-counter drugs bear warnings about side effects that may affect job performance, the employee is required to ask the physician whether such drugs may adversely affect his/her ability to safely perform assigned duties. Using or being under the influence of such drugs on the job or on Company premises is prohibited where such use may affect the employee's ability to safely perform his/her job duties.

Before starting work, an employee must advise the Store Manager or Assistant Manager that the employee is taking medication which bears a warning about any side effects which may prevent the employee from safely performing assigned duties. If the Company has a reasonable basis for inquiring as to the specific medication such employee is taking, such information shall be provided by the employee with the understanding that such inquiry shall be made by the District Manager, or, in his absence, the Director of Loss Control, and the information received in terms of the specific medication shall be handled in a confidential manner and shall be shared with other management representatives

only on a "need-to-know" basis. If there is any question concerning the employee's ability to perform safely, the employee will be assigned other duties if, in management's sole discretion, such duties are appropriate and available. Otherwise, the employee will be sent home on paid sick leave, if available or, if not available, on unpaid leave.

4. **Testing** - Refusing to submit to testing as required under this policy and/or refusing to cooperate in the testing process (e.g., adulterating or tampering with the sample, refusing to sign requested forms, etc.) is a violation of this policy and may result in discipline up to and including discharge from employment.

5. **Conviction** - Being convicted of a criminal drug violation occurring in the workplace is a violation of this policy.

TESTING

Circumstances in which Testing is Required

The Company requires testing of all current employees unless otherwise limited by law in any of the circumstances set forth below:

1. When a reasonable suspicion exists that an employee is under the influence of any controlled substance, drug or alcohol while on the job or on Company premises or is otherwise in violation of this policy.

2. When an employee is found in possession of any controlled substance, drug or alcohol in violation of this policy, or when such items are found in an area controlled or used by the employee.

3. When an employee has been involved in an accident on the job or on Company premises where the accident has resulted in a fatality, an injury requiring treatment by a medical professional, loss of work time, or property damage.

4. When an employee has signed a return-to-work agreement providing for testing.

5. When required by state or federal law or regulation.

General Procedures Regarding Testing

1. When testing is required under this policy, a supervisor or manager shall instruct the employee to sign the required consent form, and a shop steward (or bargaining unit member if the steward is unavailable) shall be notified.

2. Initial tests may be performed within the store. When such tests are not available, the Company will transport the employee to a previously-designated clinic where the sample will be taken. After the sample has been collected, the employee will be transported back to the workplace and will be suspended without pay until the test results are known. The Company will advise the employee not to drive and will either transport the employee home, or offer to call a friend, relative, or taxi to take the employee home.

3. Any presumptive positive results from an initial drug screen will be confirmed by retesting the specimen using the gas chromatography/mass spectrometry technique (GC/MS).

4. If an employee's test is negative and the employee has complied with the requirements of this policy, the employee will be paid for any time lost due solely to the testing process.

5. If an employee's test is positive, the employee will be so informed and will have an opportunity to explain the result to his or her manager. If the employee offers an explanation, the employee will have 48 hours to provide any supporting documentation for the Company to evaluate. The Company will then complete its investigation, during which time, the employee will be on unpaid administrative leave. If, after completing its investigation, the Company concludes that the employee's explanation is satisfactory, the employee will be reimbursed for the period of unpaid administrative leave. Otherwise, the employee will be disciplined up to and including discharge from employment for violation of this policy.

6. The Company shall pay the expense of any required tests. The results of the test shall be kept as confidential as possible. Upon request from the employee's union, the Company shall provide the union a copy of the test results provided the employee has furnished the Company written authorization to do so.

DEFINITIONS

1. "Controlled Substance(s) and "Drug(s)"

When this policy refers to "controlled substances" and or "drugs," it means and includes all substances and/or medications that can affect one or more mental and/or physical functions (e.g., coordination, reflexes, vision, mental capacity or judgment). The words "controlled substances" and/or "drugs" includes, without limitation, all chemical substances or drugs listed in any controlled substances acts or regulations applicable under any federal, state or local laws. They also include prescription and/or over-the-counter drugs as such drugs may affect the employee's ability to perform his or her job safely.

2. "On the Job"

For purposes of this policy, an employee is considered "on the job" or "on Company premises" whenever the employee is:

- On Company property, including parking lots, at any time;
- On Company time (including paid lunch and rest periods), even if off Company premises;
- Conducting Company business on the property and/or at the facilities of customers or vendors of the Company; or
- Using Company equipment.

3. "Possession"

For purposes of this policy "possession" includes substances being physically held by an employee and/or stored or deposited in areas the employee controls (e.g., inside purses, lunch boxes, automobiles, lockers and limited-access work areas).

4. **"Reasonable Suspicion"**

For purposes of this policy, "reasonable suspicion" means observed condition(s), appearance, odor, behavior, attitude, mood or speech of the employee suggesting the possibility that the employee is under the influence of a controlled substance, drug, or alcohol.

VOLUNTARY ADMISSION OF DRUG AND/OR ALCOHOL PROBLEM

If an employee, prior to being requested to submit to testing as provided in this policy, and prior to engaging in conduct subjecting the employee to discipline, approaches his or her supervisor or other designated Company representative and clearly states that he or she has a drug or alcohol problem which he or she wishes to have handled as a confidential medical matter, the Company shall offer such employee a non-paid leave of absence of reasonable duration, not to exceed 120 days, without any loss of seniority, for the purpose of enrolling and participating in a Company-approved drug or alcohol rehabilitation program at the employee's expense, to the extent not covered by health insurance. Failure to participate in, meet the obligations of, or successfully complete the program shall result in discharge. The fact that an employee has advised his or her supervisor that he or she has a drug or alcohol problem shall not preclude the Company from taking disciplinary action against the employee for any subsequent violation of Company policy, or failure to meet Company attendance, safety or performance expectations.

The Company may condition the return to work by an employee who has taken such a leave of absence on a favorable final report of the rehabilitation agency, on receipt of negative results of testing for non-prescribed controlled substances or alcohol conducted at a date subsequent to the date of the initial testing, and on execution of a return to work agreement providing for, among other things, random testing of the employee.

APPENDIX C


VOLUNTARY EMPLOYEE BUYOUT PROGRAM

The Company may establish/maintain/discontinue a Voluntary Employee Buyout Program. No eligible employee shall be required to participate. The eligibility, terms, timing, duration, application or non-application of such incentive to any employee or group of employees shall not be subject to the grievance or arbitration provisions of the collective bargaining agreement, provided however that the Union may counsel and/or assist eligible employee members with their decisions. No employees will be contacted about any such offering until the Company has first notified the Union at least fourteen (14) days before making any offering; the Company will provide the Union with the exact terms and amounts then being offered; the eligible classifications; and a list of those employees whom the Company believes would be eligible to participate if the eligible employee so desires. No eligible employee shall be forced to participate, and the employee may decline such offer for any reason whatsoever without any reduction in pay, loss of promotion opportunity, or loss or reduction of benefits. Even though an eligible employee may decline to participate in an offering, he may participate in future offerings, if any, for which he/she is then eligible.

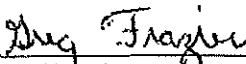
LETTER OF AGREEMENT
SAFEWAY INC. AND UFCW LOCAL 1564
Farmington/Aztec New Mexico Meat Agreement

THIS AGREEMENT is made and entered into by and between SAFEWAY INC., hereinafter referred to as the "EMPLOYER", and UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1564.

1. The parties agree to the establishment of a new full-time, 40 hour, classification of Starbucks Coffee Supervisor that shall be part of Safeway Inc. and UFCW Local 1564 Meat Cutters Collective Bargaining Agreement. The Starbucks Coffee Supervisor shall not be considered a required classification.
2. All duties associated with the preparation and serving of Starbucks beverages sold in the Starbucks Coffee Shop shall be performed exclusively by bargaining unit employees. Other merchandise, to include Starbucks Brand products and merchandise, and pastries sold in the Starbucks Coffee Shop will be handled by bargaining unit employees.
3. The Starbucks Coffee Supervisor shall be subject to all the terms and conditions of the Meat Cutters principal Agreement. The Company shall serve endeavor to fill openings in this position from those already employed in the bargaining unit and on the basis of fitness, ability, and seniority. A Starbucks Coffee Supervisor shall not be bumped or otherwise displaced by employees in any other classification. This paragraph shall not be used to diminish the hours of the delicatessen clerks, nor to usurp the seniority provisions in Section 10 Seniority of the Meat Cutter Collective Bargaining Agreement.
4. The rate of pay for a Starbucks Coffee Supervisor, effective November 1, 2009 shall be \$11.23/hr. Future wage increases shall be determined by the Collective Bargaining Agreement.
5. In the event of a Department closure or layoff, the Starbucks Coffee Supervisor shall be permitted to exercise his/her seniority in accordance with Section 10.8 of the Meat Cutter Collective Bargaining Agreement.



Vanessa M. Lastrapes
Director of Labor Relations



Greg Frazier
President, Local 1564

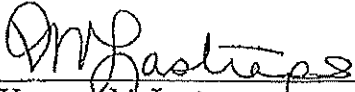
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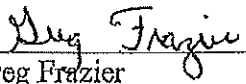
LETTER OF AGREEMENT
SAFEWAY INC. AND UFCW LOCAL 1564
Farmington/Aztec New Mexico Meat Agreement

THIS AGREEMENT is made and entered into by and between SAFEWAY INC., hereinafter referred to as the "EMPLOYER", and UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 1564.

1. The parties agree to the establishment of a new full-time, 40 hour, classification of Assistant Deli Manager that shall be part of Safeway Inc. and UFCW Local 1564 Meat Cutters Collective Bargaining Agreement. The Assistant Deli Manager shall not be considered a required position.
2. All duties connected with the operation of the deli department may be performed by the Assistant Deli Manager.
3. The Assistant Deli Manager shall be subject to all the terms and conditions of the Meat Cutters principal Agreement. The Company shall endeavor to fill openings in this position from those already employed in the bargaining unit and on the basis of fitness, ability, and seniority. Assistant Deli Managers shall not be bumped or otherwise displaced by employees in any other classification. However, this paragraph shall not be used to diminish the hours of the delicatessen clerks, nor to usurp the seniority provisions in Section 10 Seniority of the Meat Cutter Collective Bargaining Agreement.
4. The rate of pay for an Assistant Deli Manager, effective November 1, 2009 shall be \$11.23/hr. Future wage increases shall be determined by the Collective Bargaining Agreement.
5. In the event of a Department closure or layoff, the Assistant Deli Manager shall be permitted to exercise his/her seniority in accordance with Section 10.8 of the Meat Cutter Collective Bargaining Agreement.



Vanessa M. Lastrapes
Director of Labor Relations



Greg Frazier
President, Local 1564

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Date

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Date

Letter of Agreement
Between
Safeway, Inc. and UFCW Local #1564
Seafood Manager
Farmington/Aztec New Mexico Meat Agreement

The above parties hereby agree to establish the terms and conditions of a new classification of Seafood Manager.

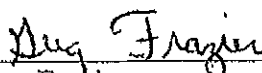
1. This classification shall become a part of the Safeway, Incorporated and United Food and Commercial Workers Union Local 1564 labor agreement in the Aztec/Farmington Meat Bargaining Unit. All the terms and conditions of the existing labor agreement shall apply to this classification as set forth therein. It is also understood and agreed that the position shall be considered a Department Head for the purpose of Plan A health and welfare coverage.
2. The Seafood Manager is defined as an employee in a store designated to manage the operation of the Seafood Department under the supervision of the Store Manager. Safeway reserves the right to fill the position at its discretion and it is also understood that this is not a required classification in any store. The employee in this classification should be allowed to perform all duties in the Department without restriction.
3. The rate of pay for a Seafood Manager, effective November 1, 2009, shall be \$14.27/hr. Future wage increases shall be determined by the Collective Bargaining Agreement.



Vanessa M. Lastrapes
Director of Labor Relations

1/8/10

Date



Greg Frazier
President, Local 1564

1/10/10

Date