

AGREEMENT

BETWEEN

**SAFEWAY INC.
(GALLUP, NEW MEXICO)
MEAT**

AND

UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL NO. 1564

CHARTERED BY:

UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION

EFFECTIVE: November 3, 2018 TO AND THROUGH November 4, 2022

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Between

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(Gallup, New Mexico)

And

United Food and Commercial Workers Union, Local No. 1564

Chartered By:

United Food and Commercial Workers International Union
Effective: November 3, 2018 through and including November 4, 2022.

THIS AGREEMENT is entered into by and between Safeway Inc., hereinafter referred to as the "Company", and the United Food and Commercial Workers Union, Local No. 1564, chartered by the United Food and Commercial Workers International Union, referred to hereinafter as the "Union".

INTENT AND PURPOSE

The Company and the Union each represents that the purpose and intent of this Agreement is to promote cooperation and harmony, to recognize mutual interest, to provide a channel through which information and problems may be transmitted from one to the other, to formulate rules to govern the relationship between the Union and the Company, to promote efficiency and service, and to set forth herein the basic agreements covering rates of pay, hours of work, and conditions of employment.

SECTION 1 RECOGNITION OF THE UNION

1.1 The Company recognizes the Union as the exclusive bargaining unit agent for all employees engaged in the retail wholesale distribution of all fresh meats and all other meat products, including rabbits, fish and domestic fowls of all kinds, regardless of their origin, within the boundaries of the City of Gallup, State of New Mexico, presently under and within the jurisdiction of the Union.

1.2 No employees of the Company, other than employees under the jurisdiction of the Union, will be permitted to cut and wrap meat in the Gallup store, except for instruction, business needs, cutting test, store openings and remodeling. The Company shall assure that meat cases shall be stocked by members of the bargaining unit to assure an adequate supply of meat for sale. Outside suppliers or salesmen shall not be permitted to stock or price merchandise in the store. 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 on or 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.

1.3 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.

1.4 It is the mutual understanding of the Union and the Company that Bargaining Unit work as it directs itself toward the stocking of Meat cases shall be interpreted to mean:

- (a) Suppliers and outside salesmen will not price or stock the cases in the meat department; however, such suppliers or salesmen may participate when the Deli section is being re-merchandised and may also rotate and pull outdated and spoiled product.
- (b) That in scheduling the Employer shall anticipate in good faith the persons necessary to adequately stock meat cases for anticipated business.
- (c) That if, however, unexpected business reduces the inventory in the meat cases below normal and there is not a meat employee available to restock from already wrapped and prepared inventory then the Employer can stock such merchandise with supervisors instead of exercising a less than four (4) hour call-in.

1.5 Safeway believes it has a good faith working relationship with UFCW 1564 and will not present any anti-union information during new hire orientation to discourage union affiliation. This only applies to orientation for union positions.

SECTION 2 EMPLOYMENT PROCEDURES

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 that 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.

The Union agrees to indemnify and hold the Employer harmless from and against any and all demands, claims, damages, losses, liability or expenses, including without limiting the generality of the foregoing attorneys' fees, arising from or growing out of the application of this Section by Employer.

2.2 The Employer agrees to deduct Union dues and initiation fees stipulated by Local No. 1564, from wages of employees in the bargaining unit who provide the Employer with a voluntary written authorization which shall be irrevocable for a period of not more than one (1) year or beyond the term of this Agreement, whichever occurs sooner. Such deductions shall be made on a weekly basis and shall be remitted to the Union on a monthly basis provided the Employer has received a request for dues and initiation fees by Local No. 1564 setting forth the amount and from whom it is to be deducted. Such amounts as are deductible from the employee on that pay period up to and including the full amount shall then be transmitted to Local No. 1564.

Upon notice from Local 1564, the Employer agrees to deduct annually, from the wages of employees who have authorized the Employer to do so, a uniform political deduction and forward such to the President of Local 1564.

The Union agrees to indemnify and hold the Employer harmless from and against any and all demands, claims, damages, losses, liability or expenses, including without limiting the generality of the foregoing, attorneys' fees, arising from or growing out of the application of this Section by the Employer.

SECTION 3 JOB DESCRIPTIONS

3.1 HEAD MEAT CUTTER – The Head Meat Cutter shall be a qualified Journeyman Meat Cutter. He shall be allowed to perform all duties within the meat sections, in addition to all special duties required pertaining to the meat section by the Company. All such work shall be performed during working hours.

3.2 JOURNEYMAN MEAT CUTTER – A Journeyman Meat Cutter is a skilled meat cutter who has served his apprenticeship in accordance with this Agreement.

3.3 APPRENTICE MEAT CUTTER – (a) An Apprentice Meat Cutter must be eighteen (18) years of age or older, learning all details and developing skills for performing the duties of a Journeyman Meat Cutter. The Company agrees to assign each Apprentice Meat Cutter to various jobs in order to give him the opportunity to qualify as a Journeyman Meat Cutter at the end of his apprenticeship period.

In cases where the Union and the Company mutually agree that the Apprentice cannot qualify to become a Journeyman Meat Cutter at the end of his two (2) year training period, they may agree to extend him an additional six (6) months period of training and this extra time of training shall be paid for at the top apprenticeship bracket.

- (b) To use an Apprentice Meat Cutter, the market must employ at least one (1) full-time Journeyman Meat Cutter other than the Head Meat Cutter. An additional Apprentice Meat Cutter may be used in each market for every additional full-time Journeyman Meat Cutter working in the market.

No Apprentice Meat Cutter shall be employed in the self-service department or markets as a Wrapper for more than forty percent (40%) of his weekly hours worked.

3.4 WRAPPER – A Wrapper is a person employed in a self-service market engaged in wrapping, weighing, selling, pricing and displaying of products handled in the meat section of the Company's stores.

- (a) It is expressly understood that Wrappers are not permitted to use any tools of the trade which include knife, cleaver, hand or electric saw, slicing machine, meat grinder, minute steak tenderizer, or hamburger patty machine.

However, Wrappers may use the Meat Tenderizer including Fajita Blades; provided the hours of Meat Cutters may not be reduced below the average hours worked over the three (3) month period immediately preceding the ratification of this Agreement, unless the Company's competitive situation is changed by the impact of a major competitor.

Upon the request of a customer, a wrapper may grind meat and slice deli meat in violation of this Agreement; provided, this privilege is not abused.

- (b) Wrappers may be used to weigh, wrap, price and display, and all work incidental thereto, and perform their usual clean-up duties. Assignments will be rotated so the Wrappers will learn all phases of the job.

3.5 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.

3.6 MEAT CLERK – A Meat Clerk is a person who is engaged in handling, pricing, displaying and otherwise servicing the "cold deli section" which includes lunch meats, cheeses, tortillas, etc., where applicable; and may perform work in the designated service area where meat, poultry, fish, and sea food are dispensed to customers on an employee service basis rather than a self-service basis.

It is agreed the Company will be free to transfer employees in the meat clerk classification into meat wrapper or meat cutter jobs.

3.7 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.

3.8 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.

3.9 NEW CLASSIFICATIONS/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.

SECTION 4 HOURS OF WORK

4.1 All full-time employees shall be guaranteed forty (40) hours of work in regular work weeks consisting of not more than five (5) days, not necessarily consecutive, and thirty-two (32) hours in holiday weeks of not more than four (4) days, not necessarily consecutive, excluding the holiday. In the event two (2) holidays fall in the same workweek, the guaranteed workweek shall be twenty-four (24) hours to be worked in three (3) days, not necessarily consecutively.

The Company may count work performed on a holiday towards the weekly guarantee. Work on the holiday shall count toward making up the forty (40) hours in computing overtime over forty (40) hours actually worked but shall not count as a day worked as one of the four (4) days of work.

The Employer shall post a roster for those employees who desire to work more than the basic holiday workweek at straight-time rates two (2) weeks prior to the holiday. Such roster shall be available for employee signatures up to the Tuesday immediately before the schedule is to be posted. Employees who sign the roster shall be assigned such work at straight time in order of their seniority by classification. Should there not be sufficient volunteers, the Employer may assign such work at straight time in inverse order of seniority by classification.

4.2 It is mutually understood and agreed that full-time employees are defined to be employees who are regularly scheduled to work forty (40) hours or more per week. Regularly scheduled shall mean any six (6) consecutive workweeks.

4.3 Full-time employees may be reduced to part-time status in order of seniority and the guarantee of forty (40) hours would have no further effect until the employee is once again reclassified to full-time status.

4.4 A work schedule for the succeeding week shall be posted in markets not later than Thursday noon of the current week.

- (a) Part-time Scheduling. Part-time employees shall be scheduled to work a minimum of four (4) hours work each day. The Company will schedule all work for part-time employees based on seniority within their classification within their store not to exceed eight (8) hours in any one (1) day or forty (40) hours in any one (1) week provided the employee is available for at least four (4) consecutive hours when the work is available and that this scheduling does not conflict with or prohibit the simultaneous scheduling of another part-time employee.

However, this scheduling is not intended to mean that the Company must schedule to incur additional premiums or penalties or violate any provision of this Agreement. The part-time employee with seniority must advise the Store Manager that he is available for a posted schedule within twenty-four (24) hours after the store schedule is posted or he has no claim on such schedule of hours. Any part-time or full-time employee who is absent or tardy according to his work schedule may lose his guarantee for that day as shown on the work schedule.

- (b) The work schedule can be changed after the initial posting, only with the written consent of the employees involved. Any employee who fails to report as scheduled shall lose his right for premium pay provided under this Section for that day as set forth in this schedule. When part-time employees volunteer to work off their work schedule, such work shall be paid for at their basic straight-time rate of pay without penalty to the Company.
- (c) It is agreed that the Company may ask employees to work over their regular shift and in such instances such work shall be paid for at their basic straight-time rate of pay, without penalty to the Employer, as long as such hours do not exceed forty (40) hours per week or eight (8) hours in a day.
- (d) Any employee who is not able to report to work as scheduled and fails within twenty-four (24) hours thereafter to personally provide the Employer with sufficient reason to have prevented the employee from reporting to work, shall be considered a voluntary quit.

4.5 No employee shall work more than five (5) hours without a lunch period. Lunch period shall be no less than thirty (30) minutes and no more than sixty (60) minutes in duration.

4.6 Employees required to work more than eight (8) hours in any one day, or more than forty (40) hours in any week shall be paid for such work at one and one-half (1-1/2) times the employee's regular straight-time rate of pay, except for holiday weeks when additional penalties are added.

4.7 No split shifts shall be required of any employee. Longer lunch periods than specified herein, except when mutually agreed on by the employee and Company or scheduling daily work hours non-consecutively will constitute a split shift.

4.8 Any employee called to work shall be guaranteed a minimum of four (4) hours of work or pay in lieu thereof and such pay in lieu of work shall be at the basic rate of pay, provided such employees are available and can work the minimum of four (4) hours.

4.9 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.

4.10 Employees shall be granted one (1) fifteen (15) minute rest period, with pay based on the number of hours worked during a workday:

0 to 6 hours	one 15 minute rest period
6 to 10 hours	one 30 minute or two 15 minute rest periods
10 hours or more	one additional 15 minute rest period.

4.11 Overtime work, night work, Sunday work and holiday work, where applicable and practicable, shall be distributed equally among employees in each classification. Such equalization shall be maintained within a calendar month on a store-by-store basis.

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

4.13 Employees, with the exception of Apprentice Meat Cutters who must be worked on all jobs, who perform the work, and assume the responsibilities, of a higher paid classification while performing the work, and assuming the responsibilities, for a period of more than two (2) days.

4.14 All work performed on Sunday by Employees hired prior to February 1, 2004, shall be paid for at the rate of one and one-half (1 1/2) times the regular straight-time rate of pay, such pay to be considered as Penalty Pay. Employees hired on or after February 1, 2004 shall receive a premium of one (\$1.00) dollar per hour for all work performed on Sunday. Employees hired after December 5, 2005 shall not be eligible for Sunday premium pay.

4.15 All work performed on a holiday by employees hired prior to February 1, 2004, shall be paid for at the rate of time and one half (1-1/2) the regular straight-time rate of pay which shall be in addition to regular holiday pay, such pay to be considered as Penalty Pay. All employees hired on or after February 1, 2004 shall receive a premium of \$1.00 per hour for work performed on a holiday.

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

4.17 Time and one-half (1-1/2) overtime pay shall not be pyramided for both daily and weekly overtime. Penalty Pay shall not be considered as overtime pay.

4.18 Overtime must be authorized by the Company.

4.19 Thirty-five cents (\$0.35) per hour over the regular rate of pay shall be paid for all work performed after 7:00 p.m. and before 7:00 a.m., provided, however, that this Section shall not apply to employees hired on or after October 30, 2005.

SECTION 5 DISCHARGE AND SUSPENSION

5.1 Discipline. The Employer shall have the right to discharge, demote or suspend an employee for just cause.

5.2 Warning Letters. Corrective Action Notices are intended to improve deficiencies in an employee's work performance or an employee's conduct while at work.

- (1) Such notices, in order to be valid, must be personally delivered to the employee within fourteen (14) days after the event giving rise to such notice and the contents of such notice must be personally explained to the employee at that time, outlining specifically what conditions must be changed or improved and the time limits for the employee to improve alleged deficiencies or misconduct.
- (2) Corrective Action Notices are not to be used for arbitrary, capricious or unlawfully discriminatory purposes.
- (3) Upon receipt, employees shall date and sign such notice acknowledging receipt of such notice. A copy of the notice shall be transmitted to the Union within five (5) calendar days. However, such signing shall in no way be construed to be an admission of any misconduct or be in agreement with the contents of such notice.
- (4) Employees who are given Corrective Action Notices shall be given an adequate opportunity to improve their work or correct any alleged deficiencies in their conduct.
- (5) Warnings, both written and oral shall be effective for a period of twelve (12) months, unless another warning for a related or similar offense occurs within that twelve (12) month period, in which event, the first and any additional notices remain in effect for a period of twelve (12) months provided that no written warning for a related offense occurs within the said twelve (12) months.

This Section shall not be construed to require an Employer to issue a Corrective Action Notice in cases where discharge or suspension is imposed for just cause based on the offense.

5.3 APPEAL – If an employee does not agree with the action taken by the Employer in Section 5.2 above, such employee shall have the right to appeal such action by filing a written appeal under Section 8 of this Agreement within fifteen (15) days following the occurrence of the action.

5.4 REASON – Any employee who is discharged, suspended or demoted shall be informed at the time of discharge, suspension or demotion of the immediate cause.

- (a) Upon request to a designated Employer Representative, any employee who is discharged, suspended or demoted shall be informed in writing of the cause of discharge, suspension or demotion within five (5) calendar days of receipt of such request, excluding weekends.

- (b) Any employee who is suspended shall be informed of the length of the suspension at the time of the suspension, except for suspensions pending reasonably prompt investigations of no more than two (2) weeks, except when mutually extended by the Company and the Union.

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

- (a) First unexcused absence or tardiness.....first written warning notice.
- (b) Second unexcused absence or tardiness...second written warning notice.
- (c) Third unexcused absence or tardiness.....one week lay-off without pay.
- (d) Fourth unexcused absence or tardiness....subject to discharge.

5.6 The Employer may require that absences due to illness be substantiated by an acceptable Physician's Statement. A Physician's Statement which indicates only that an employee "may return to work on ..." may not in all cases be considered acceptable.

SECTION 6 HOLIDAYS

6.1 The following days shall be considered as holidays for non-probationary employees for which there shall be no reduction in pay:

New Year's Day	Christmas Day
Independence Day	Employment Anniversary Day
Labor Day	Four (4) Personal Holidays
Thanksgiving Day	

Employees hired on or after February 1, 2004 who have completed at least one year of continuous service shall be eligible for the four (4) 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 year of service.

6.2 In the event a holiday named herein falls on Sunday, the following Monday shall be observed; provided, the store is open for business on Sunday.

6.3 The Company shall be given written notice by the employee at least two (2) weeks prior to the Employment Anniversary Day, and Personal Holidays. Personal holidays shall only apply to employees actively on the payroll for twelve (12) months.

- (a) These days must be mutually agreed between the Company and employee, but if not agreed, then the day must be set within ten (10) days before or after the date being sought. Such holidays, when scheduled, may be changed only by agreement between Company and employee except when required by legitimate business necessity.

- (b) The Company reserves the right to limit the number of Personal Holidays and Anniversary Dates in any given week. None of these holidays will be observed in a week where a common holiday is observed.
- (c) The Anniversary date will be observed on the actual day, unless there is good cause for change.

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

- (a) Death in the immediate family (spouse, child, mother, father, brother, sister, grandmother, grandfather, an in-law relationship or any relative residing permanently in the employee's immediate household).
- (b) Wife giving birth to child
- (c) Meetings with the Company as representative of the Union.
- (d) Absence excused by the Company.

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

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

Any part-time employee who shall have received compensation for an average of twelve (12) hours or more per week during the four (4) calendar weeks immediately preceding any such work week in which the holiday falls, and who works during the work week during which the holiday occurs shall receive as holiday pay that amount that equals the average of hours worked during the preceding four (4) calendar weeks divided by five (5).

6.7 Anything to the contrary notwithstanding, the Company at its sole and absolute discretion may operate its store, in whole or in part, on any of the holidays recognized in the Agreement.

6.8 Thanksgiving and Christmas Holiday –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 7 WAGES

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

7.2 Employees shall be given previous service credits on the pay schedule thirty (30) days after employment, provided previous service has been within the last ten (10) years and has been comparable work in a retail meat market.

- (a) For credit to be given, the employee must indicate the experience at the time of employment on the application for employment furnished by the Employer, and, if requested to do so, shall provide written verification satisfactory to the Employer. Experience shall be credited retroactive for a maximum of sixty (60) days, upon receipt of such written verification.
- (b) Comparable work experience shall be work of similar duties with a company of comparable or larger size. Work in convenience stores shall not be considered. Self-employment will not be credited.
- (c) Employees will receive credit for previous experience in full increments set forth in Appendix "A" Wages and partial hours of experience shall not be credited.
- (d) Claims for a rate adjustment based on previous experience, in order to be eligible for retroactive payment, must be filed within forty (40) days from the date of employment. Claims filed after this period to a maximum of sixty (60) days shall be adjusted but not retroactively. Claims filed after sixty (60) days from date of employment shall be forfeited and waived and failure to provide information on the application blank will also waive any right of the employee to any future claim of experience credit for the experience so omitted.

7.3 Time spent by an employee traveling during his work day between two (2) stores of the Employer at the request of the Employer shall be counted as time worked, and the employees who are authorized to use their own transportation shall receive reimbursement pursuant to IRS guidelines and rates. Employees may decline to use their own personal vehicle without being issued discipline of any kind. Travel time must be preapproved by store management on duty.

7.4 Nothing shall restrict the right of the Company to advance an Apprentice Meat Cutter to Journeyman Meat Cutter in less than two (2) years, if, in the Company's opinion, an Apprentice Meat Cutter is qualified to perform the duties of a Journeyman Meat Cutter.

7.5 Employees enjoying wages in excess of those stipulated herein shall not receive a reduction during the life of this Agreement except in the case of reassignment to another job in accordance with the provisions of this Agreement.

7.6 Part-time employees shall work 1040 hours in order to be eligible for progression increases.

SECTION 8 GRIEVANCE PROCEDURE

8.1 **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.

8.2 Grievances shall be filed promptly, but no more than fifteen (15) days beyond the event giving rise to the dispute. Time limits may be extended upon consent in writing of both parties.

8.3 The following procedures shall be followed by the parties hereto:

- (a) **STEP 1** – For administrative grievances, i.e., those grievances relating to Rates of Pay, Vacation Pay, Holiday Pay, Sunday Premium, Night Premium, etc., the employee, who may be assisted by the Store Steward, should first discuss any dispute with the Store Manager. The parties shall make every reasonable effort to resolve any dispute at this level. Settlements made at this level shall not establish any precedent. The parties agree that they shall 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 that such settlements shall have no evidentiary value in any such proceeding.
- (b) **STEP 2** – Should a settlement of the dispute not be forthcoming at Step 1, or in those grievances which cannot be handled at Step 1, the Union shall reduce the dispute to written form setting forth the following:
 - 1. The action complained of.
 - 2. The dates, places and persons involved.
 - 3. The Contract Provision allegedly violated.
 - 4. The proposed remedy.

which shall be submitted to the Labor Relations Department within fifteen (15) days of the event giving rise to the dispute. As soon as practical thereafter, but in no event more than thirty (30) days thereafter, a representative of the Labor Relations Department shall meet with representatives of the Union in an effort to resolve the dispute. The Employer will provide its response in writing.

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. Once the Union President has been contacted, he shall have fourteen (14) working days in which to respond to the Employer, or the grievance shall be considered denied. The Union will provide its response in writing.

Should a settlement of the dispute not be forthcoming at Step 2, the matter may be referred to Arbitration.

8.4 No grievance or arbitration may be considered unless the procedure provided herein has been followed. The Employer and the Union agree that every reasonable effort should be made to resolve any dispute at the earliest level of the grievance procedure. The parties agree that no recriminate action may be taken against any employee who files a grievance, who provides evidence, or who exercises their rights under Section 15. Should either party become aware of any violation of the foregoing, the party shall take immediate and effective steps to remedy such violation.

8.5 ARBITRATION – If the dispute or disagreement is not settled in a manner satisfactory to the Union or to the Employer, either party may request, on behalf of both parties that the Federal Mediation and Conciliation Service (FMCS) provide a panel of seven (7) qualified arbitrators. Each party shall strike a name in alternation with the Employer striking the first name. The remaining name will be empowered to serve as the arbitrator.

8.6 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 shall reduce such award by all earnings including unemployment compensation 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.

8.7 The Arbitration procedure herein set forth is the sole and exclusive remedy of the parties hereto and the employees covered hereby, for any claimed violations of this Agreement, and for either party during the term of this Agreement and such arbitration procedure shall be (except to enforce, vacate or modify awards) to the extent permitted by law in lieu of any and all other remedies or forums of law, in equity or otherwise which will or may be available to either of the parties.

8.8 The Employer agrees to outline settlement of all grievance settlements and arbitration awards to the Union by providing the Union with copies of the settlement, if any, so the Union may assure prompt and correct settlement.

SECTION 9 SENIORITY

9.1 For the purpose of this Agreement, seniority shall prevail in filling permanent vacancies, transfers, layoffs, and recalls of employees. Probationary employees shall not acquire seniority for the first sixty (60) days; however, if retained beyond said sixty (60) days, the employee's seniority shall be dated to the last date of employment.

The Employer agrees, where possible, to call-in employees by seniority and classification

(a) There shall be four (4) seniority groups as follows:

- (1) Head Meat Cutter
- (2) Journeyman and Apprentice Meat Cutter

- (3) Wrappers and Packers
- (4) Meat Clerks

- (b) There shall be one (1) seniority area, which shall be the same as that as set out in Section 1.1 of this Agreement.

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

9.3 Seniority will be broken if an employee:

- (a) quits;
- (b) is discharged for just cause;
- (c) fails to return to work within seventy-two (72) hours after being recalled by the Company by Certified Mail--Return Receipt Requested to his last known address on Company records;
- (d) has been laid off from the Company for one (1) year.

9.4 All employees, in the event of a layoff, or transfer, shall be laid off or transferred in accordance with their established seniority within their respective seniority group provided the employees retained or transferred have the ability to perform the work. In rehiring, the last person laid off shall be the first person rehired provided they have the ability to perform the work.

9.5 Transfers are permitted between establishments of the Company in this seniority area provided seniority is followed.

9.6 Part-time workers shall have the first choice for full-time work based on their seniority, provided they have the ability to perform the work.

9.7 Seniority status of employees hired on the same day shall be determined by the Company with notice to the Union.

9.8 Transfer of Head Meat Cutters and employees receiving promotions shall not be subject to the Seniority clause. When offered a transfer, a Head Meat Cutter shall have the option of accepting the transfer or being reduced to Journeyman Meat Cutter classification.

9.9 Head Meat Cutters and Assistant Head Meatcutters shall be allowed to voluntarily return to the Journeyman Meat Cutter classification without loss of seniority upon giving thirty (30) days' written notice to the Company.

9.10 A permanent vacancy shall be filled in accordance with the following procedure:

- (a) Journeyman Meat Cutter and Wrapper vacancies shall be filled by seniority from among those employees who have requested consideration and who have the ability to perform the job. The Company shall have the right to fill temporary vacancies without regard to seniority.
- (b) Employees desiring to bid on permanent job openings shall submit their request in writing to the Personnel Department and District Manager specifying the store location desired.
- (c) Apprentice Meat Cutters and Head Meat Cutters shall not be allowed to bid their assignments.
- (d) For the purpose of this Section, the Company shall determine ability subject to the No Discrimination clause of this Agreement.

9.11 All Apprentice Meat Cutter openings shall first be offered to those employees in the Wrapper classification. When a Wrapper is assigned to the Journeyman or Apprentice Meat Cutter classification, the Wrapper will retain seniority in the Wrapper classification for a period of one (1) year.

After one (1) year if the former Wrapper continues to be assigned to the Apprentice or Journeyman Meat Cutter classification, his or her seniority date will be the date assigned as an Apprentice or Journeyman Meat Cutter. If the former Wrapper is to be laid-off, the former Wrapper may elect to be reassigned to the Wrapper classification rather than accept the layoff. If the former Wrapper elects this option, his or her seniority date shall be the date originally assigned as a Wrapper. If the former Wrapper has returned to the Wrapper classification and is recalled to the Journeyman or Apprentice Meat Cutter classification, the Wrapper may accept the recall or remain in the Wrapper classification without further recall rights.

9.12 A Head Meat Cutter who returns to the Journeyman Meat Cutter classification shall carry his/her original seniority date into that classification.

SECTION 10 LEAVE OF ABSENCE

10.1 A personal leave of absence may be granted by the Company for a period not to exceed three (3) consecutive weeks without pay to an employee with six (6) months or more of continuous service.

10.2 An employee on sick leave of absence for more than one (1) year may be considered separated from the Company and considered to be terminated from the Company except in case where such sickness absence is a result of an occupational injury or illness, in which case such leave shall not exceed twenty-four (24) months.

10.3 Seniority employees shall be granted a leave of absence for the following reasons:

- (a) Sickness
- (b) Military draft or military reserve duty
- (c) Union or Company business

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

10.5 The Employer agrees to comply with the terms of the Uniformed Services Employment and Re-employment Rights Act (USERRA), with reference to all provisions, providing for re-employment of persons entering Military Service. A military leave of absence will be granted to an employee while on military reserve duty ordered by the President, or Governor, for annual encampment, cruise, or for National, State or Local emergencies.

10.6 The Company agrees that members of the Union shall be given time off without pay in order to take care of Local Union business activities such as, conventions, negotiations and in the settlement of grievances beyond the 3rd Step of the Grievance Procedure. The Company will not unreasonably deny requests for time off for this purpose.

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

10.8 Employees on leave of absence shall not accumulate benefits except seniority as provided above, during such leave.

SECTION 11 VACATIONS

11.1 Full-time employees who have been on the payroll of the Company for more than:

- (a) one (1) year shall be entitled to one (1) week of vacation with full pay (40 hours);
- (b) three (3) years shall be entitled to two (2) weeks of vacation with full pay (80 hours);
- (c) eight (8) years shall be entitled to three (3) weeks of vacation with full pay (120 hours);
- (d) fifteen (15) years shall be entitled to four (4) weeks of vacation with full pay (160 hours);
- (e) twenty (20) years shall be entitled to five (5) weeks of vacation with full pay (200 hours).

Part-time employees working less than the basic workweek, shall be given a prorated vacation based on average hours worked per week during the vacation year. Hours paid for vacations and holidays will be included in the computation of vacation amounts.

Employees hired on or after October 30, 2005 must work 1040 hours to earn 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 of vacation after fifteen (15) years of continuous service..

11.2 SELECTION OF VACATION – The selection of vacations shall be by seniority on a store basis, based upon the following:

- (a) On a vacation schedule posted by the Employer no later than December 31st 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 week(s), 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 March 15 to September 15.
- (c) Employees who do not make a 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 vacations by March 31. However, all employees must make vacation selections no later than September 15.
- (d) After March 31, the vacation schedule may only be changed by mutual agreement between the store manager and the employee.
- (e) Notwithstanding any of the above, 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 the individual store needs and legitimate business circumstances, except however, no less than one (1) employee shall be allowed vacation time off during any week of the calendar year.

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

11.4 Employees shall not be given pay in lieu of a vacation unless mutually agreed between the Union, the Employee and the Company. Where employees are paid vacation pay on their anniversary date, they shall take unpaid vacation scheduled in accordance with the provisions of Section 6.

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

11.6 All employees with three (3) years or more of service with the Company shall have January 1st of each year as their anniversary date for the purpose of this Section. However, no employee shall be allowed more than one vacation during the calendar year.

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 1 through 5 of this Section. Such continuous work shall include paid vacation time.

SECTION 12 JURY DUTY

The Company agrees to pay the difference between any Government allowance and a full day's pay at straight time hourly classification rates for each day non-probationary employee is required to serve and does serve on any jury, provided the employee is scheduled to work on the day or days actually served on the jury.

SECTION 13 FUNERAL LEAVE

In the event of a death in the employee's immediate family (spouse, child, mother, father, brother, sister, grandmother, grandfather, an in-law relationship or any relative residing permanently in the employee's immediate household), the employee shall be entitled to be absent from work for such time as is necessary to make arrangements for and attend the funeral and return if required and will be allowed up to a maximum of three (3) days of funeral leave pay.

During such absence, any non-probationary employee shall be compensated at his straight time hourly classification rate for such regular working time lost. Such absentee compensation shall not include pay for lost overtime, vacation time, or premium pay; it shall include holiday pay.

It is understood that an employee, with at least one year of service, will be allowed one (1) day off to attend the funeral of other close relatives down to and including first cousins, such time to be considered as actual time worked and paid for as such, provided the employee is scheduled to work on the day of the funeral.

SECTION 14 GENERAL PROVISIONS

14.1 INVENTORY – The Company agrees that all inventory of merchandise shall be taken during working hours.

14.2 POLYGRAPH TESTS – No employee shall, as a condition of employment, be required to submit to a Polygraph Test without approval of the Union and the employee involved.

14.3 FINANCIAL DEDUCTIONS – No employee shall be required as a condition of employment to have deducted from his pay or to make any financial donation or contribution except for any cause specifically provided for in this Agreement or required by State or Federal statutes.

14.4 LAUNDRY – The Company agrees to furnish and supply laundered aprons and uniforms without cost to the employee.

14.5 WORKING OFF THE CLOCK – The Employer and the Union agree that working while not "clocked in" shall be a violation of this Agreement. If any employee is shown to be working off-the-clock, on the first offense, such employee shall be warned in writing of the offense, on the second offense such employee shall be suspended for three (3) workdays without pay. On the third offense, such employee shall be discharged.

SECTION 15 UNION AFFAIRS

15.1 UNION MARKET CARDS – In all markets covered by this Agreement, the official Union Market Card shall be displayed where visible to all customers provided there are no violations of this Agreement. Such cards shall remain the property of the Union and shall be surrendered upon written demand at any time, only if the Employer has refused to comply with the final decision of an Arbitrator reached in accordance with the provisions of this Agreement.

15.2 UNION NOTIFICATION – The Company agrees to notify the Union promptly in writing of all permanent changes made in job rates, market transfers, layoffs, discharges, recalls and new employees being hired.

15.3 BULLETIN BOARD – The Company will provide a Bulletin Board or other suitable arrangements within the establishment where the Union may post notices of Union recreational affairs, social affairs and notices of election and deaths, appointments and results of Union elections pertaining to the establishment and notices of Union meetings, and copy of this Agreement.

15.4 UNION REPRESENTATIVES – (a) Authorized representatives of the Union shall be permitted to visit the store regarding Union matters during working hours. After notifying the manager or person in charge of the store, such representative may visit employees covered by the terms of this Agreement. Such visit shall not unreasonably interfere with the conduct of the Employer's business. Time taken for such interviews in excess of ten (10) minutes for each employee shall not be on Company time, unless approved by the Store Manager.

- (b) Any employee covered by the terms of this Agreement may request a Union Business Representative be present during any interrogation by management, which the employee believes could result in the employee's discharge or suspension. 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 that the request is made.

15.5 SHOP STEWARD – The Union shall have the right to designate Stewards to assist the Union in enforcing this Agreement. Stewards shall be authorized to investigate grievances and to resolve grievances with the Store Manager. Stewards shall not be considered a "representative of the Union" for the purposes of Union representation during the conducting of investigatory interviews based upon NLRB v. Weingarten (1975) issues.

Such Stewards shall be allowed to verify an employee's recorded time worked and to view the Employer's time and attendance records as maintained at store level at reasonable intervals; however, such information shall not include confidential earnings information for non-bargaining unit management employees set forth in the Employer's Facility Register.

The Employer agrees not to discriminate against store stewards for engaging in lawful union activity.

15.6 UNION LEAVE – In response to a written request from the Union, the Employer agrees to grant a leave of absence for Union business (organizing or similar activities) for up to one (1) year during the term of this Agreement to up to one (1) employee from the bargaining unit.

15.7 UNION BUTTONS. The Union member shall have the right to wear their Union Buttons according to current National Labor Relations Board rules.

SECTION 16 SEPARABILITY

In the event that any portion of this Agreement is invalidated by the passage of legislation or a decision of a court of competent jurisdiction, such invalidation shall apply only to those portions thus invalidated, and all remaining portions of this Agreement not invalidated shall remain in full force and effect. In the event any provision or provisions are declared to be in conflict with a law, both parties shall meet immediately for the purpose of renegotiating an Agreement on provisions so invalidated.

This Agreement is the entire Agreement between the parties. Except for those agreements specifically renegotiated within sixty (60) days from the date of the signing of this Agreement and attached to this Agreement, this Agreement supersedes any prior agreements of any type whatsoever.

SECTION 17 MANAGEMENT RIGHTS

All rights and powers not expressly restricted or limited by the terms of this Agreement shall remain in and may be exercised at the discretion of the Company.

SECTION 18 STRIKE OR LOCKOUT

18.1 It shall not be a violation of this Agreement nor grounds for discipline or discharge for persons covered hereunder to refuse to cross another Union's picket line. The Local, its agents or representatives shall not interfere in any way with the independent judgement of persons covered hereunder in this regard. Notwithstanding the foregoing, no employee shall refuse to cross another Union's picket line until the Employer has received seventy-two (72) hours notice thereof.

18.2 The Local and the employees agree that during the life of this Agreement (excepting the Local when any other contract it may have with the Company in its store or stores has expired), or any extension thereof, there will be no strike, stoppage of work, harassment, slow-down, picketing, boycotting, handbilling of the Company's premises or other forms of economic action.

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

SECTION 19 HEALTH AND WELFARE

Effective June 30, 2015, employees shall cease to participate in the New Mexico UFCW Unions 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.

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

Effective January 1, 2015 the New Plan A benefits Shall be modified to same benefit provisions as Arizona Plan A, the New Mexico B benefits shall be modified to the same benefit provisions as Arizona Plan B and the New Mexico Plan C benefits be modified to the same benenfit 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 applied to those participants under the New Mexico Health Fund until otherwise modified by the Trustees of 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, Trustees of the Arizona Health Plan will establish Plan(s) of benefits, which can be supported by the contributions provided herein and such Trustees have the authority to modify such benefits as they deem necessary to maintain the Plan in a fully reserved status.

Employers Contributions. 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 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, 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.

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 + dependent children.

Eligible Employees. Eligibility for coverage shall be defined in the Safeway collective bargaining agreement with the 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 20 PENSION

20.1 Effective the first of the month following the signing of this Agreement, the Company shall contribute the sum of one hundred forty nine dollars and no cents (\$149.00) per month per eligible employee first participating in the Plan on or after September 1, 2005, and one hundred fifty nine dollars and no cents (\$159.00) per month per eligible employee first participating in the Plan prior to September 1, 2005, to the United Food and Commercial Worker's International Union Pension Plan by the twentieth (20th) of the month for each of its employees who on the first of each month has been employed for three (3) calendar months or more and has averaged twenty-four (24) hours or more per week for at least four (4) consecutive weeks. Such contribution 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.

20.1a Effective with hours worked in July 2020 contribution rates shall increase by \$5 per month to the sum of one hundred fifty-four dollars and no cents (\$154.00) per month per eligible employee first participating in the Plan on or after September 1, 2005, and one hundred sixty-four dollars and no cents (\$164.00) per month per eligible employee first participating in the Plan prior to September 1, 2005.

20.2 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.

20.3 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 cases of illness, two (2) month's contribution following the month in which the illness occurs.
- (c) In case of compensable injury, three (3) month's contribution following the month the injury occurs.
- (d) The Company agrees to pay the contribution to the Pension Fund for eligible employees for one (1) month following termination of employment.

20.4 Parties to this Agreement do hereby ratify and re-affirm all acts by the Trustees done pursuant to the Agreements and Declarations of Trust, as amended.

20.5 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.

20.6 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 (96 hours).

SECTION 21 NO DISCRIMINATION

The Company and the Union agree that neither party will unlawfully discriminate against any employee because of race, religion, national origin, disability, sex, age or lawful Union activity.

SECTION 22 TERM OF THIS AGREEMENT

This Agreement shall be in effect from November 3, 2018 through and including November 4, 2022 and from year to year thereafter, subject to amendment, alteration or termination by either party upon sixty (60) days written notice given prior to any anniversary date of the Contract beginning with the last date mentioned above.

Signed this 21st day of January, 2020.

FOR THE EMPLOYER:
Safeway, Inc.

By: _____

Danny Ma
VP, Labor Relations
SW Division

FOR THE UNION:
UFCW Local 1564

By: _____

Greg Frazier
President

APPENDIX 'A'
WAGE SCHEDULE – GALLUP (1743) MEAT

	11/6/16	11/18/18	11/10/19	11/8/20	11/7/21
Head Meat Cutters	21.02	21.32	21.62	21.92	22.17
EMPLOYEES HIRED PRIOR TO FEBRUARY 1, 2004					
	11/6/16	11/18/18	11/10/19	11/8/20	11/7/21
Meat Cutters	19.56	19.86	20.16	20.46	20.71
Meat Wrappers	16.46	16.76	17.06	17.36	17.61
Meat Clerks	13.25	13.55	13.85	14.15	14.40
EMPLOYEES HIRED ON OR AFTER FEBRUARY 1, 2004					
Wrappers/Clerks	11/6/16	11/18/18	11/10/19	11/8/20	11/7/21
Step 1: REMOVE	DELETE				
Step 2: REMOVE	DELETE				
NEW STEPS					
Step 1: 1040 hours worked	7.70	7.70	7.70	7.70	7.70
Step 2: 1040 hours worked	7.80	7.80	7.80	7.80	7.80
Step 3: 1040 hours worked	7.90	7.90	7.90	7.90	7.90
Step 4: 1040 hours worked	8.25	8.25	8.25	8.25	8.25
Step 5: 1040 hours worked	8.75	8.75	8.75	8.75	8.75
Step 6: 1040 hours worked	9.25	9.25	9.25	9.25	9.25
Step 7: 1040 hours worked	9.75	9.75	9.75	9.75	9.75
Step 8: 1040 hours worked	10.25	10.25	10.25	10.25	10.25
Thereafter	11.40	11.70	12.00	12.30	12.55
Meat Cutters	11/6/16	11/18/18	11/10/19	11/8/20	11/7/21
Step 1: REMOVE	DELETE				
Step 2: REMOVE	DELETE				
NEW STEPS					
Step 1: 2000 hours worked	12.00	12.00	12.00	12.00	12.00
Step 2: 2000 hours worked	14.00	14.00	14.00	14.00	14.00
Step 3: 2000 hours worked	16.00	16.00	16.00	16.00	16.00
Thereafter	17.90	18.20	18.50	18.80	19.05

In the event of future minimum wage increase after ratification of the 2018-2022 Agreement, first step to be at least 20c above minimum wage and every other step will be at least 10c apart, except for Santa Fe and Las Cruces.

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 Gallup, New Mexico Stores, and will be posted in the Store.

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**

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.