

**AGREEMENT
(Retail Clerks)**

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

TABLE OF CONTENTS

SECTION	TITLE	PAGE
1	RECOGNITION OF THE UNION	1
2	EMPLOYMENT PROCEDURES.....	2
3	CHECKOFF.....	3
4	DISCHARGE AND DISCRIMINATION.....	3
5	CONTRACT ENFORCEMENT AND RULES	4
6	RIGHTS OF MANAGEMENT	5
7	UNION AFFAIRS	6
8	WORKING HOURS AND OVERTIME	7
9	WORK SCHEDULE	8
10	SENIORITY	10
11	VACATIONS	11
12	WAGE RATES AND CLASSIFICATIONS	14
13	GENERAL PROVISIONS	17
14	HOLIDAYS	18
15	NO STRIKE – NO LOCKOUT.....	20
16	GRIEVANCE AND ARBITRATION.....	20
17	HEALTH AND WELFARE.....	22
18	SICK LEAVE	24
19	LEAVES OF ABSENCE.....	25
20	FUNERAL LEAVE.....	26
21	JURY DUTY	27
22	PENSION.....	27
23	STORE CLOSING	30
24	WAIVER	31
25	SAVINGS CLAUSE.....	32
26	TECHNOLOGICAL CHANGE	32
27	TERM OF AGREEMENT.....	33
APPENDIX A	WAGES AND CLASSIFICATIONS.....	34
APPENDIX B	PENSION.....	35
APPENDIX B-1	PENSION PLAN SCHEDULE OF CONTRIBUTIONS AND BENEFITS.....	36
APPENDIX C	DRUG AND ALCOHOL POLICY	39
APPENDIX D	VOLUNTARY EMPLOYEE BUYOUT.....	43
	LETTER OF AGREEMENT - GM VARIETY MANAGER	44
	LETTER OF AGREEMENT – FUEL LEAD CLERK.....	45
APPENDIX E	PAYROLL QUERY REPORT SAMPLE	46

AGREEMENT

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

THIS AGREEMENT is entered into and is effective on this **fourth** day of **November 2018** between Safeway Inc., referred to hereinafter as the "EMPLOYER" 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".

It is the intent and purpose of the Employer and the Union to promote and improve labor-management relations between them and to set forth herein the basic terms of agreement covering wages, hours, and conditions of employment to be observed in the retail establishment.

In consideration of mutual promises and agreements between the parties hereto, and in consideration of their mutual desires in providing for the orderly settlement of disputes between them, the parties to this Agreement agree as follows:

SECTION 1 RECOGNITION OF THE UNION

1.1 Bargaining Unit. The Employer recognizes the Union as the exclusive Collective Bargaining Representative for all employees at the Employer's Retail Stores in Farmington and Aztec, New Mexico; excluding from the Bargaining Unit: Store Managers, Non-Food Manager, one Assistant Manager, meat department employees, delicatessen department employees, parking lot attendants, guards, office clerical employees, professional employees and supervisors as defined in the Act.

Notwithstanding anything contained herein to the contrary, the Employer shall be permitted to assign up to three (3) Retail Leadership Trainees (RLTs) in the Farmington/Aztec, New Mexico bargaining unit, provided no such RLT shall remain in any store in the bargaining unit for more than twelve (12) months. RLTs shall be excluded from the bargaining unit and shall not be covered by the terms of this Agreement. RLTs shall not be restricted in the duties they can perform; however, no bargaining unit member shall be reduced in hours or laid off as a result of the Employer's utilization of RLTs as provided herein.

1.2 Counter Agreement. The Employer agrees not to enter into a counter-agreement or contract with its employees subject to the jurisdiction of the Union, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

1.3 Bargaining Unit Work. To prevent the erosion of Bargaining Unit Work, driver salesmen, book salesmen, or sales representatives shall not perform work or services in the Employer's Retail Establishments in excess of the prevailing practices in the industry in areas covered by this Agreement at the time of this Agreement.

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 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 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.

2.3 Notification of New Hires. The Employer agrees to notify the Union in writing within one (1) week, from the date of the employment of any employee subject to this Agreement, of the name of such employee, address, social security number, date of birth, classification, store employed

and date of employment. The Union shall furnish forms for the above section, upon the request of the Employer.

2.4 Previous Experience. 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 provision. Rate adjustments based on previous experience will be made within the first thirty (30) days or day of confirmation whichever comes first.

SECTION 3 CHECKOFF

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 checkoff authorization is to be entirely voluntary upon the part of each such individual employee, and that any such employee may revoke his individual checkoff authorization upon giving thirty (30) days' written notice to the Employer and the Union. The Union agrees to provide the Employer dues deduction information on a computer disk (Excel format) upon forty-five (45) days' notice from the Employer.

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 checkoff 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 an 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.

- (a) Discharge. 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.
- (b) 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.
- (c) 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 consecutive action notice or other action.

4.3 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.

4.4 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. No warning notice shall be valid unless given within ten (10) calendar days of the event giving rise to such notice. Such time shall be extended by the involved number of work days in the event the employee who is to receive the warning notice is on vacation during any portion of such ten (10) calendar days. 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 be construed to include routine instruction to employees in connection with such employee's job performance or compliance with Company policies and procedures.

4.5 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 CONTRACT ENFORCEMENT AND RULES

5.1 Contract Enforcement. Each of the parties hereto warrants that it is under no disability of any kind that will prevent it from completely carrying out and performing each and all of the provisions of this Agreement, and further that it will not take any action of any kind that will prevent or impede it in the complete performance of each and every provision hereof.

5.2 Working Rules. (a) The Employer agrees to furnish the Union with a copy of existing Company Rules and Regulations, and it is understood that the employees will be required to comply with same.

(b) When the Employer establishes working rules, a copy of such rules shall be made available to all employees and the Union, and it shall be the responsibility of each employee to familiarize himself with those rules. Said working rules shall not be in conflict with the terms of this Agreement.

5.3 Polygraph. An employee shall not be required to take a polygraph examination or other similar electronic device, as a condition of continued employment.

5.4 Employer Records. An authorized Union representative shall have the privilege of examining the Employer's payroll involving employees covered by this Agreement monthly, or when necessary to investigate a specific concern of improper payment, upon written request to the Division Labor Relations Department. Upon receipt of such request, the Division Labor Relations Department shall provide the Payroll Query Report (attached as Appendix E) or an Employer report(s) by a different name provided the information contained on it is the same, within fifteen (15) days.

5.5 Register Procedures. No employee shall be held responsible for register shortages; unless, adequate procedures have been established by the Employer through which the employee is allowed to check monies in and out of his assigned register at the beginning and end of each period of work with said register; and provided further, that the employee shall have sole access to his assigned register in the interim.

5.6 Cashing Checks. Where the Employer has posted or published check cashing policy, the employee shall conduct themselves accordingly and when an employee follows such policy he shall not be held financially responsible for returned checks, nor shall he be expected or required to locate the check-cashing customer.

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 Store Visitation. After notifying the manager or person in charge of the store, authorized representatives of the Union shall be permitted to visit the store regarding Union matters during working hours; such visits shall not unreasonably interfere with the conduct of the Employer's business.

7.2 Union Notices. The Employer shall provide space for posting Union Notices, Grievance forms and other forms called for or required by this Agreement. The Employer agrees not to deface or destroy any notice posted.

7.3 Union Buttons. Employees shall have the right to wear their Union buttons. This privilege shall not be abused by the Union or employees by actions such as, but not limited to, the wearing of multiple buttons or an unreasonably large button, etc.

7.4 Union Store Card. (a) The Union agrees to issue a Union Store Card and/or window decals to the Employer under the rules governing Union Store Cards set forth in the Constitution of the United Food and Commercial Worker's International Union. Such Union Store Card and decals are, and shall remain the property of said International and the Employer agrees to surrender said Union Store Card to an authorized representative of the Union on demand in the event of failure by the Employer to observe the terms of this Agreement or the conditions under which said Union Card and/or decals are issued.

(b) The Employer may display such Union Store Cards and/or decals in conspicuous areas accessible to the public, in each establishment covered by this Agreement.

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.

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.

7.6 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.

SECTION 8 WORKING HOURS AND OVERTIME

8.1 Full-time employees are defined as those employees who work five (5), eight (8) hour days, forty (40) hours per week. Part-time employees shall attain full-time status by working eight (8) hours per day, five (5) days per week, for six (6) consecutive weeks. An employee's assignment to temporary vacancies caused by vacations, illness, injury or leave of absence shall neither count toward nor interrupt the aforesaid accumulation of the six (6) consecutive weeks.

(a) The Employer agrees to provide the Union with the names, and store location, of Full-time employees upon request by the Union.

8.2 Part-time employees are defined as those employees who work less than forty (40) hours per week.

8.3 Work Week. The work week shall be Sunday through Saturday. For full-time employees, eight (8) hours shall constitute a day's work and forty (40) hours, consisting of any five (5), eight (8) hour days out of seven (7) shall constitute a regular week's work.

8.4 Work Day. The regular day's work for all employees shall be worked within nine (9) consecutive hours and all employees shall receive one (1) hour off for lunch at approximately the middle of the working shift.

8.5 Overtime. (a) All work performed in excess of eight (8) hours in any one day, or in excess of forty (40) hours in any one week, shall be deemed overtime and paid for at the overtime rate of time and one-half the employee's regular rate of pay. There shall be no pyramiding of overtime and/or premium pay. Hours paid for but not worked shall not be counted in computing weekly overtime.

If agreeable between the employee, the Employer and the Union, an employee may be scheduled four (4) ten (10) hour shifts, not necessarily consecutive, and when scheduled would receive time and one-half for all hours worked in excess of ten (10) hours per shift or forty (40) work hours per week.

(b) Employees will not be required to take time off in lieu of overtime hours worked.

8.6 Rest Periods. All employees shall receive an uninterrupted fifteen (15) minute rest break for each four (4) hours of work scheduled to be performed in any work day. In the case of an employee entitled to two (2) rest breaks, one (1) break shall be granted as near the middle of the period prior to the meal break as possible and the other shall be granted as near the middle of the period following the lunch break as possible. In cases of part-time employees working less than

an eight (8) hour day, the rest period will be scheduled in the longer half of the shift if the shift is broken by lunch period.

8.7 Lunch Periods. The scheduled meal period for an employee shall be one (1) hour which shall not be considered working time. A lunch period of thirty (30) minutes duration may be scheduled if the employee and the Employer mutually agree. Every employee scheduled six (6) hours or more shall be allowed a meal period which shall begin no earlier than three (3) hours and not later than five (5) hours after commencing work. **Employees working shifts of six hours or less will not be required to take a lunch.**

8.8 Split Shifts. There shall be no split shifts, except in cases where the part-time employee is a school student, and the student, the Union and the Employer agree thereto.

8.9 Night Stock Crew. After six (6) months of work on a night stocking crew, the night stockers shall have the right, based on seniority, to be scheduled the day shift if there is a position open.

8.10 Minimum Hours. (a) Full-time employees who are called to work and report for work on their day of rest shall receive four (4) hours' work or four (4) hours' pay at the applicable hourly rate.

(b) Part-time employees who are scheduled to report for work, and work, shall receive four (4) hours' work or four (4) hours' pay at their straight-time hourly rate of pay.

(c) The Employer will make available to Courtesy Clerks at least two (2) hours work when the Employer orders a Courtesy Clerk to report for work.

8.11 Shift Intervals. Except in bona-fide emergencies, the minimum time off between shifts shall be nine (9) hours and employees called to work sooner than nine (9) hours from the end of the last work period shall be paid time and one-half (1-1/2) the employee's straight-time rate for all work performed up to the time said nine (9) hour period between shifts shall have elapsed.

8.12 Store Meetings. Time spent in required store meetings called by the Employer shall be considered as time worked and shall be paid for in accordance with the provisions of this Agreement. Store meetings, when announced twenty-four (24) hours in advance, shall not constitute a split shift violation or a call-in. 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 **12:00 noon the Thursday** 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. Names will be listed in order of Seniority in each department and classification (if practicable/permitted by the system).

It is understood that the Employer may, from time to time, require employees to work beyond their scheduled ending time. Notwithstanding, the Employer shall not administer this provision in an arbitrary or capricious manner and shall excuse employees from working beyond their scheduled ending times for legitimate and serious reasons, such as, but not limited to, child care obligations.

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 Posted Schedules. Posted schedules will not exceed five (5) days in any week for any employee except for those employees who provide the Employer with a written request for a sixth day scheduling twenty-four hours prior to the posting of the work schedule.

Full-time Schedules. Full-time employees will be scheduled forty (40) hours in five (5), eight (8) hour days, not necessarily consecutive. Full-time employees shall not be required to work more than six (6) consecutive days except when necessitated by an emergency.

9.4 Sunday Work. Employees who want to work on Sunday shall so indicate by signing a roster in their store once each quarter.

The Employer shall schedule work on Sunday from that list in order of department and classification seniority where help is needed and further subject to their ability to perform the work. Employees who fail to work a Sunday which they are scheduled without good cause shall have their name removed from the current quarterly roster and will forfeit any right to sign the next quarterly roster.

If there are not sufficient employees of proper department and classification seniority who have the ability to perform the work who have signed the quarterly Sunday roster, then the Employer shall assign such work by reverse seniority.

The quarterly roster shall be posted in each store for three (3) work weeks prior to the start of the quarter in which it is to apply. A quarter is defined as three (3) calendar months effective each January 1.

9.5 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 scheduled, provided he or she works the altered schedule, and courtesy clerks will be assured a minimum of two (2) hours pay each day of an altered schedule, provided he or she works the altered schedule. Schedules for part-time and courtesy clerks shall not be altered to deliberately reduce the original posted hours of work.

9.6 Specific Days Off. Any employee who needs a specific day or days off for personal business will make the store manager aware of the need at least seventy-two (72) hours prior to the posting of the next week's schedule. Providing the Employer's scheduling needs are met, every reasonable effort will be made to grant such requests with no loss of hours. When two (2) or more employees request the same specific days off, seniority shall apply.

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

SECTION 10 SENIORITY

10.1 Definition. Seniority shall be defined as the length of continuous employment with the Employer in the bargaining unit as described in Section 1 of this Agreement, and no employee shall suffer loss of seniority by reason of approved leave as defined in the Agreement. Where qualifications are equal, seniority shall prevail throughout the entire number of stores of the Employer in the area covered by this Agreement.

The first ninety (90) calendar days of employment shall be considered a trial period, during which time an employee may be terminated for any reason, and he shall have no recourse to the grievance or arbitration procedures set forth in this Agreement concerning such termination.

10.2 Application of Seniority. When it becomes necessary to lay-off employees or reduce a full-time employee to part-time within their classification, seniority as defined in Section 10.1 above shall apply.

- (a) Lay-offs. It is agreed that lay-offs shall occur only at the end of an employee's weekly schedule. Laid off employees agree to advise the Store Manager of change of address or an out-of-town trip.
- (b) Reduced From Full-time Status. Any employee reduced from full-time status to part-time status shall be returned to full-time status prior to any employee being hired or promoted into the same classification and department in that store where possible.
- (c) Recall. Notice of recall after lay-off shall be sent by registered mail to the employee's last known address with a copy to the Union. If persons so recalled do not report within one (1) week after receipt of the above notice, they shall lose their seniority and right to further recall.

The last employee laid off or reduced in classification as a result of lay-off shall be the first employee recalled to the department and classification prior to the Employer hiring any new employee or promoting any employee into the department and classification.

10.3 Promotions. The Employer agrees to make promotions on the basis of fitness, ability and seniority.

- (a) The Employer agrees to give consideration to courtesy clerks based on seniority when an inexperienced clerk is needed before hiring on the outside. When a courtesy clerk is promoted to an apprentice clerk's job, he shall be on probation for a period of sixty (60) days.
- (b) Where an employee who has been promoted is unable to perform the duties of the higher classification, he shall have the right to be demoted to his former or equivalent position without loss of seniority, and his right to such employment shall not be jeopardized by reason of such demotion.
- (c) Employees hired before February 1, 2004 who are reassigned to a different classification under this Agreement, who are currently working in a classification where their pay exceeds the entry level rate of pay of the classification that they are going into, shall have their wage rate adjusted to the wage rate immediately higher than their existing wage rate on the wage scale for the new classification. Employees shall then advance each six months thereafter until such time as they reach the Journeyman wage rate.

10.4 Loss of Seniority. Employees shall lose seniority for any of the following reasons:

- (a) Termination for just cause;
- (b) Resignation;
- (c) Lay-off beyond three hundred and sixty-five (365) consecutive days;
- (d) Transfer out of the Bargaining Unit;
- (e) Promotion out of the Bargaining Unit. However, an employee who is promoted out of the Bargaining Unit in the same store and returns within ninety (90) days shall suffer no loss of seniority;
- (f) Fails to return to work upon completion of an approved Leave of Absence; or
- (g) Fails to report to work following recall after lay-off.

10.5 Available Hours. The scheduling of part-time employees (or for full-time employees working reduced hours) shall be by seniority within their store, classification and department, up to eight (8) hours per day or forty (40) hours per week. In accordance with the above, the Employer shall maximize the straight-time (including Sundays) daily and weekly work schedule of each employee based upon the available hours as determined weekly by management.

A senior employee can claim hours of work, in his store and classification, for which he is qualified so long as such claim would not reduce any employee's schedule below the daily or

weekly minimum except to zero. If an employee is zeroed out, he or she shall have the right to exercise layoff options. However, any bump to another store shall be delayed for one week.

10.6 The Employer agrees not to schedule two (2) part-time employees (excluding courtesy clerks) within an individual store where it is possible to combine their total weekly schedules so that one (1) full-time employee can be used.

10.7 It is the desire of the Employer and the Union to provide full-time employment in the retail food industry for as many employees as is practical within the range of sound employment practices.

If there is an opening for a regular full-time job, part-time employees in the same department in the store shall be given consideration for the opening before any employee is hired from the outside; provided, however, the part-time employee is available for the hours needed and possesses the qualifications to perform satisfactorily the full-time job. Section 10.7 shall be applicable to courtesy clerks.

10.8 Seniority Lists. The Employer agrees to furnish the Union with a Seniority List of its employees each six (6) months, upon written requests from the Union.

10.9 Nothing in this Section shall be construed to require pay for time not worked, except as required under the Reporting Pay Section elsewhere in this Agreement.

SECTION 11 VACATIONS

11.1 Eligibility. All regular employees who have worked five hundred (500) or more hours in their anniversary year, covered by this Agreement, shall receive:

- (a) One (1) week of paid vacation after one (1) year of service.
- (b) Two (2) weeks of 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 of 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 twelve (12) years of service. Effective with employees hired after February 13, 1996, 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 Vacation Pay. Such vacations shall be paid at straight-time rates. The number of hours for which such employees shall be paid for a vacation week shall be the average hours worked during the twelve 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.

11.3 Selection of Vacations. The selection of vacations shall be by seniority within the Job Assignment 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 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 vacations by March 31. However, all employees must make 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 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 individual store needs and legitimate business circumstances.

Notwithstanding the above, employees who voluntarily transfer to another store or department after their vacation has been selected are subject to having their vacation rescheduled.

11.4 If any one of the holidays enumerated in Section 14 hereof falls during an employee's vacation, the employee shall receive an extra day's vacation pay because of it, or an additional day off.

11.5 A vacation may not be waived by the employee and extra pay received for work during that period, unless agreed by the Union and the Employer. Vacations may be taken on a non-calendar week basis as an exception as approved by management.

11.6 (a) When an employee is laid-off or discharged or leaves his place of employment, and at said time he is entitled to a vacation, he shall receive his vacation wages at the time of the layoff or discharge, or at the time he leaves his place of employment; provided, however, that if such employee be discharged for proven dishonesty, he shall not be entitled to any vacation or vacation pay, whether the same has accumulated or not.

(b) In the event an employee covered by this Agreement, who has been employed for two (2) years or longer, voluntarily quits or is discharged for reasons other than proven dishonesty, such employee shall be paid pro rata vacation pay earned up to the time the employment relationship is severed.

11.7 Continuity of employment for the purpose of this Section shall be considered as unbroken where a lapse of service due to layoff shall be less than a total of sixty (60) calendar days during the anniversary year.

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 (5) 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 All wage rates are listed for the term of this Agreement in Appendix "A", which is a part of this Agreement.

12.2 The schedule of minimum wage rates found in Appendix "A" of this Agreement shall be maintained and paid by the Employer during the life 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. **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.**

12.3 Wage statements shall be furnished each pay day. Upon termination of employment, the employee shall be furnished a statement of final payment. All the employees shall receive their pay weekly.

12.4 Whenever an employee is required by the Employer to work in more than one store during the same day, reasonable time consumed by the employee between stores shall be considered as time worked and paid for as part of the regular day's work.

12.5 Definitions of Classifications.

(a) Courtesy Clerk. A Courtesy Clerk is an employee who shall perform only the following duties:

1. Bag and carry out bags and/or boxes containing the customer's purchases to customer's vehicle.
2. General cleaning duties in the store and parking lot.
3. Sweeping, mopping and waxing.
4. Keeping check stand supplies filled and in order.
5. Collecting and lining up carts.
6. Assisting customers in handling their purchases at the check stands or counters.
7. Watering and covering produce at closing time.

8. Checking prices.
9. Handling "go-backs" and "orphans".
10. Cleaning of shelves and other display areas/cases including the removal and replacement of merchandise as required in connection with such cleaning duties.
11. Courtesy Clerks may face shelves in dry grocery only, except for baby foods (no code checking).
12. Fill ice bins

If during the life of this Agreement, either party desires to reopen this subsection of the Agreement covering courtesy clerk restrictions, they shall be allowed to notify the other party in writing of such desire, and the parties agree to meet within one month to discuss such issues, and if agreement is reached, they shall be made a part of this Agreement. No changes may be made in courtesy clerk restrictions until this procedure is followed.

- (b) Clerks. Employees shall be promoted from the courtesy clerk classification on the basis of seniority and qualification.
 1. Health and Welfare Benefits and Dental Care Benefits shall become effective on the first (1st) of the month immediately following the promotion, provided the employee qualifies as prescribed in Section 17.
- (c) General Merchandise Clerks. General Merchandise Clerks shall be defined as employees who work in the store's general merchandise/variety areas, and who receive, unload, sort, handle, service, and stock bulk foods, ice, items generally considered within the retail industry to constitute "general merchandise, variety, and/or HBC" items, including cleaning supplies, soap products (excluding laundry detergent, bleach and similar household products), school supplies, stationery, gift wraps, party supplies, health products, disposable diapers, nutritional supplements, cosmetics, beauty aids, household hardware, and pet supplies.
- (d) Customer Service Clerks are employees that work in the customer service booth, video department, issue money orders, rent steam cleaners, cash checks, accept UPS pick-ups and perform all other functions associated with the operation of a Safeway Customer Service Booth. Customer Service Clerks shall perform only incidental cashier work.
- (e) Bakery Clerks shall be permitted to operate a cash register, if any, in the bakery department and, in addition to the duties historically performed by this classification, to order, handle, stock and check out the products in connection with the store's bread wall.

- (f) Utility Clerks. Courtesy Clerks who have been employed by the Employer for two (2) years or more and who are otherwise unpromotable to higher paying classifications shall be reclassified to a utility clerk classification. There shall however, be no more than one utility clerk per every two checkstands in the store. Utility clerks may perform all of the duties of a courtesy clerk as well as pull cardboard, do go-backs and orphans, facing and other duties that can be mutually agreed to by the employer and the union. Utility clerks shall be paid the rate set out of Appendix "A" and the agreement shall apply to Utility Clerks as it applies to Food Clerks.
- (g) File Maintenance Clerks and Inventory Control Clerks shall be classified as Head Clerks and Head Clerks shall not be demoted without having first been issued a written warning reciting the employee's performance deficiencies.
- (h) 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.

12.6 When an employee is required to fill the place of another employee receiving a higher rate of pay, he shall receive the higher rate; but if required to fill the place of an employee receiving a lower rate of pay he shall retain his own regular rate except in the case of actual demotion, when the employee shall receive pay according to his classification, after thirty (30) days of work in a higher or lower position, the position shall be considered permanent.

12.7 Sunday Premium. The premium rate for work performed on Sunday as such shall be time and one-half (1-1/2) the employee's regular straight-time rate of pay (exclusive of Courtesy Clerks and employees hired on or after February 1, 2004). The Sunday premium shall, in no instance, be offset against any weekly overtime which may be due because of the fact that the employees worked over forty (40) hours in the particular work week. The Sunday Premium shall not be averaged into the employee's straight-time rate for the purpose of determining the rate upon which daily or weekly overtime is based in any work week. All employees hired on or after February 1, 2004 and all Courtesy Clerks shall receive a premium of one dollar (\$1.00) per hour for all work performed on Sunday. Employees hired on or after October 30, 2005 shall not be eligible for Sunday Premium.

12.8 Evening Premium Pay. All employees shall receive thirty-five cents (\$0.35) per hour in addition to the hourly rate for all work performed between the hours of 9:00 p.m. and 6:00 a.m. This Evening Premium Pay shall not apply where the employee is working at overtime, or on Sunday, or on a holiday pay. Employees hired on or after October 30, 2005 shall not be eligible for Evening Premium Pay.

12.9 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.

12.10 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.

SECTION 13 GENERAL PROVISIONS

13.1 No Reduction. No employee who prior to this Agreement, was receiving more favorable vacation or pay in excess of that provided herein for the class of work performed, shall have his pay reduced or vacations altered as a result of the operation of this Agreement. Wages paid in excess of the minimum established in the Agreement are to be paid to the individual and not the job.

13.2 The Employer shall furnish all aprons and uniforms. The employees will assume the responsibility for laundering and normal care of uniforms.

13.3 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.

13.4 Employees who have demonstrated a record of excessive absence and who report that they are absent because of illness may be required to provide an acceptable doctor's certificate, verifying illness, if requested to do so by management. A Physician's Statement which only indicates that an employee "may return to work on ..." may not in all cases be considered acceptable.

13.5 When an employee suffers a job related injury and reports for medical care and it is certified that he is unable to continue work, he shall be paid the basic straight-time rate of pay for the scheduled hours not worked on the day of injury. Such hours paid for shall not be counted as hours worked for purposes of computing overtime.

13.6 If an employee appears in Court or the Police Department on behalf and at the request of the Employer, he shall receive his basic straight-time rate of pay for the time spent in making such appearance; and, such time shall not be considered as part of the work week under the terms of this Agreement.

SECTION 14 HOLIDAYS

14.1 Paid Holidays. (a) All non-probationary employees who work on one of the following holidays shall be paid for the following holidays whether or not they fall on what would normally be a workday for the employees involved:

New Year's Day	Labor Day
Easter Sunday	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	Two (2) Personal Holidays

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

(b) Personal Holidays – The Company shall be given written notice by the employee at least two (2) weeks prior to the Personal Holiday. The Employer will make a reasonable effort to accommodate employees based upon date and time of application. In the event the employee does not request their Personal Holiday prior to June 30, the Company may assign such holiday.

The Employer reserves the right to determine the number and classification of employees who may take personal holidays on any day or week; provided that this determination is not done for arbitrary and capricious reasons.

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

14.2 When any of the above enumerated holidays, other than Easter Sunday, falls on a Sunday, the following Monday shall be considered the Holiday and shall be observed as such by all employees; provided the Employer's store is open for business on that Sunday.

14.3 Holiday Pay. (a) 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.

(b) Holiday pay for non-probationary part-time employees will be based on the average number of hours per day in the work week immediately prior to the week in which the holiday occurs. Work schedules shall not be changed for the purpose of avoiding holiday payments.

(c) In order to qualify for pay for the "unworked" holiday pay, an employee otherwise eligible for such pay under the terms of this Section, must work his scheduled work day immediately preceding the holiday and his scheduled work day immediately following the holiday and, if scheduled, the holiday itself, 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's Statement which indicates only that an employee "may return to work on ..." may not in all cases be considered acceptable.

(d) 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.

14.4 Premium Pay. When a holiday is worked, employee's hired before February 1, 2004 shall be paid at one and one half (1-1/2) times their regular base rate of pay in addition to the holiday pay provided herein. All employees hired on or after February 1, 2004 shall receive a premium of one-dollar (\$1.00) per hour for all work performed on a holiday.

14.5 Holiday Work Week. In any calendar week in which a holiday occurs, (exclusive of the Birthday Holiday) the basic straight-time work week shall consist of thirty-two (32) hours to be worked in four (4) eight (8) hour days, exclusive of the holiday. Time and one-half shall be paid for all hours worked over forty (40) in a holiday week.

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

14.7 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 – NO LOCKOUT

15.1 The Union agrees that there shall be no strike, lockout, boycott, picketing, slow down, handbilling, 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 No employee shall be discharged or disciplined for refusing to cross or work behind a lawful, primary picket line established by any Labor Organization at the Employer's premises, nor shall the Union be deemed to be in violation of this Agreement if its members choose to honor any such picket line.

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 (5) 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 has 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.

16.7 The Employer agrees to outline 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 full-time 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 during 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. Accrued sick leave is not convertible to cash. The Employer agrees to provide the Union with a monthly accounting of accrued sick leave.

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 Fund's 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 The following leaves of absence shall be granted to employees covered by this Agreement who have completed at least ninety calendar days (with a maximum of 180 hours of work) under the following conditions:

- (a) Injury or illness. 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. Injury or illness on or off the job, up to three (3) days not under the care of a physician or osteopath. Leaves beyond one (1) year can only be granted by the Employer, and if not granted will constitute termination.
- (b) Personal Leaves. 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 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.

- (c) Newborn/Adopted Child Care. 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.
- (d) Family Leave. A family care leave, without pay, shall be granted upon request by an employee for a total of up to six 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 years of age and full-time students up to 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 statute, no employee shall be eligible for a leave of absence until he/she has completed at least ninety (90) calendar days (with a minimum of 180 hours of work) of continuous service with the Employer.

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 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 an employee covered by this Agreement, shall be granted reasonable time off in order to make arrangements for and/or to attend the funeral occasioned by a death in his immediate family. Non-probationary employees will be compensated for time off to a maximum of three (3) regularly scheduled work days in an amount equal to his straight-time hourly rate, times the number of hours (up to eight (8) per day) he would have been scheduled to work. Payment will be made for a day of absence only if such day is one of the three (3) days either commencing with the day of the death or with the day on which the employee would have worked had it not been for the absence. An employee may have unpaid funeral leave of up to seven (7) consecutive calendar days.

20.2 If an eligible employee is notified of the death of a member of his immediate family while at work, he shall be allowed the remainder of his work day off if he so wishes. His funeral pay would begin at the time of his leave but would be extended by the number of hours he had worked that day if the full three (3) days of funeral leave pay is necessary.

20.3 Immediate family, used in this Section shall be defined as the employee's parents, in-law parents, spouse, children, brothers, sisters, grandchildren and grandparents.

SECTION 21 JURY DUTY

21.1 Non-probationary employees who are required and report for jury duty shall be paid by the Company for each day partially or wholly spent in performing jury duty an amount equal to the difference between the employee's regular straight-time hourly rate times the number of hours [up to eight (8)] that he otherwise would have been scheduled to work and the compensation received for jury duty (excluding amounts received as reimbursement for expenses or as a travel allowance). Such hours paid for shall not be counted as hours worked for purposes of computing overtime.

21.2 In order to be eligible to receive payment under this Section, an employee must notify his store manager on his first work day after receipt of the notice to report for jury duty and must furnish satisfactory evidence that jury duty was performed and the amount of compensation received for such service on the days for which payment is claimed.

21.3 If an employee is notified to report to work by the store manager or assistant manager when he is excused from jury service either temporarily or permanently, on any scheduled work day, the employee shall promptly report to complete any remaining hours of his scheduled work day; provided, no employee shall be required to so report for work on any day on which he has served and been compensated by the Court for at least eight (8) hours jury duty, nor shall any employee who reports back to work under this Section be required to work more than ten (10)

hours, less the number of hours for which served and compensated for jury duty by the Court on that day. Jury duty pay shall be limited to thirty (30) working days per year.

SECTION 22 PENSION

22.1 The Employer agrees to make pension contributions for employees hired before October 30, 2005 of fifty-eight cents (\$0.58) per straight-time hour worked (including Sunday hours) for eligible employees to the Desert States Employers and UFCW Union Pension Trust Fund. Effective January 1, 2006, the Employer agrees to make pension contributions of sixty-eight cents (\$0.68) per straight-time hour worked (including Sunday hours) for eligible employees. Effective January 1, 2007, the Employer agrees to make pension contributions of seventy-eight cents (\$0.78) per straight-time hour worked (including Sunday hours) for eligible employees. Effective January 1, 2008, the Employer agrees to make pension contributions of eighty-eight cents (\$0.88) per straight-time hour worked (including Sunday hours) for eligible employees. Effective January 1, 2009, the Employer agrees to make pension contributions of ninety-eight cents (\$0.98) per straight-time hour worked (including Sunday hours) for eligible employees. Though no contributions are required on Courtesy Clerks, they shall be granted past service credits if promoted from the Courtesy Clerk classification and effective January 1, 1999, they shall be covered by the terms of the pension plan although no pension contribution on Courtesy Clerk hours is required. Holiday and vacation hours shall be added to those hours for which the above-mentioned contributions shall be made.

The Employer contributions for employees hired on or after October 30, 2005 will commence on the later of one (1) year of service with the Employer or twenty-one (21) years of age and shall be at a rate of forty-eight cents (\$0.48) per straight-time compensable hour.

Supplemental contributions are contained in subsection 22.7.

The Employer agrees to make any change in the contribution rate to the Desert States Pension Fund during the term of the 2018 to 2022 Agreement as the major employers in Arizona.

22.2 Said Pension Fund shall be used to provide benefit pensions for eligible employees of the Employer as provided in a Pension Plan, the term and provisions of which are to be agreed upon by the parties hereto: said Pension Plan shall, among other things, provide that all benefits under the Plan and costs, charges, and expenses of administering the Plan and all taxes levied or assessed upon or in respect of said Plan or Trust or any income there from shall be paid out of the Pension Fund.

22.3 Said Pension Plan and the Trust Agreement establishing the Pension Fund has been submitted to the United States Treasury Department and the United States Department of Labor for the approval and rulings satisfactory to the Employer, that said Plan is qualified under I.R.C. Section 401, et seq. and that no part of such payments shall be included in the regular rate of pay of any employee.

22.4 It is agreed by and between the parties hereto that when the Pension Plan is approved by the United States Treasury Department and the United States Department of Labor and becomes operative and the Employer makes contributions into the fund those employees covered by this Agreement shall automatically cease to participate in the Employer's Retirement Plan then in effect.

22.5 The Employer shall be represented by its employees, or some other representative on the Board of Trustees administering such Pension Plan. A copy of the Trust Agreement and any amendments thereto shall be made a part hereto as if herein at length set forth, when adopted.

22.6 If for any reason the United States Treasury Department and the United States Department of Labor withholds approval and rulings satisfactory to the Employer, the parties to this Agreement hereto agree to negotiate other fringe benefits or wage increases in the amount equal to the cents per hour provided for in this Section for all hours worked at straight-time in lieu of payments into the Pension Fund, and that those employees who are eligible will continue to participate in the Employer's Retirement Plan.

22.7 Pension Protection Act

The Trustees are authorized and directed to make the 205 election under the Worker, Retiree and Employer Recovery Act of 2008 (WREERA) to extend the Rehabilitation Period three (3) years.

The bargaining parties agree and understand that the Employer's obligation to make pension contributions in addition to the base contribution rate specified in Section 21 of the Gallup Retail Clerks Agreement and Section 22 of the Farmington/Aztec Retail Clerks Agreement shall be limited to the contribution rates required in the attached Alternate Schedule (modified only as provided herein) as follows: effective with hours worked in December 2009 a supplemental contribution of ten cents (\$0.10) per contribution-eligible hour; effective with hours worked in December 2010 an additional supplemental contribution of fifteen cents (\$0.15) per contribution-eligible hour; and effective with hours worked in December 2011 an additional supplemental contribution of fifteen cents (\$0.15) per contribution-eligible hour. These supplemental contribution increases, in the aggregate, shall not exceed \$0.40 cents per contribution-eligible hour during the term of this Agreement. It is understood and agreed that the Employer may reduce the amount of any supplemental contribution due the Trust (but not below zero) by the amount of any surcharge, deficiency or excise tax required to be paid by the Employer as a result of the plan's being in the red zone under the Pension Protection Act (the "PPA"), including any amounts paid after January 1, 2009, the date the plan entered the Red Zone, and shall be accounted for in the form of a contribution credit. The supplemental contributions provided for herein shall be dedicated solely to improving the funding of the Plan, and shall not be used to increase or improve benefits, and will be reduced or discontinued upon determination by the Plan's Trustees, based on projections provided by the Plan's actuaries, that such supplemental contributions are no longer needed to support the level of benefits provided for under the Plan in accordance with the provisions of subsection (iv).

As a result of the Plan's having been certified and being in critical status for the Plan Year beginning January 1, 2009, the Trustees are authorized and directed to adopt the Rehabilitation Plan Alternate Schedule attached as Appendix B-1 hereto. If the Alternate Schedule is adopted by

the Trustees, it is hereby deemed approved by the bargaining parties and automatically incorporated into this Agreement.

- i. The Alternate Schedule shall be effective with hours worked on and after December 2009 as to the supplemental Employer contributions required in this subsection, and January 1, 2011 as to benefit reductions.
- ii. The Trustees are authorized and directed to adopt and take into account to the extent legally permitted any relief available under IRC Section 431(d). Notwithstanding the foregoing, and unless and until further judicial, legislative or regulatory guidance is provided which resolves the issue, the Trustees shall not apply Proposed Regulation 1.432(b)-1 to allow an exit from the Red Zone by taking into account any Section 431(d) extensions unless the Plan will not re-enter the Red Zone without taking into account those Section 431(d) extensions.
- iii. In no event shall any contribution increases be required during the term of this Agreement as a result of any annual updates or other changes to the Rehabilitation Plan Alternate Schedule or, if applicable, to any Default Schedule.
- iv. In the event the Trustees determine, based on projections provided by the actuaries for the Plan, that, at any time during the term of this Agreement, an Alternate Schedule with lesser contribution rates and or benefit reductions would be sufficient to reasonably enable the Plan to emerge from critical status by the end of the Rehabilitation Period, the Trustees may amend the Alternate Schedule in a manner that, to the extent possible, would restore reduced benefits and would reduce the Employer's supplemental contributions in an equal manner and amount, based on actuarial equivalence, provided that such modifications to the Alternate Schedule would enable the Plan to emerge from critical status by the end of the Rehabilitation Period, taking into account to the extent legally permitted any relief available under IRC Section 431(d). In the event the Trustees amend the Alternate Schedule as provided in this subsection (iv), the bargaining parties shall adjust the supplemental contribution rates provided above to reflect the lower rates provided in the amended Alternate Schedule. Notwithstanding the foregoing, if, prior to the effective date of any benefit cuts specified in the Alternate Schedule, the Trustees determine that (a) such benefit cuts are no longer required to avoid critical status or to have a valid Rehabilitation Plan, and (b) the supplemental contributions could be reduced or eliminated, then the Employer supplemental contributions shall be reduced or eliminated accordingly, and the Employer shall be further entitled to recoup the value of any supplemental contributions paid prior to the effective date of the benefit reductions set forth in the Alternate Schedule. This provision shall apply regardless of the reason for the Trustees' determination, including a change in the law and/or improved investment returns. The value of the contributions shall be recouped via a suspension of contributions in an amount equal to the amount of the supplemental contributions paid.
- v. The Board of Trustees is authorized and directed to take all reasonable measures to cooperate and assist in achieving these objectives, including consistent with their fiduciary obligations adoption of actuarial methods statutorily available that will reduce requirements for supplemental contributions.
- vi. If legislative changes and/or regulatory changes or interpretations occur affecting the PPA during the term of this Agreement, the Board of Trustees is authorized and directed to mitigate any benefit reductions and any contribution increases set forth in the Alternate Schedule and this Agreement to the extent permitted by law, and in accordance with the provisions of subsection (iv).

The existing Long Term Funding Policy of the Fund shall be suspended for the term of this Agreement, provided that the Alternate Schedule (as it may be modified from time to time) must go into effect and remain in effect as contemplated in this Agreement. Upon expiration of the term of this Agreement or when the Alternate Schedule is no longer in effect or no longer required, the Long Term Funding Policy shall automatically go back into effect without the need for further action by the Trustees or any other party.

The Employer may defer supplemental payments for the length of time permitted by the Desert States Employer and UFCW Union Pension Trust Fund.

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 equal 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 for those employees who secure employment with a contributing Employer in the Pension and Health and Welfare Trust Funds.

23.3 All monies due an employee, 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) day period, if he has not been recalled, he will be paid severance pay and forfeit his seniority. Any extensions of this ninety (90) day 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 Pensions 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 provision of this Section shall apply.

23.7 The Employer agrees to give to 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 all proper subjects of Collective Bargaining and that all such subjects have been discussed and negotiated upon and the Agreements contained in this Contract were arrived at after the free exercise of such rights and opportunities; 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 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 they negotiated or signed this Agreement.

SECTION 25 SAVINGS CLAUSE

25.1 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 re-negotiating an Agreement on the provisions so invalidated.

SECTION 26 TECHNOLOGICAL CHANGE

26.1 The parties recognize that automated equipment and technology is now available for the Retail Food Industry. The Employer recognizes that there is a desire to protect and preserve work

opportunities. At the same time, the Union recognizes that the Employer has the right to avail itself of modern technology. With this common objective, the parties agree as follows:

- (a) In the event the Employer introduces major technological change which for the purpose of this Section is defined as electronic price marking and electronic scanner which would have a direct material impact affecting Bargaining Unit work, sixty (60) days advance notice of such change will be given to the Union.
- (b) In addition, the parties agree:
 - 1. The Employer has the right to install such equipment.
 - 2. Any training or necessary re-training will be furnished expense free by the Employer to affected employees.
 - 3. Where employees would be displaced by such installation, the Employer will make every effort to effect a transfer.
 - 4. If an employee is not re-trained or transferred and would be displaced as a direct result of major technological changes, as defined above, then the employees would qualify for separation pay, if:
 - a. The employee has two (2) or more years of continuous service;
 - b. Does not refuse a transfer within a twenty-five (25) mile radius;
 - c. Does not refuse to be re-trained;
 - d. Such action does not occur more than one (1) year from date of installation;
 - e. Does not voluntarily terminate employment.
 - 5. Severance pay would be paid at the rate of one (1) week's pay for each year of service in excess of two (2) years not to exceed eight (8) weeks.
 - 6. Severance pay would equate the average number of hours worked the fifty-two (52) weeks preceding displacement.

SECTION 27 TERM OF AGREEMENT

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

27.2 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.

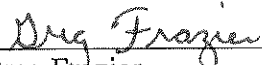
27.3 If neither party hereto gives notice to the other party of its desire to negotiate a successor Agreement prior to the expiration date of this Agreement as above provided, this Agreement shall automatically be renewed for successive one (1) year terms thereafter.

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 CLERKS**

CLASSIFICATIONS	Current	11/4/2018	11/3/2019	11/8/2020	11/7/2021
Department Heads					
Grocery/Front End Manager	\$16.30	\$16.60	\$16.90	\$17.20	\$17.45
Produce Manager	\$16.00	\$16.30	\$16.60	\$16.90	\$17.15
Head Clerk	\$15.60	\$15.90	\$16.20	\$16.50	\$16.75
Bakery Manager	\$15.23	\$15.53	\$15.83	\$16.13	\$16.38
Liquor Manager	\$15.23	\$15.53	\$15.83	\$16.13	\$16.38
Head Baker	\$13.35	\$13.65	\$13.95	\$14.25	\$14.50
GM/Variety Mgr	\$11.99	\$12.29	\$12.59	\$12.89	\$13.14
Floral/Customer Service	\$11.60	\$11.90	\$12.20	\$12.50	\$12.75
Fuel Lead Clerk	\$12.30	\$12.60	\$12.90	\$13.20	\$13.45
EMPLOYEES HIRED PRIOR TO FEBRUARY 1, 2004					
Food Clerks	\$14.90	\$15.20	\$15.50	\$15.80	\$16.05
GM, Floral, Video, Cust Srv	\$10.94	\$11.24	\$11.54	\$11.84	\$12.09
Cake Decorators/App	\$12.69	\$12.99	\$13.29	\$13.59	\$13.84
Bakery Clerks	\$11.31	\$11.61	\$11.91	\$12.21	\$12.46

Courtesy Clerks

MINIMUM WAGE

Utility Clerks

MINIMUM WAGE + .25

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
Clerks Hours Worked							
Step 1 1040 hours worked	\$7.70	\$7.70	\$9.10	\$7.70	\$10.60	\$7.70	\$11.60
Step 2 1040 hours worked	\$7.80	\$7.80	\$9.20	\$7.80	\$10.70	\$7.80	\$11.70
Step 3 1040 hours worked	\$7.90	\$7.90	\$9.30	\$7.90	\$10.80	\$7.90	\$11.80
Step 4 1200 hours worked	\$8.25	\$8.25	\$9.40	\$8.25	\$10.90	\$8.25	\$11.90
Step 5 1200 hours worked	\$8.75	\$8.75	\$9.50	\$8.75	\$11.00	\$8.75	\$12.00
Step 6 1200 hours worked	\$9.25	\$9.25	\$9.60	\$9.25	\$11.10	\$9.25	\$12.10
Step 7 1200 hours worked	\$9.75	\$9.75	\$9.75	\$9.75	\$11.20	\$9.75	\$12.20
Step 8 1200 hours worked	\$10.40	\$10.40	\$10.40	\$10.40	\$11.30	\$10.40	\$12.30
Thereafter	\$11.85	\$12.15	\$12.15	\$12.45	\$12.45	\$12.70	\$12.70

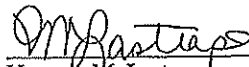
MINIMUM WAGE

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

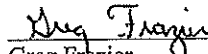
LETTER OF AGREEMENT
SAFEWAY INC. AND UFCW LOCAL 1564
Farmington/Aztec New Mexico Retail Clerks Agreement

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 General Merchandise Variety Manager that shall be part of Safeway Inc. and UFCW Local 1564 Retail Clerks Collective Bargaining Agreement. The General Merchandise Variety Manager shall not be considered a required classification.
2. All duties associated with the operation of the General Merchandise Department may be performed by the General Merchandise Variety Manager.
3. The General Merchandise Variety Manager shall be subject to all the terms and conditions of the Retail Clerks principal Agreement and any openings shall be filled in accordance with Section 10.3 Promotions of the Retail Clerks Collective Bargaining Agreement. A General Merchandise Variety Manager shall not be bumped or otherwise displaced by employees in any other classification.
4. The rate of pay for a General Merchandise Variety Manager, effective November 1, 2009 shall be \$10.84/hr. Future wage increases shall be determined by the Collective Bargaining Agreement.
5. In the event of a Department closure or layoff, the General Merchandise Variety Manager shall be permitted to exercise his/her seniority as defined in Section 10 Seniority of the Retail Clerks Collective Bargaining Agreement, to displace the least senior employee in the bargaining unit within their classification or the least senior person in the bargaining unit within the General Merchandise classification.



Vanessa M. Lastrapes
Director of Labor Relations



Greg Rrazier
President, Local 1564

1/8/10

Date

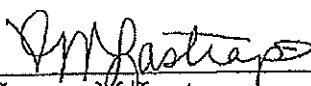
1/11/10

Date

Letter of Agreement
Between
Safeway Inc. and UFCW Local 1564
Farmington/Aztec Retail Bargaining Unit

The above referenced parties hereby agree to establish the terms and conditions for a Fuel Station Lead Clerk classification.

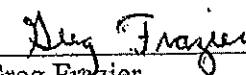
1. This classification shall become part of the Safeway, Incorporated and United Food and Commercial Workers Union Local # 1564 retail labor agreement for Aztec/Farmington, New Mexico. All of the terms and conditions of the respective labor agreement shall apply as set forth therein.
2. Safeway reserves the right to fill the Fuel Station Lead Clerk position at its discretion and it is also understood that this is not a required classification in any Fuel Station. The Lead Clerk shall be allowed to perform all duties in the Fuel Station without restriction.
3. The rate of pay for a Fuel Station Lead, effective November 1, 2009, shall be \$11.15/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

1/11/10

Date