

Agreement by and between

UFCW 21 and
Dufry North America, LLC
(Host)



Effective 1/1/2014 – 5/10/2019



YOUR VOICE, YOUR UNION, YOUR CONTRACT

About UFCW 21

UFCW 21 is a large, strong, progressive, and diverse union, representing more grocery workers, retail workers, and professional and technical health care workers than any other union in the state.

With over 46,000 members united, we have the power and resources to take on tough employers, represent members on the job, raise standards in our industries, and support laws that make a difference for working families.

My Union Representative:

My Union Steward:

With a union you and your co-workers have a voice in decisions about your work life—wages, benefits, holidays and vacations, scheduling, seniority rights, job security, and much more. Union negotiations put us across the bargaining table from management—as equals.

A negotiating committee of your co-workers and union staff negotiated this contract. How does the negotiating committee know what issues are important? Union members tell us. The issues raised in contract surveys and proposal meetings help us decide what to propose in contract negotiations. Stewards and union representatives report on issues that arise on the job, talking with members about grievances, problems, and needs. They have a hands-on sense of what the issues are.

The more that union members stand together and speak out with one voice, the stronger the contract we can win. A contract can only take effect after union members have a chance to review the offer and vote on it.

A union is as strong as its members. It's no secret—an active and united membership means a stronger union—which means a better contract.

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AGREEMENT

This Agreement is entered into between UFCW Local 21, chartered by the United Food and Commercial Workers International Union, hereinafter referred to as the "Union" and Dufry North America, LLC, located at Seattle-Tacoma International Airport, hereinafter referred to as the "Employer."

It is the intent of the parties to this Agreement to promote an increasing spirit of harmony between the Employer, the employees and the Union,

For the mutual benefits of the parties hereto, it is hereby expressly understood that the following shall be the scale of wages, the limitation of hours, and the rules and working conditions to be observed by both parties to this Agreement.

ARTICLE I - RECOGNITION AND BARGAINING UNIT

1.01 UNION RECOGNITION. The Employer recognizes the Union as the sole collective bargaining agent with respect to work, rates of pay, hours and all other terms and conditions of employment for all employees in the appropriate bargaining unit herein defined.

1.02 BARGAINING UNIT. The bargaining unit shall include all persons, excluding managers and supervisors, who are engaged in selling or handling merchandise (including employees of licensees or concessionaires) in any, Duty Free location, both selling and servicing (warehouse, etc.), operated by the Employer at the Seattle-Tacoma International Airport, Washington, which the Employer owns, leases, operates or controls or, in which the Employer or any subsidiary thereof has a controlling interest and are not under assignment. It is agreed that any new stocking by suppliers of products that were previously stocked by employees of the bargaining unit shall not be done without prior agreement of the Union.

1.03 NEW LOCATIONS. Hereafter, every duty free or warehouse location opened by the Employer in Washington State, including any supporting locations off Port of Seattle property, for which goods and/or services provided are directly related to the Employer's Port of Seattle operations at Seattle-Tacoma International Airport, shall be automatically covered by this Agreement.

1.04 EXCLUSIONS. The bargaining unit shall exclude all office and clerical employees, guards, and supervisors as defined in the Act.

ARTICLE 2. UNION SECURITY

2.01 UNION MEMBERSHIP. The Employer agrees that all employees in the bargaining unit on the Employer's payroll as of the effective date of this Agreement, or who are subsequently employed by the Employer, shall become and remain members of the Union in good standing within thirty-one (31) days of the effective date of this Agreement or their date of employment,

whichever is later, as a condition of continued employment. For the purpose of this section, the execution date of this Agreement shall be considered its effective date.

2.02 NOTICE TO UNION. Employer will notify the Union in writing on a quarterly basis of any newly hired, transferred, rehired or terminated employee and will furnish the Union with the following information:

Employee's Name
Residence Address
Social Security Number
Classification
Location of Employment, and
Date of Employment
Date of Termination (if applicable)

When requested by the Employer to do so, the Union agrees to provide the Employer with suitable forms for this purpose.

2.03 FAILURE TO COMPLY. Upon the failure of any employee to comply with any provision of Article 2.01 of this Article, the Union may then notify the Employer, in writing, of such failure. Upon receipt of a letter requesting termination of an employee who has not complied with 2.01 of the Agreement, the Employer shall (on the same date, if the employee is working on that date) immediately notify such employee that if he/she has not complied with the Union membership requirements of 2.01 of the Agreement within fourteen (14) days from the date of written request for termination, his/her employment shall automatically be terminated, unless the Employer is notified by the Union that such employee is a member in good standing of the Union.

2.04 HOLD HARMLESS. It is agreed that if the Employer takes any action, including discharge of any employee pursuant to the provisions of this clause, the Union will hold the Employer harmless from any liability to the employee or any other person as a result of any such action, including the full costs to the Employer of any defense of any such claim.

2.05 DEDUCTION OF UNION DUES. The Employer agrees to deduct from the wages of each employee covered by this Agreement upon proper authorization from the employee affected, union dues and fees. The employees shall, within thirty (30) days after commencement of employment either provide the Employer with a signed authorization for such deductions, or tender such dues and fees directly to the Union.

2.06 DEDUCTION. The moneys shall be deducted from the pay period on the ninth (9th) of each month for the following month and shall be forwarded by the Employer to the Union not later than ten (10) days following the end of the month, accompanied by statement sent electronically, of the names of the employees from whom the deductions were made and the amount of these deductions.

2.07 VOLUNTARY POLITICAL ACTION FUND DEDUCTION. The Employer shall deduct the sum specified from the pay of each member of the Union who voluntarily executes a political action contribution authorization form. The amount deducted and a roster of each employee authorizing assignment of wages will be transmitted to the Union. The Union and each employee authorizing the assignment of wages for payment of the voluntary political action contributions hereby undertakes to indemnify and hold the Employer harmless from all claims, demands, suits, and other liability that may arise against the Employer for or on account of any deduction made from the wages of such employee.

2.08 CHANGES IN DUES. In the event of a change in the Union dues, the Union will give the Employer notice on the effective date and amount of change, and shall submit revised authorization for such deductions, unless the prior authorization provides for the deduction of such changed amounts.

2.09 SUPERVISORY PERSONNEL. It is understood that supervisory and management personnel shall limit their activities primarily to supervisory functions. However, this does not preclude supervisors and managers from selling and handling merchandise on an occasional, sporadic, or emergency basis including training, rush periods and demonstration selling.

2.10 UNION VISITATION. Representatives of the Union shall be permitted to contact the employees on the job site to make proper investigation for the purpose of determining that this Agreement is being complied with by the Employer and for the presentation and handling of grievances, provided the Union shall not interfere with a clerk waiting on a customer and shall not interfere with the conduct of the business. The Union representative shall provide prior notice to the General Manager, Operation Manager, Store Manager, or Human Resource Manager, or their designee.

2.11 EMPLOYEE REPRESENTATION. Any employee may request the presence of an authorized Union Representative during any interview which is likely to result in discipline or discharge.

2.12 SHOP STEWARDS. The Union may designate two members of the bargaining unit as shop stewards: one employed in the warehouse, one employed in duty free. Duties of shop stewards shall include but not be limited to attending certain meetings between management and associates, and communication between the Union and its members. Time spent on such duties shall be unpaid except with the specific advance approval of the Employer.

ARTICLE 3. DEFINITIONS

3.01 REGULAR FULL-TIME EMPLOYEES. Employees who are regularly scheduled to work forty (40) hours per week.

3.02 REGULAR PART-TIME EMPLOYEES. Employees who are regularly scheduled to work less than forty (40) hours per week.

3.03 ON-CALL EMPLOYEES. Employees who work "on-call" and who may not receive advance notice of schedules. Such schedules will be subject to business fluctuations, absenteeism, vacations, leaves of absence, special sales, or other variables deemed appropriate by the Employer. "On-call" employees shall not exceed fifteen percent (15%) of the bargaining unit.

3.04 PRODUCT ADVISORS AND LEAD EMPLOYEES. Regularly scheduled employees designated by management to carry extra responsibilities. The number of "leads" so designated shall also be at the prerogative of management. Shifts and days off carrying "lead" responsibilities shall not be subject to bid under this Agreement. The Employer agrees to post vacant lead positions for a period of at least seventy-two (72) hours. The Employer agrees to interview employees who apply to such posting. The selection of the lead shall remain in the prerogative of the Employer. The Employer shall notify each applicant within 72 hours of its selection.

Product Advisor/Flight Meet is a regularly scheduled employee who is designated by management to work with a specific vendor or tour group meeter. This employee shall not carry out any function normally assigned to a Lead employee. This designation of this position shall be exempt from the shift bid process.

3.05 PROBATIONARY EMPLOYEES. All employees who are first employed shall be considered probationary employees for a period of ninety (90) calendar days. The Employer shall have the right to discipline or terminate the employment of any probationary employee and such discipline or termination may not be subject to the grievance procedure.

3.06 PROBATIONARY WAGE RATES. Probationary employees shall receive wages at the agreement rate for their respective classification and their rights and duties shall in all other respects be governed by the terms of this Agreement, provided however, they shall accrue no rights for the future until they have successfully completed their probationary period,

3.07 TEMPORARY SUMMER HIRES. The Employer may hire additional employees as Temporary Summer Hires from May 15 through September 30 and these employees will only be required to pay the part-time initiation fees. If any employee remains an employee on or after October 1, the balance of the initiation fee shall be due and payable. The Employer will supply the Union with a list of those hired as Temporary Summer Hires. The Employer shall not be required to pay Health and Welfare and Pension Contributions on these Temporary Summer Hires so long as the employee is off the payroll as of October 1. Employees remaining on the payroll after October 1 shall be entitled to retroactive seniority and contributions for Health and Welfare as of their hire date as specified under this Agreement.

3.08 GENDER. Where the masculine or feminine gender has been used in any provision in this Agreement, it is used solely for the purposes of illustration and shall not in any way be used to designate the sex of an employee.

ARTICLE 4. WORK WEEK AND WORKDAY

4.01 WORK DAY, WEEK AND OVERTIME. The employee's regular workday shall consist of eight (8) consecutive hours with one (1) uninterrupted meal period and shall be scheduled at approximately the middle of the workday. This period is to be one-half (1/2) hour within the eight (8) hours. All time worked in excess of eight (8) hours compensable hours in any one (1) day shall be compensated for at the rate of one and one-half (1 1/2) times the employee's regular straight-time hourly rate. The workweek shall start at 12:01 a.m. Monday and end at 12:00 midnight the following Sunday. However, if the Employer changes the pay week for other employees at Seattle-Tacoma International Airport, it may also change the pay week for employees covered under this Agreement upon one month's advance notice to the Union and the employees.

The above notwithstanding, the Employer may establish a schedule that consists of ten (10) hour workdays. Employees on such schedule shall receive three consecutive days off. All hours worked in excess of ten (10) hours in an employee's work shift or in excess of forty (40) hours in any work week shall constitute overtime work and shall be paid at the rate of one and one-half (1 1/2) times the employee's regular straight time rate of pay. Payment for Bereavement Leave under Section 15.01 and Holiday Pay under Article 7 for normal scheduled days not worked, shall be for ten (10) hour days. If a holiday falls on a day the employee is not normally scheduled or if the employee works on a normal scheduled day that the holiday falls on, Holiday Pay under Article 7 for normal scheduled days not worked, shall be for ten (10) hour days.

4.02 DAYS OFF. Regular full-time and regular part-time employees shall have a minimum of two consecutive days off in a workweek, except as provided below. "On-call" employees shall have a minimum of two (2) days off in a workweek, not necessarily consecutive. Any regular or "on-call" employee working on a sixth (6th) or seventh (7th) consecutive day, excluding day(s) for which overtime was paid, shall be compensated at the rate of one and one-half (1 1/2) times the employee's regular straight-time hourly rate for all hours worked on the sixth (6th) or seventh (7th) day in the workweek, except where working on the sixth (6th) or seventh (7th) day was necessitated by any and all shift bidding. No "on-call" employee shall work more than eight (8) consecutive days, except by mutual agreement between the employee and the Union and the Employer.

4.03 PART-TIME SHIFTS. The Union and the Employer agree that there may be some part-time shifts. Such part-time shifts shall be assigned for periods of not less than four (4) hours and shall be compensated for at the rates listed.

4.04 REGULAR PAYROLL. There shall be regular payroll periods not to exceed one-half month and a regular payday not more than seven (7) days after the end of the payroll period, except under circumstances beyond the control of the employer.

4.05 WORK SCHEDULES. It is agreed that the Employer will make work schedules available to the employees seventy-two (72) hours before the start of the workweek and will to the best of the Employer's ability, give any employee at least four (4) days notice of a change in days off, provided, however, that no penalty shall attach to any failure to give such notice and the

employee shall be obligated to respect any notice of change of day off that is given at least twelve (12) hours prior to the start of the employee's shift on the changed days. The above notice requirements do not apply regarding situations which are outside the control of the Employer. In such cases the Employer reserves the right to amend schedules with no notice, according to business needs under the circumstances. Special requests for days off must be submitted in writing by the employee to the Employer at least seven (7) days prior to the posting of the work schedule. The Employer will respond in writing within four (4) days of the request. Such special requests will only be considered after the employee's vacation days have been depleted. Special requests will be limited to one (1) request per employee, per month and further, as a total work unit be limited to three (3) total requests per day. The employer reserves the right to deny any special requests based on the needs of the business.

4.06 SPLIT SHIFTS. There shall be no split shifts by any employee, except as provided below: The Union will not withhold permission for an exception to this policy upon the request of any employee. Said employee shall be allowed to work a split shift provided such work is on a voluntary basis.

4.07 MIDNIGHT SHIFTS. Any shift starting between midnight and five-thirty (5:30) a.m. will be guaranteed eight (8) hours work or pay in lieu thereof, except that, by mutual agreement between Employer, Union and associate, such shifts may be less than eight (8) hours.

4.08 REST PERIODS. Each employee shall receive a ten (10) minute rest period in each half of each employee's work shift. Such rest period shall be as close to the mid-point of the half shift as is practical. The actual schedule of the rest periods shall be determined by the Employer.

4.09 COMBINED REST PERIODS. Rest periods and lunch periods shall not be combined, with the exception that one rest period and the employee's lunch period may be combined by mutual agreement between the Employer and employee.

4.10 MEAL PERIOD. For all employees, schedules shall be so arranged that any day in excess of five (5) hours must have a scheduled meal period preferably in the middle of the shift.

ARTICLE 5. SENIORITY

5.01 DEFINITION. Seniority is defined as the length of continuous employment from the last date of hire of an employee with the Employer within the bargaining unit.

5.02 TERMINATION OF SENIORITY. Seniority rights shall terminate if an employee:

- a) Quits.
- b) Is discharged.
- c) Is laid off for a period equal to the employee's seniority or six (6) months, whichever is the lesser period.
- d) Fails to return to work in accordance with the terms of a leave of absence or when recalled after a lay-off It is agreed that consideration shall be given to extenuating circumstances.

- e) Fails to inform the Employer of a change in address while on lay-off.
- f) Fails to report to work for two (2) consecutive days without notifying the Employer. It is agreed that consideration shall be given to extenuating circumstances that make such notice requirements impossible.

5.03 PROBATIONARY EMPLOYEES. Probationary employees shall have no seniority status during their probationary period, provided that when an employee has completed his probationary period he shall be credited with all regular service retroactive to the last date of hire for the purpose of determining the application of benefits based on length of service. (See Article 3).

5.04 ABSENCE. Absence during an authorized leave of absence shall not break seniority.

5.05 APPLICATION. The principle of seniority shall apply in the case of lay-off, vacation, shift and days off preference, provided that the employee shall have the skill and ability (including language skills where required) as determined by management to do the work, such determination shall be fairly and reasonably exercised.

5.06 LAY-OFF. In lay-off, the least senior employee within the job classification, as defined above, shall be the first laid off or reduced in hours, whichever the case may be. All employees who are laid off shall be given one (1) week advance notice of such lay-off. This notification requirement prior to an employee's lay-off shall not apply in cases of emergencies beyond the control of the Employer. Employees shall be recalled from emergency layoff according to the provisions of Article 5. It is hereby mutually acknowledged that the term "lay-off" does not include discharge for cause. The notification requirements of this Agreement prior to employees lay-off shall not apply in emergencies beyond the control of the Employer. Employees shall be recalled from emergency lay-off according to the provisions of this Article.

5.07 SHIFT & DAYS OFF PREFERENCE. For purposes of shift and days off preference, seniority shall apply only within the following work units:

- a) Duty Free
- b) Warehouses

Should the Employer desire to create a new or different work unit, this shall be subject to negotiation with the Union.

5.08 BIDDING PROCEDURE. Job openings will first be offered to other employees within the same work unit. If the vacancy is not filled within the same work unit it shall then be offered to other employees before offering the vacancy outside the bargaining unit. Employees bidding into a store or a warehouse from another work unit shall be subject to management interviews and approval.

- a) The initial shift and day off created by a vacancy shall be subject to bid.
- b) The initial vacancy created by an employee bidding into "a" above shall also be subject to bid.

c) Any subsequent vacancies created by “b” above shall be filled at the discretion of the Employer.

5.9 WORK IN MULTIPLE CLASSIFICATIONS. Nothing herein shall preclude the Employer from assigning employees to work in more than one classification, on a temporary basis, where the employee is qualified to perform the work, including but not limited to; emergencies, rush periods, breaks, etc., or on a permanent basis where the needs of the business permit the Employer to offer a permanent shift of a greater number of hours (for example: 5 hours in Duty Free and 3 hours in the Warehouse Merchandise). Seniority shall be maintained in their original classification.

5.10 SCHEDULE CHANGES. Seniority for shift and days off preferences shall not apply for filling temporary vacancies, such as vacations or leaves of absence for less than sixty (60) days or during a shift bid pursuant to this Article 5. Minor adjustments of an ongoing nature, changing scheduled hours of work by not more than one hour per day shall not be subject to bid. Involuntary ongoing changes in hours of work of not more than one hour per day shall be limited to one per person between bids.

5.11 SCHEDULE BIDS. Schedules shall be bid at least two times a year, as described in 5.08 and 5.09 above. Employees will receive the shift bid schedule at least four (4) days in advance of upcoming shift bids. It is the responsibility of the employee to make known their bid preference in a timely manner in writing. Employees who fail to submit a written bid will lose their place in the bidding process. Employees bidding for positions in the Employer's stores and/or the warehouse are subject to management interviews and approval. If an employee is on vacation when shift bid notification and bidding occur, a written proxy bid may be left with the Employer or another employee. No change will be made to the shift bid schedule after distribution without a three (3) day notice.

5.12 REINSTATEMENT. The last employee laid off shall be given the first opportunity to reinstatement in the former position, if said employee presents himself for work within forty-eight (48) hours, from the Employer's notice. Failure of such employee to present himself within the forty-eight (48) hours, shall be considered a voluntary quit and his seniority shall be canceled. The union shall be advised when an employee is offered recall to employment.

5.13 TRANSFER OUT OF BARGAINING UNIT, RETENTION OF SENIORITY. In the event an employee is transferred out of the bargaining unit into a position not covered by a collective bargaining agreement between the Employer and the Union and such employee returns to a bargaining unit position within six (6) months, he shall be returned to the bargaining unit within a classification and at the progression rate which he would have held if he had not been transferred and without loss of seniority. However, employees accepting a promotion to a supervisory position may qualify for this retention of seniority only during the first sixty (60) days.

5.14 AVAILABILITY OF HOURS. The parties hereto recognize that full-time work is essential to the economic welfare of employees whose principal income is derived from employment by the Employer. The number of part-time employees employed by the Employer to

supplement his basic fulltime personnel shall be held to a minimum consistent with the reasonable needs of the business, as related to customer service and traffic flow, by assignment of part-time work to the fewest number of persons who are available for the work required.

5.15 ADDITIONAL HOURS. To assist employees desiring additional hours outside their regular schedule, employees shall notify management, in writing, of their said desires on forms provided by the Employer, stating the day(s) of the week and hours for which the employee is available. Such request shall be valid until the next schedule bid. In assigning such additional hours, management shall consider the overall practicability of the employee's request, along with the employee's seniority, availability, skill and ability to do the work consistent with the reasonable needs of the business, customer service and traffic flow, before scheduling "on-call" employees and/or new hires. It is agreed that the Employer shall not be obligated to assign additional hours to part-time employees in lieu of using other sources when such assignment would result in the payment of overtime. Employees who fail to be available for the additional hours they have requested must submit a new request in order to be considered further. When a reduction of the work force or hours occurs in a classification, employees may refuse an assignment of additional hours up to forty (40) hours per week if a more junior employee within his classification is available. If no one exercises the option, the Employer shall be free to assign the hours at its discretion including, but not limited to, the right to assign the hours in inverse order of seniority.

Wherever practical, the Employer will endeavor to assign bargaining unit employees to available work, as provided herein, before resorting to temporary employment agencies.

5.16 CONSIDERATION FOR PROMOTION. Employees desiring advancement to a higher wage rate classification will notify the personnel department, in writing and such employee's request shall be considered when openings occur.

5.17 REQUIRED OVERTIME. Employees who are willing to accept overtime shall so advise the Employer in writing of their specific availability (days and shifts) within one (1) week of a shift bid. Scheduled overtime hours required by the Employer will be offered first to senior employees in the shop, warehouse and/or classification where the overtime is needed who have so requested. Overtime necessitated by the immediate needs of the business will be offered to part-time personnel currently on duty in the shop, who have signed the list in order of seniority. If there are no part-time employees available, overtime will be offered to the most senior person working who has signed the list. After the Employer has exhausted the list as provided herein, it shall be free to assign the hours at its discretion, including but not limited to the right to require overtime from the least senior employee on duty in the shop, warehouse and/or classification where the overtime is needed. Prior to offering overtime hours, the Employer may, at its discretion, offer additional hours to part-time employees (up to forty (40) hours in the workweek) pursuant to Article 5.

ARTICLE 6. WAGES AND CLASSIFICATIONS

6.01 CLASSIFICATIONS AND WAGE RATES. All work and services connected with, or incidental to the Employer's operation at the Seattle-Tacoma International Airport, Seattle, Washington pertaining to the handling and selling of merchandise offered for sale to the public shall be performed only by employees within the appropriate unit as defined in this Agreement. Attached hereto and marked Appendix "A" is a schedule showing the classifications and wage rates of the employees covered by this Agreement. It is mutually agreed that said Appendix "A" and the contents thereof shall constitute a part of this Agreement.

6.02 NEW CLASSIFICATION. If the Employer hereafter establishes any new or substantially changed job classification or work operation, the Union and the Employer shall at that time enter into negotiation to determine wages, hours and conditions for those departments. Provided agreement is not reached in ten (10) days, either side may request that it be settled by arbitration as provided for in this Agreement.

6.03 REPORT PAY. Except in the event of emergencies beyond the control of the Employer that make compliance with the notice requirement impractical, employees who report for work and who are not given notice not to report and who are not put to work will be given three (3) hours pay. Each employee is obligated to keep the Personnel Department informed of his/her current address and telephone number.

6.04 MINIMUM REPORT TIME. Employees who report to work and are put to work will be given a minimum of four (4) hours work or pay. When an employee works more than the minimum four (4) hour requirement, he shall be compensated for the exact number of hours that he does work. Employees required to attend meetings at times other than during their regularly scheduled shifts or immediately before or after such shifts shall be guaranteed a minimum of three (3) hours of pay for attendance at such meetings at the applicable rate of pay. If the employee requests to attend meetings at times other than during their regularly scheduled shifts they shall be paid for a minimum of one (1) hour of pay for attendance.

6.05 NO PYRAMIDING OF RATES. When two (2) or more premium rates apply to the same hour of work the higher will be paid and there will be no pyramiding of any premium rates.

6.06 WORK IN LEAD CLASSIFICATION. Non-lead employees who are temporarily assigned by the Employer to all the duties of a lead position for a full shift or more shall receive the Lead Classification rate.

6.07 PARKING. In year 1 of the Collective Bargaining Agreement the Employer shall pay \$35.00 per month for each employee to provide parking for those employees who park at the airport. (Probationary employees shall be eligible the first of the month following the month of hire). The employee shall pay any additional cost above the \$35.00. In years 2 and 3 the Employer shall pay fifty percent (50%) of parking costs up to \$40.00 for each employee to provide parking for those employees who park at the airport. The employee shall pay the additional cost.

6.08 BUS TRANSPORTATION. In year 1 of the Collective Bargaining Agreement The Company shall pay \$35.00 per month for each employee to bus transportation for those employees who bus to the airport. (Probationary employees shall be eligible the first of the month following the month of hire). The employee shall pay any additional cost. In years 2 and 3 of the Collective Bargaining Agreement the Employer shall pay fifty percent (50%) of bus transportation costs up to \$40.00 for each employee to provide parking for those employees who bus to the airport. The employee shall pay the additional cost. Employee must present paid receipt to receive reimbursement.

ARTICLE 7. HOLIDAYS

7.01 DESIGNATED HOLIDAYS. The following are recognized as holidays:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

7.02 HOLIDAY PAY. Each full-time employee with one or more years of seniority who is on the active payroll and not on leave of absence will receive pay for his regular shift at the employee's straight-time rate for each such holiday not worked, provided that he works his regular scheduled shift immediately before and after such holidays. The Employer agrees to waive the requirement for work before and after holidays in order to receive holiday benefits in the event an employee is suffering an illness or ailment, supported by the doctor's certificate, rendering him incapable of working. In such cases, the affected employee shall receive the holiday benefit. The Employer may consider and approve other legitimate reasons for absence, on a case by case basis. (Employees hired before 7/1/98, refer to Holiday Pay under Grandfathered Provisions.

7.03. PART-TIME EMPLOYEES. Each part-time employee with one or more years of seniority who is on the active payroll and not on a leave of absence will receive prorated holiday pay (up to eight (8) hours) based upon the average number of regular straight-time hours a day the employee worked the previous sixteen (16) weeks. For example: an employee who averages 5 hours per day worked, excluding any overtime hours, shall be paid five (5) hours holiday pay. In no event will an employee be eligible for more than eight (8) hours holiday pay.

7.04 WORK ON HOLIDAY. Each employee who works on a recognized holiday, except Christmas, and who works his regularly scheduled shift immediately before and after the holiday worked, shall receive his regular holiday pay, plus pay at the straight-time rate for the first eight (8) hours worked on the holiday.

7.05 WORK ON CHRISTMAS. Each employee who works on the Christmas holiday and who works his regularly scheduled shift immediately before and after the Christmas holiday worked,

shall receive his regular holiday pay, plus pay at one and one-half (1 1/2) times his straight-time rate for the first eight (8) hours worked on the Christmas holiday.

7.06 HOLIDAY SHIFTS. Employees required to work on the holiday will be scheduled for their regular shift or the length a unit is open when it is less than a regular shift. Where the shop is open more than eight (8) hours, shifts of not less than four (4) hours may be scheduled to supplement the eight (8) hour shifts as required by business. Where business reduction requires the closing of a unit prior to the end of the employee's regular shift, the employee shall be offered the option of movement to another location or the opportunity to volunteer to leave their shift early.

7.07 HOLIDAY OVERTIME. Any hours worked in excess of eight (8) hours on a recognized holiday shall be compensated for at two (2) times the employee's straight-time rate.

7.08 COMPUTING WEEKLY OVERTIME. Pay for a holiday not worked shall not be considered as time worked for purposes of computing overtime.

7.09 FAILURE TO WORK. An employee who is regularly scheduled to work on a recognized holiday and who does not work shall not receive holiday pay, except as shown in Section 7 . 02 of this Article

ARTICLE 8. VACATION AND PAID SICK LEAVE

8.01 VACATION SCHEDULE. All regular full-time and regular part-time employees shall receive an annual vacation with full pay based on years of service as follows:

Years of Service	Days
Hired	0
1-3 years	5
4-6 years	10
7+ years	15
Grandfathered	20

8.02 VACATION PAY. Vacation pay will be paid on pay period for which the vacation time was taken.

8.03 VACATION SCHEDULING.

For employees in 2016 who either took actual vacation time off and received pay or received vacation pay but worked instead of taking time off, the following shall apply:

Any remaining vacation time for year 2016 due these employees must be scheduled with supervision and vacation will be granted on a first come first served basis. The granting of such vacation, however, is subject to the approval of management considering the needs of the business. Seniority shall be used in granting vacation where requests exceed manpower and

scheduling needs as determined by management. All vacation time must be taken by December 31, 2016 with no carry over to the next calendar year. If vacation is approved by management and then denied, the employee may then either take the vacation time in pay or carry it over to the next calendar year.

For vacation in the remaining contract years of the contract the process shall be as follows: From December 1 to December 10, employees will be allowed to request vacation time for the following year. Seniority shall be used in granting vacation where requests exceed manpower and scheduling needs as determined by management. Any remaining vacation requests shall be granted on a first come first served basis. Seniority shall be used in granting these vacation requests where requests exceed manpower and scheduling needs as determined by management. The granting of all vacation is subject to the needs of the business. If vacation is approved by management and then denied, the employee may then either take the vacation time in pay or carry it over to the next calendar year. Vacation requests shall not be unreasonably denied. Denial of an employees' first request for vacation days, if alternative days are made available, may not trigger the roll over or cash out options.

8.04 TERMINATION OF EMPLOYMENT. Upon termination of employment, except in cases of termination for gross misconduct as defined in the Employer's work rules, after one (1) year or more of employment, the employee shall be paid earned vacation pay equal to the sum of the following:

- a) Annual vacation pay then due the employee
- c) An employee who quits without giving seven (7) day's notice shall be disqualified from accumulated vacation benefits. An employee who gives such notice shall be allowed to work out his notice without reduction in hours or shall be paid in lieu thereof.

8.05 LEAVES OF ABSENCE. Temporary interruption in employment because of leaves of absence on account of sickness cumulative up to sixty (60) days per year shall be counted as time worked for the purpose of computing vacation eligibility.

8.06 PAID SAFE AND SICK LEAVE.

Employees shall accrue at one hour of paid sick and safe time for every 40 hours worked. Employees are entitled to use any accrued hours of compensated time as soon as those hours have accrued. The accrued compensated time used by employees will be paid at the employees' base hourly wage rate.

Employees are not required to present certification of illness in order to utilize accrued compensated time. Employees will not be disciplined or retaliated against for use of accrued paid sick and safe time.

If any employee has not utilized all of his or her accrued compensated time by the end of any calendar year, the employee will be paid in lump sum at the end of the calendar year the equivalent to the compensation due for any accrued, unused compensated time.

ARTICLE 9. LEAVES OF ABSENCE

9.01 REASONS FOR LEAVES. Employees shall be entitled to leaves of absence for the following reasons and up to the following maximum periods:

- a) A certified illness or injury of the employee requiring absence from work as required but not more than six (6) months or the employee's length of service, whichever is less; serious illness or injury or death in the employee's immediate family (defined as "mother, father, sister, brother, step-mother, step-father, spouse, child, or step-child") up to but not more than thirty (30) days.
- b) A leave of not more than thirty (30) days may be given in hardship cases or for any other reason deemed sufficient by the Employer.
- c) The time limits set forth above may be extended by agreement between the Employer and the Union in individual hardship cases.
- d) Military Leave. An employee shall be granted a Military Leave of Absence, as required under the Federal Law, for the time spent in active duty in the Armed Forces of the United States. The period of such leave, and reinstatement with the Employer upon the expiration of such leave, shall be determined in accordance with applicable Federal Laws in effect at the time of such leave.

9.02 LEAVES IN WRITING. All leaves of absence other than emergency leave shall be in writing on forms supplied by the Employer, a copy shall be given to the employee.

9.03 REINSTATEMENT AFTER LEAVE. Where all conditions of the leave of absence are met and this Agreement is satisfied the employee shall be restored to the department and classification he left. If this is impractical, he shall be restored to as comparable a job as possible.

9.04 EMPLOYMENT. If an employee works for remuneration during a leave of absence without receiving written permission from both the Employer and the Union, he shall be considered a quit.

9.05 TERMINATION AFTER A LEAVE. Any employee on a leave of absence who fails to return to work at the expiration of said leave, shall be considered a voluntary quit by the Employer and shall then receive all vacation pay owed under the Agreement.

9.06 FAMILY MEDICAL LEAVE. The Employer agrees to abide by the provisions of the Family Medical Leave Act. Alleged violations of the FMLA shall be submitted to the grievance procedure set forth in Article 14.

9.07 EMPLOYEE ON FMLA LEAVE. An employee on FMLA Leave shall be allowed to bid for shifts as defined in Article 5. The employee shall leave the appropriate contact information and/or a designee authorized to bid for the employee in the event a shift bid takes place during

the employee's absence. Management shall make a reasonable effort to notify these employees on FMLA leave of pending bids, using the employee's contact numbers.

ARTICLE 10. HEALTH, WELFARE AND DENTAL

10.01 Medical and Dental Insurance:

Each Employer and the Union agrees to be bound by the terms and provisions of that certain Trust Agreement creating the Sound Health & Wellness Trust, initially executed June 18, 1957, and all subsequent revisions or amendments thereto, including the amendment and restatement adopted December 3, 1998, and all subsequent revisions or amendments thereto. Each Employer accepts as his representatives for the purpose of this Trust Fund, the Employer Trustees serving on the Board of Trustees of said Trust Fund and their duly appointed successors. The Union accepts as its representatives for the purpose of this Trust Fund, the Labor Organization Trustee members and their duly appointed successors.

The Employers party to this Agreement shall continue to pay on a per compensable hour basis (maximum of one hundred and seventy-three (173) hours per calendar month per employee) into the Sound Health & Wellness Trust for the purpose of providing the employees with hospital, medical, surgical, vision, group life, accidental death and dismemberment, weekly indemnity benefits and dental benefits in accordance with the contribution rates and related provisions established by the separate Health and Welfare Agreement between Allied Employers, Inc., and various Local Unions dated April 1, 1977.

The details of the benefit programs including a description of exact benefits to be provided, and the rules under which employees and their dependents shall be eligible for such benefits, shall be determined by the Trustees of the Sound Health & Wellness Trust in accordance with the terms and provisions of the Trust Agreement creating the Retail Clerks Welfare Trust, dated June 18, 1957, and as may be subsequently amended.

The contribution referred to shall be computed monthly and the total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last day of the month in which the contributions were earned.

Notwithstanding the foregoing Section, the Board of Trustees of the Sound Health & Wellness Trust shall have the authority to establish and enforce a method for reporting contributions on an accounting period basis, rather than a calendar month basis. In such a case, the one hundred and seventy-three (173) hour maximum shall be appropriately adjusted, as directed by the Trustees, provided that in no event shall the Employer's total obligation be different than what it would have been on a calendar month basis. Further, the total contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

The term "compensable hour" shall mean any hour for which any employee receives any compensation required by this agreement.

10.02 CONTRIBUTIONS The Employer and the employee shall pay the appropriate amount specified below per compensable hour for all hours worked by employees covered by this Collective Bargaining Agreement, not to exceed 173 hours per calendar month, to the Sound Health and Wellness Trust. The contribution referred to shall be computed monthly and the total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last day of the month in which the contributions were earned.

Notwithstanding the forgoing Section, the Board of Trustees of the Retail Clerks Welfare Trust shall have the authority to establish and enforce a method for reporting contributions on an accounting period basis, rather than a calendar month basis. In such case, the one hundred seventy-three (173) hour maximum shall be appropriately adjusted, as directed by the Trustees, provided that in no event shall the Employer's total obligation be different than what it would have been on a calendar basis. Further, the total contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

Failure by the Employer to make such payments in the time and manner described shall constitute a breach of this Agreement. Contributions for vacation hours shall be paid to the Trust Fund only upon the actual taking of such vacation time off by the bargaining unit member.

Effective May 2016 the rate shall change from current rate of \$4.86 to a maximum of \$4.62 per hour.

Effective May 2017 this rate shall change to a maximum of \$4.86 per hour.

Effective May 2018 this rate shall change to a maximum of \$5.10 per hour. In the event that the Employer's costs for health insurance coverage for bargaining unit employees are increased in any respect beyond those provided for in this collective bargaining agreement as result of any requirement of the Affordable Care Act ("ACA") or any amendments, modifications, or replacements thereof, including but not limited to, mandatory health care contributions, tax assessments, or penalties of any kind, the parties agree that the Employer, upon written notice to the Union, may reopen the contract to negotiate adjustments in wages, hours and terms and conditions of employment to address the increased costs.

If the Sound and Wellness Trust determines that it does not require the maximum contribution rates as shown above, for any given year, it will immediately provide written notification to the company as to the lower contribution rate. It is agreed that the difference between the maximum contribution rate as shown above and the lower contribution rate required by the Sound and Wellness Trust ("overage contribution") will be added toward the Employer's regularly scheduled monthly contribution to the Western Employees Benefit Trust as per Article 11 of the Collective Bargaining Agreement. Any such overage contribution shall be contributed to the Western Employees Benefit Trust beginning the first calendar month following written notification by the Sound and Wellness Trust. An example of the intent of this provision

regarding overage contributions is as follows: Effective May 1, 2018, the Sound and Wellness Trust notifies the Employer that the contribution rate is \$5.00 and not the maximum contribution rate of \$5.10. In this scenario, effective the first calendar month following written notification from the Sound and Wellness Trust of the lower required contribution rate, the eighteen cents (\$.10 cents) in overage contribution shall be contributed monthly to the Western Employees Benefit Trust as an Employer contribution.

Employee's Co-Pay (not including family coverage), reimbursement to cover Company expense (per month) is \$5.00.

Any additional increases which may be determined by the Fund shall be paid by the employee. If at any time the hourly contribution amount set by the trustees should exceed the above limits, the difference shall be deducted from each employee's wage in order to ensure continuous coverage.

If at anytime the cost of the plan drops below \$2.00 per hour, the Employer will pay a lump sum to each current employee within 30 days of completion of each separate three (3) consecutive month "quarterly" period where the hourly amount charged by the Trust in Section 10.02 decreases below \$2.00 per hour. These separate three (3) consecutive month "quarterly" calculations shall continue as long as the amount charged by the Trust remains below \$2.00 per hour. Should there be less than three (3) consecutive months thereafter when the amount charged by the Trust remains below \$2.00 per hour, then the lump sum will be calculated only on those months when the amount charged by the Trust is less than \$2.00 per hour.

The Employer will make contributions to cover the cost of Employee Only contributions through April 30, 2009.

10.03 LIABILITY. All benefits under this program shall be received directly from the Sound Health and Wellness Trust or the contracted insurance carrier(s) and neither the Union nor the Employer shall be liable for the payment of the benefits therein provided.

10.04 DATA SUPPLIED TO TRUST. The Employer shall furnish to the Plan Administrator and/or Trustees of the Trust Fund, upon reasonable request, such information and reports as may be required in the performance of their duties. The Trustees, or any authorized agent of the Trustees, shall have the right at all reasonable times during business hours, as pre-arranged with the Employer, to enter upon the premises of the Employer and to examine and copy such payroll books, records, papers and reports of the Employer as may be necessary to permit the Trustees to determine whether the employer is fully complying with the provisions covering Employer contributions. If the Employer is found delinquent through a regular or special audit ordered by the Trustees, the Employer shall be charged the full cost of such an audit. For good cause shown, the Trustees may waive the cost of such audit.

10.05 TAX EXEMPTION. Inasmuch as the Fund is created for the benefit of employees and is qualified as a tax-exempt employee benefit plan, the Employer shall furnish annually, if requested by the Trustees of the aforesaid Trust Fund, a statement showing whether: a) the

Employer is a corporation and the names of all officers and directors of said Employer; b) if not a corporation, a certificate stating who the sole proprietor is or who the partners are.

10.06 DELINQUENCIES. If the Employer is delinquent in the payment of contributions, liquidated damages in the sum of 10%(ten percent) of any delinquent contributions, or \$50.00 (fifty dollars), whichever is greater, shall be due and payable by the Employer to the Trust Fund. If a lawsuit is filed to collect the delinquency, the amount of the liquidated damages will be 20% (twenty percent) of the contributions owed as a result of the delinquency. In addition, the delinquent contributions shall bear interest at the rate of 12% (twelve percent) per annum from the due date until they are paid.

10.07 DEPENDENTS. Under the Sound Health and Wellness Trust coverage for dependents is available from the contracted insurance carrier at a monthly cost to the employee as determined by the Board of Trustees. The Employer agrees to forward to the Trust Fund the monthly premium paid by the bargaining unit member as part of the regular Trust Fund payment (must be all on the Employer's check) if the employee authorizes such coverage and deduction. Following the initial eligibility period as referenced above, should an employee fail to work eighty (80) hours or more in any one month for any reason other than paid vacation, the affected employee shall have the option of paying the premium for the uncovered eligibility month from their own funds through the Trust Fund's Administration office.

10.11 STATE INDUSTRIAL INSURANCE. All employees shall be covered under the Washington State Workman's Industrial Accident Compensation Plan or guaranteed equal coverage of the Employer's selection.

ARTICLE 11. RETIREMENT FUND AND 401 (k) FUND

11.01 WESTERN EMPLOYEES BENEFIT FUND. The Western Employees Benefit Plan is complete within itself and by this reference made a part hereof.

11.02 PAYMENTS REQUIRED. As of July 1, 1988, the Employer agrees to pay into the Western Employees Benefit Trust the sum of ten cents (\$. 10) for each compensable hour and for all employees within the bargaining unit, including holiday and vacation hours. Employer contributions shall be computed monthly to include all hours compensated for in pay periods ending in that month. The total amount due for each such month shall be remitted in a lump sum not later than fifteen (15) days after the last day of each month. The Employer agrees to furnish such data as may be required by the Trustees in administering and carrying out the provisions of the Plan.

Effective July 1, 2008, the Employer will pay 15 cents for each compensable hour and for all employees within the bargaining unit, including holiday and vacation hours.

Effective July 1, 2009, the Employer will pay 20 cents for each compensable hour and for all employees within the bargaining unit, including holiday and vacation hours.

11.03 DAMAGES FOR NONPAYMENT. Insofar as payments by the individual Employer into this Trust are concerned, time is of the essence. The parties recognize and acknowledge that the regular and prompt payment of amounts due by individual Employers to the Trust is essential to the operation of the Trust and the provision of benefits under the Benefit Plan and thus it would be extremely difficult, if not impractical, to fix the actual expense and damage to this Trust and to the covered employee which will result from the failure of an individual Employer to make such monthly payments in full within the time provided. Therefore, it is agreed that the amount of damage resulting from such failure to make contributions hereunder before the twenty-fifth (25th) day of the month in which they are due shall be, by way of liquidated damages and not as a penalty, the sum of fifty dollars (\$50.00) for each failure to pay in full within the time provided, or twenty percent (20%) of the amount due and unpaid, whichever is the greater, which amount shall become due and payable to this Trust at the principal office of this Trust upon the day following the twenty-fifth (25th) day of the month in which such delinquency occurred, and shall be added to and become a part of said amount due and unpaid and the whole thereof shall bear interest at the rate of twelve percent (12%) per annum until paid. If the Employer defaults in whole or in part in the payment of any payments due this Fund, in addition to the amount due and the liquidated damages provided for in this Article, there shall be added to the obligation of the defaulter all reasonable expenses incurred by this Fund in the collection of the same, including, but not limited to, reasonable attorneys' (with a minimum of fifty dollars (\$50.00)) and accountants' fees, costs of attachment bond, and court costs. It shall be the duty of the Trustees to enforce collection of payments due the Trust from the individual Employers and, in the event of legal action, the venue shall be laid in King County, Washington.

11.04 ADMINISTRATION. The Employer shall, when an employee leaves his employ, note on the Trust report forms one (1) of the following reasons therefore:

- a) Terminated
- b) Approved Leave of Absence
- c) Disability Absence
- d) Death

ARTICLE 12. GENERAL CONDITIONS

12.01 UNIFORMS AND PADLOCKS. If the Employer requires any employee to wear a uniform it will be furnished at the Employer's expense along with a padlock if the employee is assigned a locker. Such uniform and padlock will at all times remain the property of the Employer. The employee will be responsible for seeing that the uniform and padlock are properly cared for, and will return the uniform and padlock to the Employer when called upon to do so. The employee will not be held responsible for normal wear and tear of the uniform, but will be held to reimburse the Employer for willful damage or failure to return the uniform and/or padlock.

12.02 LABOR/MANAGEMENT CONFERENCES. The Employer and the Union agree that during the life of this Agreement there shall be a Labor/Management Committee consisting of individuals from both parties (not to exceed four (4) from each) to be designated, in writing, by each party to the other. On a case-by-case basis, the parties may agree to additional representatives. Meetings will be held at mutually agreeable times and places so as to apprise the other of problems, concerns, suggestions, etc., related to the operation, the work force and services offered, all to promote better understanding with the other. A written agenda shall be established for each meeting. Such meetings shall not be for the purpose of initiating or continuing collective bargaining nor in any way to modify, add to, or subtract from this Agreement, and such meetings shall be exclusive of the grievance and arbitration procedures in this Agreement, as grievances shall not be considered proper subjects at such meetings.

ARTICLE 13. DISCIPLINE, DISCHARGE, AND DISCRIMINATION

13.01 JUST CAUSE. No employee shall be disciplined or discharged without justifiable cause. When an employee is discharged, the Union shall be promptly notified by mail or phone and given the opportunity to intercede within fifteen (15) days of the phone call or the mailing of the notice.

13.02 NOTICE OF DISCHARGE. All notices of discharge shall be given to the employee by the Employer. Upon demand by the Union, the Employer shall furnish the employee with a written statement of the reasons for the employee's discharge.

13.03 NO DISCRIMINATION. The Employer and the Union agree that in accordance with applicable Federal and State Laws, there shall be no discrimination against employees because of race, color, religion, sex, age, national origin, or physical handicap.

13.04 PROHIBITION OF POLYGRAPH TESTS. It shall be unlawful for the Employer to require any employee or prospective employee to take or be subjected to any lie detector or similar tests as a condition of employment or continued employment.

ARTICLE 14. GRIEVANCES AND ARBITRATION

14.01 GRIEVANCE DEFINED. A grievance is defined as an alleged violation of the specific terms and conditions of this Agreement. If any such grievance arises, it must be submitted by the employee to the following grievance procedure. Time limits set forth in the following steps may only be extended by mutual written consent of the parties hereto, An employee's failure to comply with the contractual time limits for filing and pursuing grievances shall result in a final and binding resolution of the grievance in accordance with the Employer's decision. If the Employer should fail to respond to a grievance in accordance with the time limits set forth herein, the grievance shall automatically be moved to the next step in this grievance procedure.

14.02 GRIEVANCE STEPS.

Step 1: Store or Warehouse Manager. The employee (and the Union Representative if requested by the employee) shall present the grievance to the Store or Warehouse Manager, or designee, not later than fourteen (14) calendar days after the first such alleged violation or within fourteen (14) days of when the employee should reasonably have had knowledge of the facts that constitute the grievance. The Manager or designee shall have fourteen (14) days in which to answer and attempt to resolve the grievance

Step 2: Operations Manager. If the matter is not resolved to the employee's satisfaction at Step 1, the employee (and the Union Representative if requested by the employee) shall present a written grievance to the Operations Manager or designee within fourteen (14) calendar days of the Step I decision. The written grievance at Step 2 shall contain a description of the alleged problem, the specific section of the contract that has been allegedly breached, the date it occurred and the specific corrective action the grievant is requesting. The Operations Manager or designee shall reply in writing within fourteen (14) calendar days following receipt of the grievance at Step 2.

Step 3: Arbitration. If the grievance is not settled on the basis of the foregoing procedures, and if the grievant and the Union have complied with the specific procedures and time limitations specified above, the Union may submit the issue in writing to final and binding arbitration within fourteen (14) calendar days following the Step 2 decision. If the Employer and the Union fail to voluntarily agree on an arbitrator, a list of eleven (11) arbitrators shall be requested from the Federal Mediation and Conciliation Service. The parties shall thereupon alternate in striking a name from the panel until one name remains. The person whose name remains shall be the arbitrator. The arbitrator's decision shall be final and binding on all parties except as provided herein. Both parties shall present their entire case at the hearing and no further discussion nor evidence may be presented thereafter. The arbitrator is then required to render a written decision to the parties within 30 calendar days. The arbitrator shall have no authority to add to, subtract from, or otherwise change or modify the provisions of this Agreement, but shall be authorized only to interpret existing provision of this agreement as they may apply to the specific facts of the issue in dispute. The arbitrator shall not substitute his/her judgment for that of the Employer, and shall reverse management's actions or decisions only if the Employer has violated the express terms of this Agreement. Each party shall bear one-half (1/2) of the fee of the arbitrator and any other expense jointly incurred incident to the arbitration hearing. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expenses of witnesses called by the other party.

14.03 OVERTIME AND BACK PAY. A grievance concerning overtime or back pay claims must be received in writing by the Employer within fourteen (14) calendar days of the payday such shortage appears, Such claims shall be limited to the amount involved in the thirty (30) days immediately preceding the date upon which the grievance was received in writing.

14.04 TERMINATION. This grievance procedure shall terminate on the expiration day of this contract, unless the contract is extended by the mutual written consent of the parties. Grievances

arising after the expiration date of this contract shall be null and void, and shall not be subject to the grievance procedure.

14.05 TIME LIMITS. Time limits within this Article may be amended by written agreement of the Union and the Employer.

ARTICLE 15. BEREAVEMENT LEAVE

15.01 An employee will be granted up to three (3) days bereavement pay for deaths in his/her immediate family (mother, father, sister, brother, step-mother, step-father, current mother-in-law, current father-in-law, spouse, child, or step-child and up to one (1) day for death of a grandparent or grandchild, to attend the funeral.

ARTICLE 16. JURY DUTY

16.01 Employees who are called to serve on jury duty shall be compensated by the Employer for the difference between the jury duty pay received and their normal straight-time pay for days normally scheduled, subject to a limitation of fifteen (15) days per anniversary year. The Employer's portion of jury duty pay will be paid on the employee's next paycheck upon proof being submitted by the employee of his having received jury duty pay from the court.

ARTICLE 17. MEALS

17.01 The Employer shall provide employees covered by this Agreement with access to a microwave oven and refrigerator.

ARTICLE 18. MANAGEMENT RIGHTS

18.01 The operation of the business including subcontracting and the direction of the employees and the determining of the number of classifications and employees required, shall be the sole function of the Employer but shall not be used so as to defeat any provision of this Agreement.

18.02 The right to hire, classify, transfer, promote and demote, and discharge or discipline employees for cause to maintain discipline and efficiency of employees to assign work and overtime to employees is the sole right of the Employer except as otherwise specifically designated or modified by express provisions of this Agreement, or by law.

18.03 The above enumerated rights of management are not all inclusive, but indicate only some of the matters which belong to and are retained by the Company. Except as specifically abridged, delegated, granted or modified by this Agreement, all of the rights, powers and authority of the Employer existing prior to the signing of any Collective Bargaining Agreement are exclusively retained by the Company.

18.04 Should any management right not be exercised in some cases or for certain periods of time due to error, omission or oversight on the part of the Employer, or alternatively, due to the Employer waiving such rights in a given case for the benefit of an employee, it is understood that this does not establish a past practice that would preclude the Employer from exercising such right in other cases or at other times.

18.05 Nothing shall preclude the Employer from paying wages in excess of the minimums provided for within this Agreement, and the Employer may freely initiate and discontinue experimental programs intended as incentives or as positive reinforcement for employees, including but not limited to programs in the area of attendance, safety or recruiting.

18.06 The Employer is free to conduct any form of electronic surveillance of its premises that is permitted by law.

ARTICLE 19. PICKET LINES, STRIKES, AND LOCKOUTS

19.01 LAWFUL PICKET LINES. The Employer agrees that it will not discipline employees who refuse to cross lawful primary picket lines against the Employer.

19.02 NO STRIKE. During the term of this Agreement, neither the Union nor any employee shall authorize, cause, engage in, sanction or assist in any slowdown, work stoppage, refusal to perform services or strike against the Employer. In the event that any employee or employees shall call, engage in, sanction, or assist in any unauthorized slowdown, work stoppage, refusal to perform services duly assigned when directed to do so by the Employer, the Union and its officers and representatives agree to instruct the employees of the Employer not to respect or recognize such picket line or lines, and in addition, each will do everything within his or their respective powers to secure the disestablishing and abandoning of said fine or fines.

19.03 NO LOCKOUT. During the term of this Agreement, the Employer shall not cause, permit, or engage in any lockout of its employees.

ARTICLE 20. CHANGE OF OWNERSHIP

20.01 TRANSFER, SALE, DISSOLUTION OF EMPLOYER TITLE OR INTEREST. This Agreement shall be binding upon the parties hereto, their successors, administrators, executors, and assigns. In the event an operation covered by this Agreement is sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings (collectively referred to as a "merger") such operation shall continue to be subject to the terms and conditions of this Agreement. When the Employer transfers an operation covered by this Agreement by any of the methods set forth above, the employees of the Employer shall continue to be afforded the conditions in this Agreement and their original date of employment shall continue to be recognized in determining any of the benefits of this Agreement.

20.02 DATE OF LIABILITY. When the Employer transfers an operation covered by this Agreement by any of the methods set forth in 20.01 of this Article, the Employer transferring the operation shall be liable for any and all monetary benefit accrued by employees under this Agreement to the date of transfer. The new Employer shall be liable for all monetary benefits accruing to employees thereafter.

20.03 NOTIFICATION OF SALE. Ten (10) days prior to any transfer by any of the methods set forth in 20.01 of this Article, the Employer transferring the operation shall notify the Union, in writing of such transfer and give the Union the name and address of the new owner or transferee.

ARTICLE 21. GENERAL SAVINGS CLAUSE


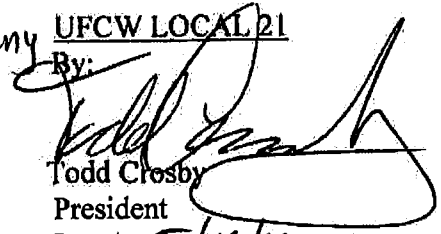
21.01 It is not the intent of either party hereto to violate any laws or any rulings or regulations of any governmental authority or agency having jurisdiction of the subject matter of this Agreement and the parties hereto agree that in the event any provisions of this Agreement are held or constituted to be void or being in contravention of any such law, ruling or regulation, nevertheless the remainder of the Agreement shall remain in full force and effect, unless the parts so found to be void are wholly inseparable from the remaining portion of this Agreement.

ARTICLE 22. FULL AGREEMENT

22.01 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 freely discussed and negotiated, and the agreements contained in this Agreement were arrived at after the free exercise of such rights and opportunities. This Agreement constitutes the sole and entire existing Agreement between the parties and supersedes all prior Agreements, commitments, and practices, whether oral or written, between the Employer and the Union or the Employer and any of the covered employees, and expresses all obligations of and restrictions imposed on the Employer and the Union.

ARTICLE 23. DURATION OF AGREEMENT

This Agreement shall be in full force and effect from January 1, 2014, and shall continue from year to year through May 10, 2019 unless written notification of desire to cancel or amend the Agreement is served by either party upon the other at least sixty (60) days prior to the original or subsequent date of expiration. In witness whereof the parties have caused their duly authorized representatives to execute this Agreement as indicated below.

<u>DUFY NORTH AMERICA, LLC</u> By: <i>Delaware Limited liability company</i>  Mike Petersen Senior Vice President Date/ 5/20/2016	<u>UFCW LOCAL 21</u> By:  Todd Crosby President Date/ 5/16/16
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APPENDIX “A” – WAGE RATES AND CLASSIFICATIONS

Wage Increase Year 1

Effective May 30 2016 the wage rate is established by SeaTac Municipal Code Chapter 7.45 (“Proposition 1”) as outlined below:

Sales Person – \$15.24 per hour

Warehouse - \$15.24 per hour

Any employee currently earning above \$15.24 shall receive a wage increase of \$0.25 per hour.

Wage Increase Subsequent Years

Effective January 1, 2017, January 1, 2018, and January 1, 2019 (through and including May 10, 2019) all current employees and new hires shall receive Proposition 1 hourly wage rates as established under Proposition 1. During these time periods all current employees earning more than the Proposition 1 wage rate in effect shall receive twenty-five cents (.25 cents) per hour when wage increases are implemented.

In accordance with Section 7.45.080 of Proposition 1, the Union and Employer expressly waive the provisions of Proposition 1 effective January 1, 2014 through and including the ratification date of each of the collective bargaining agreements. This means that all of the provisions of Proposition 1, including but not limited to the sick and safe time provisions, the minimum hourly wage rate, notice and reporting requirements, are waived from the January 1, 2014 effective date through and including the date of ratification by the Union of each of the collective bargaining agreements.

APPENDIX “B” - GRANDFATHERED PROVISIONS

HOLIDAYS: All employees employed continuously since before July 1, 1998 shall be considered to have achieved one year's seniority for purposes of eligibility for holidays not worked under Section 7.02. All other provisions pertaining to holidays shall fully apply.

APPENDIX C – BACK PAY

The Employer has agreed to make back pay payments totaling \$750,000.00 to current and former employees who worked any part of year 2014, 2015, or 2016 (through and including the date of ratification). All monies paid shall be subject to all local, state, and federal taxes. Back pay payments shall be made to current eligible employees no later than July 31, 2016. The Employer shall make reasonable attempts to locate eligible former employees to make payment to them and the Union shall assist when requested by the Employer. This sum is designed in part as a compromise to satisfy all disputed amounts potentially owed Under SeaTac Municipal Code 7.45 for hours worked since January 1, 2014. Approximate payments are listed below.

<u>Current</u>	<u>Backpay</u>	<u>Addl</u>
<u>Under 1 yr</u>	<u>\$1015.37</u>	
<u>1-4 years</u>	<u>\$2030.74</u>	
<u>5-10 yrs</u>	<u>\$3046.11</u>	
<u>10-15 yrs</u>	<u>\$4061.48</u>	
<u>15-20 yrs</u>	<u>\$5076.85</u>	<u>\$ 250.00</u>
<u>20-30 yrs</u>	<u>\$6092.22</u>	<u>\$ 500.00</u>
<u>30+ yrs</u>	<u>\$7107.59</u>	<u>\$1,000.00</u>

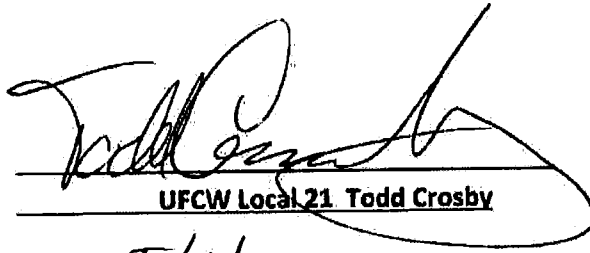
Terminated employees shall receive a lump sum payment of \$200.00.

The parties agree that any unclaimed lump sum distribution will be reviewed by applicable law and shall be redistributed to the bargaining unit as determined by the parties.

APPENDIX D – RELEASE Memorandum of Understanding

1. The employers, Dufry North America, LLC, and Airport Management Services, LLC, on behalf of their subsidiaries and affiliates, including Hudson Group (HG) Retail, LLC (collectively “Hudson”) and Local 21 UFCW (the “Union”) have entered into two renewal Collective Bargaining Agreements/Memorandum of Agreements (“CBAs”), effective from January 1, 2014 through May 10, 2019.
2. The CBAs provide for a clear and unambiguous waiver of all provisions under SeaTac Municipal Code Chapter 7.45 (“Proposition 1”) effective January 1, 2014 through the ratification date of each of the CBAs. Specifically, the parties understand and agree that (1) they are entering into *bona fide* collective bargaining agreements, (2) Section 7.45.080 (entitled “Waivers”) of Proposition 1 is properly invoked and enforceable, and (3) the parties clearly and unambiguously waive all provisions of Proposition 1 effective January 1, 2014 through the ratification date of each of the CBAs.
3. In exchange for the express, clear and unambiguous waiver of Proposition 1, the Union acknowledges that it has received substantial consideration in form of, among other things, \$750,000 less applicable taxes and deductions representing back pay, renewal CBAs effective January 1, 2014 through May 10, 2019, as well as an increase in base compensation and other benefits.
4. The Union agrees and understands that entering into these renewal CBAs, including the release and waiver of Proposition 1 in exchange for substantial consideration, is in the best interest of the Union and its members, including but not limited to all individuals covered under the renewal CBAs.
5. As additional consideration to the Union, Hudson has agreed to pay all reasonable legal fees, costs and damages incurred by the Union with respect to legal actions brought against it arising out of or materially related to the waiver contained in the CBAs or any waiver executed pursuant to this release MOU brought by any current, former, or future employee, similar to *Nugussie, et. al. v. HMS Host North America, et. al.*, No. 16-2-01572-7 SEA (King County Superior Court, State of Washington), or in any other legal proceeding. Hudson shall have no right of contribution from the Union in any such legal action and shall not seek any contribution from the Union. The Union must consent to the legal counsel selected by Hudson to defend such legal actions, and such consent shall not be unreasonably withheld. Further, the Union must not unreasonably refuse to settle or resolve such legal actions. “Legal proceeding” and “legal action” as used herein do not encompass unfair labor practice charges, grievances, arbitrations, or administrative charges, but do encompass litigation in state or federal court, including a breach of duty of fair representation claim and/or alleged violations of Proposition 1 and/or wage payment violations related thereto. Further, consistent with the foregoing commitments, the Union agrees to reasonably assist Hudson in any legal action under or related to Proposition 1 and, further, it agrees to affirmatively take the position in all matters that the release and waiver are enforceable and within the intended meaning of the waiver provisions set forth in Proposition 1. Because the waiver and release are enforceable, the Union will not pursue grievances or arbitrations filed by or on behalf of its members as they would not articulate a breach of the parties’ CBAs.

6. The Union agrees to assist Hudson in obtaining IRS Form W-4s on behalf of former employees covered by the renewal CBAs so that Hudson may deliver the payments. The payments representing back pay shall constitute wages subject to applicable withholding and reporting, taxable to the payee at the time paid, even if at the time paid the relationship of employer and employee may no longer exist between the payee and Hudson.

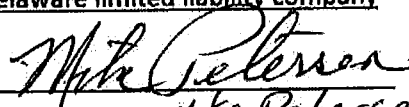


UFCW Local 21 Todd Crosby

5/16/16

Date

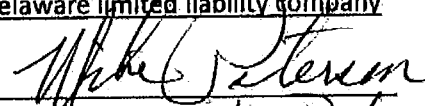
Dufry North America, LLC,
a Delaware limited liability company

By: 

Name: Mike Petersen

Title: SVP

Airport Management Services, LLC,
a Delaware limited liability company

By: 

Name: Mike Petersen

Title: SVP
5/20/16

**Dependability Policy
By and Between
UFCW Local 21
And
Hudson Group at Seatac-Tacoma International Airport
Effective July 1, 2013**

No-Fault Point System: The goal of this attendance policy is to allow all employees an opportunity to correct behaviors that may jeopardize their employment. It uses a point system in conjunction with a 365 day rolling calendar and does not excuse absences. All categories of attendance issues as listed below, will be tallied together as a single set of points for each employee. The dependability Policy will be applied in compliance with the provisions of SeaTac Municipal Code 7.45 (“Proposition 1”).

A. Tardies

A tardy occasion is defined as failure to clock in within seven (7) minutes after the start of your scheduled shift. Any associate who is tardy two hours or more will be considered absent.

- Tardy up to 7 minutes = no points
- Tardy 8/30 minutes = ½ point
- Tardy 31 minutes or more = 1 point

B. Absences

An absent occasion is defined as each one (1) day of absence. Management reserves the right to require a doctor’s release prior to the employee’s return to work for an injury or illness for an absence of three (3) or more days. However, such doctor’s note will not excuse the occasion, with the exception of an approved leave of absence or use Sick and Safe time. Sick and Safe time may be used without prior notice for illness of an employee or family member, provided the employee has not previously requested that day off and had the request denied by management. If an employee calls in sick on a day previously requested off and denied by management, Sick and Safe time may be used provided the employee furnishes verification of illness if requested by management. Employees shall make a good faith effort when they are going to be absent from work, to notify their manager with as much notice as possible, preferably two (2) hours prior to the start of the shift. Unless formal paperwork has been processed for a leave of absence, employees are to call their manager each day of their absence.

An “early out” is defined as any time missed from a shift after working at least the first three (3) hours of one’s shift. An employee must let their manager know if they are requesting to leave work early (not work entire scheduled shift) and allow three (3) hours for the manager to arrange for coverage. If an employee does not work at least three (3) hours of their shift after requesting to leave from their manager, it is considered an absence.

C. No call/no show

A no call/no show occasion is defined as one missed shift without notification to a Store Manager prior to 8 minutes from the start of their shift. Example: Associate scheduled 6 am-2 pm calls a manager at 6:07 = absence. Associate scheduled 6 am-2 pm calls a manager at 6:08 = No call/no show. Two (2) consecutive occasions of no call/no show will result in termination.

D. Disciplinary Action

- Each “early out” = 1/2 point
- Each tardy 8/30 minutes = ½ point
- Each tardy 31 minutes or more = 1 point
- Each day of absence = 1 point
- Each no call/no show = 2 points

3 points = Verbal warning
6 points = Written warning
9 points = Final warning
12 points = Termination

E. Point Reward Program

A Point Reward program is instituted. Employees will have 1 point deducted from their total points for every calendar month of “perfect” attendance in addition to the 365 day rolling calendar.

Example:

Employee is absent July receiving 1 point for a total of 6 attendance points accrued. During the next calendar month of August the employee has perfect attendance (not absent/tardy/leaving early/no call no show). On September 1st the employee will earn back 1 point, taking their total points from 6 to 5.

THE UNION DIFFERENCE

As a union member, you have certain rights at your workplace:

A Voice at Work

Because you have a union, you have a voice at work. A negotiating committee of union members and staff negotiate with management—as equals—over wages, benefits, working conditions, and other issues. The union committee pushes for the issues that union members choose. The result of negotiations is a proposed contract which members vote on before it takes effect.

Right to Union Representation

Every union member has the right to union representation during an investigatory interview that could lead to discipline. This is called your “Weingarten” right, after a Supreme Court case which established the right to representation.

Just Cause for Discipline

The just cause provision in your union contract ensures you have due process in cases of discipline. The just cause standard is a well-defined set of legal rules that involve several different “tests” of a disciplinary action. The tests of just cause provide considerable protection against retaliation, discrimination, or other unfair actions.

The Security of a Union Contract

As a union member, your wages and working conditions are spelled out in writing in a legally-binding union contract. You are not alone at the workplace—instead, you have the security of knowing that your rights are protected by your union contract and backed up by the 46,000 other members of UFCW 21.

Statement of Your Right to Union Representation (Weingarten Rights)

“I understand that this proceeding is for the purpose of investigating whether I may receive discipline. Therefore, I request that a union representative be present on my behalf before this proceeding continues. If you insist that the proceeding continue without allowing me union representation, I hereby protest your denial of rights guaranteed to me under federal labor law.”

Know Your Rights:

- Fair Treatment and Respect
- Family and Medical Leave
- Union Representation

**Learn more about your
rights:**

www.ufcw21.org

Our mission: building a powerful Union that fights for economic, political and social justice in our workplaces and in our communities.

VISIT UFCW21.ORG:

SCHOLARSHIP INFO | BARGAINING UPDATES | STEWARD TRAININGS | HELPFUL MEMBER RESOURCES | ACTIONS INFORMATION ON YOUR RIGHTS | AND MORE...

UFCW 21

Todd Crosby, President • Faye Guenther, Secretary-Treasurer

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Phone 206-436-0210 / 800-732-1188, Fax 206-436-6700**

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Silverdale: 3888 NW Randall Way #105, Silverdale, WA 98383, Phone 360-698-2341, Fax 360-662-1979
Spokane: 1710 N Calispel, Spokane, WA 99205-4808, Phone 509-340-7369, Fax 509-624-1188**