

2019-2022
AGREEMENT
By and Between
UNITED FOOD & COMMERCIAL WORKERS UNION
LOCAL 21
and
EB MANAGEMENT COMPANY

Term:
August 1, 2019 through July 31, 2022

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THIS AGREEMENT is entered into by and between UFCW Local 21, chartered by the United Food and Commercial Workers International Union, hereinafter called the “Union” and EB Management Company, hereinafter called the “Employer”.

ARTICLE 1 – RECOGNITION AND BARGAINING UNIT

1.01 RECOGNITION OF THE UNION – The Employer recognizes the Union as the sole and exclusive collective bargaining agent for all classifications listed herein, employed by the Employer, with respect to rates of pay, wages, hours and all other conditions of employment. Managers, guards and employees classified as extras who have not worked 692 hours in a calendar year are excluded.

ARTICLE 2 – UNION SECURITY

2.01 UNION SECURITY – It shall be a condition of employment that all employees who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing, and those who are not members on the effective date of this Agreement shall, on the thirtieth (30th) day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees hired on or after the effective date of this Agreement shall, on the thirtieth (30th) day following the beginning of such employment, become and remain members in good standing in the Union. For the purpose of this section, the execution date of this Agreement shall be considered as its effective date. The Employer shall discharge any employee as to whom the Union delivers to the Employer a written notice that such employee is not in good standing in conformity with this section.

2.02 DUES/INITIATION FEES - During the term of this Agreement, the Employer shall deduct all Union dues, initiation fees and agency fees from the pay of each member of the Union who voluntarily executes a wage assignment authorization form. When filed with the Employer, the authorization form will be honored in accordance with its terms. Deductions will be promptly transmitted to the Union by check payable to its order. Included with the check the Employer shall provide the Union a separate list of all employees using payroll deduction. The list shall be transmitted electronically and shall include name, social security number, and dollar amount deducted by pay period. Upon issuance and transmission of a check to the Union, the Employer's responsibility shall cease with respect to such deductions.

The Union and each employee authorizing the assignment of wages for the payment of Union dues hereby undertakes to indemnify and hold the Employer harmless from all claims, demands, suits

or other forms of liability that shall arise against the Employer for or on account of any deduction made from the wage of such employee.

2.03 POLITICAL ACTION FUND DEDUCTIONS - 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 employees using this voluntary deduction will be transmitted to the Union. The list shall be transmitted electronically and shall include name, social security number, and dollar amount deducted by pay period. The Union and each employee authorizing the assignment of wages for the payment of voluntary political action contributions hereby undertakes to indemnify and hold the Employer harmless from all claims, demands, suits or other forms of liability that shall arise against the Employer for or on account of any deduction made from the wage of such employee.

2.04 MASTER LISTS/STATUS REPORTS – The Employer shall supply to the Union on a monthly basis a list of all employees covered by this Agreement. The list shall be sent electronically and shall include the employee's name, address, phone number, department, job classification, date of hire, social security number, wage rate, work location (if applicable), company employee id number, PTE status, and gross income for the previous month. Each month the Employer will also include an electronic list of new hires and terminations during previous month. The new hire list shall include all information listed above. The termination list shall include the effective date of termination.

2.05 UNION VISITATION – The Business Representatives of the Union are to have the privilege of entering the Employer's premises for the purpose of interviewing the employees covered by this Agreement.

ARTICLE 3 – DEFINITIONS

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

3.02 REGULAR PART-TIME EMPLOYEES - Employees who work a varied schedule of less than 40 hours per week.

3.03 EXTRA EMPLOYEES – Employees who work on call, subject to business fluctuations, as needed by the Employer. An extra employee is not subject to the requirements of Section 2.01, 6.01 & 7.01 until 692 hours of employment in a calendar year are completed. Extra employees are not subject to Articles 8, 9, 10 and 11. An extra employee who works more than 692 hours in a calendar year will be subject to Sections 2.01, 6.01 & 7.01 and Articles 8, 9, 10 and 11 as of the first of the next month with no probationary period.

ARTICLE 4 – BASIC WORK WEEK – HOURS – PREMIUM PAY

4.01 BASIC WORK WEEK DEFINED - The basic work week for all employees covered by this Agreement shall be forty (40) hours, consisting of five (5) eight (8) hour days, Monday through Friday.

4.02 WORK WEEK- PREMIUM HOURS - All work performed in excess of forty (40) hours in a week, which consists of the period Sunday through Saturday, shall be paid for at one and one-half (1.5) times the employee's current hourly rate.

4.03 WORK WEEK DEVIATIONS - By mutual agreement between the Employer, Union and employee, a work week of four (4) ten (10) hour days may be worked. This arrangement can be withdrawn by either the Employer or the employee with thirty (30) days notice. A shorter notification period is acceptable if both parties are amenable to an earlier conversion of the previous arrangement.

4.04 FLEX SCHEDULE- By mutual agreement between the Employer, Union and employee, a flexible work schedule may be worked. This arrangement can be withdrawn by either the Employer or the employee with thirty (30) days notice. A shorter notification period is acceptable if both parties are amenable to an earlier conversion of the previous arrangement.

ARTICLE 5 – SENIORITY

5.01 SENIORITY DEFINED - Seniority shall be defined as the length of continuous employment with the Employer. A temporary absence from work such as necessitated by accident or illness, or by an approved leave of absence, shall not break seniority. On the other hand, a voluntary quit or discharge for just cause or failure to return from a leave of absence, or an absence from the workplace which exceeds 180 days will break seniority.

5.01.1 If an employee has an absence from work which is going to exceed 180 days, the Employer may, if requested by the employee or by the Union, agree to an extension of the 180- day period. Such an extension must be in written form and must be agreed to by the Union.

5.02 An employee's seniority shall be recognized, where merit and ability are substantially equal, when it is necessary to increase or decrease the number of employees or their work hours.

5.03 PROBATION PERIOD - The following provisions shall prevail upon completion of a probationary period of 520 hours or 90 calendar days of employment, whichever occurs first. Termination during the probationary period shall not be subject to the provisions of Article 14 - Adjustments and Arbitration.

ARTICLE 6 – WAGES

6.01

Job Classification	Minimum
Benefit Data Entry Specialist	\$18.00
Benefit Administrative Assistant	\$19.00
Multi Employer Benefit Administrator	\$21.00

August 3, 2020: The Employer and the Union will meet to negotiate wages.

August 1, 2021: The Employer and the Union will meet to negotiate wages.

The wage rates contained in this Agreement represent minimums only and may be increased by the Employer at any time.

6.01.1 BONUSES – Bonuses will remain discretionary with employer.

6.02 STATEMENT OF WAGES TO BE FURNISHED - Pay checks shall be issued to all employees, showing wages, hours, overtime credits, premium pay and all deductions.

6.03 PAY ADJUSTMENTS - Employees who have a wage adjustment due them, due to an error in pay calculation shall be given the adjustment upon discovery of the error by separate check or voucher. Upon termination, employees shall be paid all monies due them no later than their next regular pay day.

6.04 PRIOR EXPERIENCE RECOGNIZED - Previous experience in comparable work may be recognized in placing a new employee in the proper wage bracket.

6.05 NEW CLASSIFICATIONS - Should the Employer establish new office classifications not covered by this Agreement, the Employer and the Union shall meet to negotiate new rates.

ARTICLE 7 – HOLIDAYS

7.01 HOLIDAYS DESIGNATED – The following days shall be considered holidays without loss of pay:

New Year’s Day	Martin Luther King’s Birthday
Washington’s Birthday	Memorial Day
Independence Day	Labor Day
Thanksgiving Day	Friday after Thanksgiving Day
Christmas Eve Day/Day after Christmas (as determined by Employer)	Christmas Day

7.02 NO WORK REQUIRED ON TRADITIONAL HOLIDAYS - No employee will work on any of the above-named holidays. Should operating conditions warrant, the Employer and the Union may waive this clause by mutual agreement.

7.03 APPLICATION OF HOLIDAY PAY - Each employee is to be paid for such holiday at their hourly rate. When any of the aforesaid holidays fall on Sunday, the following Monday shall be observed as the holiday. When any of the aforesaid holidays fall on Saturday, the preceding Friday shall be observed as the holiday.

7.04 FORMULA FOR HOLIDAY PAY - It is understood and agreed that for the purpose of calculating the amount of holiday pay due an employee, that the Employer shall utilize an employee's average number of hours regularly worked in the twelve (12) weeks preceding the holiday.

ARTICLE 8 – PERSONAL TIME OFF (PTO)

8.01 PTO - All employees, with the exception of work-study and those working less than 240 hours will accrue PTO hours for each complete pay period worked. The PTO accrual rate is based on a 40 hour work week and on length of employment. Those employees working less than 40 hours per week would accrue PTO on a pro-rated basis. The number of accrual days for a 40 hour work week and the maximum allowable accrued days are illustrated in the table below:

Personal Time Off			
Years of Employment	Biweekly Accrual Rate (Hours)	Total Accrual Days Per Year	Maximum Year End Carryover Allowed
Less than five (5) years	4.615	15	10
Five (5) to ten (10) years	6.154	20	10
Ten (10) to twenty (20) year	7.692	25	10
More than twenty (20) years	9.230	30	10

Carry over maximum allowed at year-end will be no more than the amount grandfathered from the previous CBA expiration (see below). However, at year end, if the then current balance is less than the grandfathered amount, it will replace the previous grandfathered amount.

Current employee year-end carryover maximums grandfathered at current level, as follows:

- Nina Kissel = 244.00
- Thao Palmer = 106.32

Any employee not specified above is subject to the 80 hour maximum carryover.

8.01.1 Trust Leave Due to banking regulations, all employees are required to take a minimum of 5 consecutive days of trust leave each year. Over time, this requirement may be increased to 10 consecutive days. Employees will receive adequate notification before increased leave requirements are put into effect. Employees will schedule their required trust leave each year in order of seniority. Newly hired employees will not be required to take trust leave during their first year of employment.

Employees will be granted up to 5 days of Trust Leave each year, if necessary, to help facilitate this new policy. Employee must use PTO, if available, before using any Trust Leave hours.

Trust leave is not subject to the same conditions of PTO. There is no carry over, no transfer, and no pay-out of unused Trust Leave hours. Trust Leave hours may only be used in conjunction with the mandated leave each year.

This Trust Leave supplement is not available to employees accruing 5 or more weeks of PTO per year.

8.02 PTO PAY - PTO compensation shall be paid at the current hourly rate.

8.03 PTO TERMINATED EMPLOYEE - When a post-probationary employee who is entitled to PTO and who has not received said PTO, shall have severed his/her employment with the Employer for any reason except dishonesty, he/she shall receive his PTO pay. If discharged for dishonesty, the employee forfeits his/her right to such pay in lieu of PTO.

8.03.1 – Retiring Employees - When an employee provides adequate notice (2 weeks) of retirement, and they are at, or over, their full social security retirement age, said employee will stop working, as stated in their notice, but will remain on payroll (with benefits) until such time as their accrued PTO balance drops below 80 hours. At that time, formal separation will take place, and remaining balance of PTO will be paid out.

8.04 Transfer of PTO - Bargaining unit employees shall be allowed to transfer full days of PTO to other bargaining unit employees, at the transferring employee's discretion, provided their PTO balance does not go below 40 hours at the time of transfer. The transfer request must be made in writing to HR. The transfer will take effect with the next available payroll processing.

Any hours transferred will be converted from the transferring employee's rate of pay into equivalent hours at the receiving employee's rate of pay.

Transferred hours may not be recalled for any reason and carry no obligation for reciprocal future transfers.

ARTICLE 9 – LEAVES

9.01 JURY DUTY - After the first calendar year of employment, regular full-time employees who are called for service on a District Court, Superior Court or Federal Court shall be excused from work for the hours on which they serve and shall be paid the difference between their regular pay and the pay received for such jury duty during the period of actual jury service up to a maximum of two (2) weeks. An employee called for jury duty who is temporarily excused from attendance at court must report to work if sufficient time remains to report to the place of work, after such excuse. In order to be eligible for such payments, the employee must furnish a written statement from the appropriate public official showing the date and time served and amount of jury duty pay received.

9.02 BEREAVEMENT LEAVE - The Employer agrees to grant three (3) days' funeral leave with pay in the event of a death in an employee's immediate family including spouse, domestic partner, son, daughter, mother, father, brother, sister, mother-in-law and father-in-law, brother-in-law and sister-in-law, grandparent, grandchild and any relative living in the household of the employee. Funeral leave shall be initiated within four (4) days of the date of death and must be completed within one month of the date of death.

9.03 The benefits described in this Article are payable to employees following the completion of their probationary period.

ARTICLE 10 – HEALTH AND WELFARE, DENTAL & VISION

10.01 HEALTH, WELFARE, DENTAL & VISION BENEFITS - The Employer and the Union agree to be bound by the terms of the Trust Agreements, which created the Sound Health and Wellness Trust, as initially executed on June 18, 1957, or the Trust Agreement which established the Sound Health and Wellness Trust, initially adopted December 3, 1998, as applicable, by all subsequent revisions or amendments thereto, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Plan Document, the Trusts' Rules and Regulations, the Summary Plan Description, and other pertinent procedures, practices, and Trustee actions. The Employer accepts the Employer Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust. The Union accepts the Labor Organization Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust.

Adoption of Health and Welfare Labor Agreement: The Employer and the Union agree to be bound by the Health and Welfare Labor Agreement, effective May 2007, by and between Allied Employers, Inc. and UFCW Union Locals 21, 44, 81, 367, 1439, UFCW International, and Teamsters Union Local 38, and by all subsequent revisions or amendments thereto to date.

Employers party to this Agreement shall continue to pay on a per compensable hour basis one hundred and seventy-three (173) hours per calendar month per employee) into the Sound Health

and 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 and as subsequently amended, including the revision dated May 8, 2016.

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 and Wellness Trust in accordance with the terms and provisions of the Trust Agreement creating the Retail Clerks Welfare Trust, dated June 18, 1957, and may be subsequently amended.

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

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 Sound Health and 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 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.

10.01.1 PAYMENT - The Employer will continue to pay one hundred percent (100%) contribution for all employees in the bargaining unit. The Employer will contribute to the Sound Health and Wellness Trust as follows:

Effective with October 1, 2019 ("Effective Date") hours, the Employer current contribution rate(s) shall be reduced by twenty-one cents per hour except that, effective for hours upon notice by the Sound Health and Wellness Trust, the Employer's contribution rate shall further decrease on a temporary basis in order to allow for an increase in the Employer contribution rate to the Sound Retirement Trust under Article 11.03.1.

Additionally, beginning with the month following notice from the Trustees of the Health and Wellness Trust that a temporary reduction in the Employer's contribution rate is authorized, the amount of such reduction shall be added as a monthly employer contribution to the Sound Retirement Trust on behalf of all eligible employees as described in Section 11.03.8. These amounts are in addition to the employer contributions required under Section 11.03.1. The payment of such reduced contributions shall continue until the earlier of the thirteenth month

following the effective date of the reduction or when the Trustees determine, in their sole discretion, that the amount of surplus assets in the Health and Wellness is reduced to, or anticipated to be reduced to zero. The Health and Wellness Trust shall provide notice of such determination. However, in no event shall the Employer's contribution rate be reduced below \$4.65 per hour if the Trust excess assets (above the required reserves) are anticipated to fall below 2½ months of excess reserves before such date.

Starting October 2020, every six months through March 2022, the consultants will project Plan expenses and income and report these amounts to the Trustees. Based on those projections, the Trustees will set the contribution rate (with a minimum rate of the initial hourly rate before the temporary decrease) and up to a maximum rate of \$4.86) that is anticipated to result in an excess reserve of \$52 million by April 30, 2022. Each recalculated rate shall become effective for the Employer as of the effective date determined by the Trustees and the Employer shall pay the recalculated as of such effective date.

In March 2022, the consultants will determine the actual current hourly cost of the plan based on (1) the most recent 12 months of incurred plan expenses adjusted to reflect trend to the 12-month period ending April 30, 2022, (2) the most recent 12 months of employee contributions, (3) the most recent 12 months of hours, and (4) expected investment income. The contribution rate will be set based on this hourly cost analysis and shall become effective with April 2022 hours, provided that the hourly rate shall not exceed \$5.19 and not be less than \$4.86. However, for January through March 2022, the Employer's contribution rate will be temporarily reduced from this contribution rate by such amount as to redirect the total amount of \$15 million for all employers to a Variable Annuity Plan under Section 11.08.

The buy-up rate, if applicable, also will be decreased and increased accordingly.

10.01.2 The following benefit improvements will be made:

- Increase the Hearing Care allowance for PPO participants to \$2,000 per consecutive 3-year period and the Hearing Aid allowance for Kaiser participants to \$1,000 per year per consecutive 3-year period.
- Increase the frame allowance for vision benefits for PPO participants to \$150 every 24-months for participating providers, and increase all glasses hardware allowance for Kaiser participants to \$200 every 12 months.
- Effective January 1, 2020, the time loss benefits will change as follows:
 - a. A participant's time loss benefits will be suspended while the participant is receiving Washington State Paid Family Leave.
 - b. The maximum benefit for employees with 150 or more hours will increase to \$450 with the other hour thresholds increasing proportionately.

- c. The weekly benefit will not exceed 60% of a participant's average weekly wage.

All other trust programs shall continue unless modified by the Trustees based on the terms of the Trust and Plan documents.

10.02 DEPENDENT COVERAGE - The Employee shall pay the dependent coverage rate as set by the Board of Trustees on behalf of each eligible employee desiring dependent medical coverage under the Trust.

10.03 Absence from work by an otherwise eligible employee by reason of PTO or holiday shall not disqualify such employee for Health and Welfare Benefits, and a contribution shall be made for such employee.

10.04 The Employer provides a long-term disability plan which provides sixty percent (60%) replacement of lost wages (limited to the maximum stated in the insurance policy), due to total and permanent disability, coordinates with Social Security Disability Retirement and starts with the 120th day of disability or upon exhaustion of the time-loss benefit under the Health & Welfare Plan, whichever is greater. This long-term disability plan shall remain in effect and continue throughout the term of this Agreement.

ARTICLE 11 – RETIREMENT

11.01 SAVINGS PLAN - Effective January 1, 2010 the Employer shall pay sixty cents (\$.60) per hour to the Western Employees Benefit Trust on behalf of all employees covered by this Agreement.

11.02 The Employer and the Union agree to be bound by the terms and provisions of the executed Trust Agreement October 30, 1981 and as subsequently amended known as the Western Employees Benefit Trust. Further, the Employer accepts as its representatives, for the purpose of such Trust Fund, the Employer Trustees who serve on the Board of Trustees of said Trust Fund and their duly appointed successors.

11.03 SOUND RETIREMENT TRUST PENSION PLAN -

The Employer and the Union agree to be bound by the terms of the Trust Agreement, which created the Sound Retirement Pension Trust, as initially executed on January 13, 1966, by all subsequent revisions or amendments thereto, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Trust's Plan Document, Summary Plan Description, and other pertinent rules, regulations and Trustee actions. The Employer accepts the Employer Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for the purposes of managing the Trust. The Union accepts the Labor Organization Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for the purpose of managing the Trust.

Contributions shall be paid on all compensable hours per month up to a maximum of 173 hours per month.

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

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 Sound Retirement 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. Contributions 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.

11.03.1 Until the effective date of the new future service defined benefit variable plan under Section 11.09, the Employer will continue to make contributions to the Sound Retirement Trust as described in this Section and the Employer's active participants will continue to earn benefit accruals until such effective date. The Employer shall make contributions on behalf of all eligible employees to the Sound Retirement Trust under this Section:

	Current	1/1/2020	1/1/2021	1/1/2022
Base Rate	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28
Pre-Rehab Rate	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
Current Rehab Rate	\$ 0.51	\$0.754	\$0.86	\$0.966
New w/2020	\$ -	\$ 0.03	\$ 0.06	\$ 0.09
TOTAL	\$ 0.96	\$ 1.23	\$ 1.37	\$ 1.51

The parties hereby adopt the Preferred schedule under the Rehabilitation Plan of the Sound Retirement Trust as revised December, 2019 with the Preferred schedule to be effective with respect to those subject to the terms of this collective bargaining agreement as of the date stated in the Rehabilitation Plan and selected Schedule and the Employer shall contribute in accordance with such schedule. In accordance with that Schedule, the Employer also shall make such additional supplemental contributions in addition to the base contributions as described under 11.03.4. It is recognized and agreed that said supplemental contributions will not result in any pension credit for the covered employees.

11.03.2 Upon the effective date of the new future service defined benefit variable plan under Section 12.4, future benefit accruals under the SRT will cease and the SRT plan will be frozen; as a result, the funding of 125% of the employer's base contribution for the SRT for the Employer's employees is discontinued once future benefit accruals commence under the VAP

and the hourly contribution rates paid to the SRT will be reduced by this adjusted base contribution under Section 11.03.1.

11.03.3 The Employer will continue to contribute to the SRT and not incur a withdrawal from the SRT solely as a result of the cessation of future benefit accruals under the SRT.

11.03.4 The SRT Employer liabilities will be funded under an updated Rehabilitation Plan designed with the objective that the Plan will move to the green zone and achieve 102% funding by 2030. This updated Rehabilitation Plan will include the current scheduled increases plus an additional contribution of three (\$.03) cents per hour in annual increases over a new ten-year period beginning January 1, 2020 (January hours/February payment). Such accelerated funding in this agreement shall apply to the SRT liabilities and shall remain in effect regardless of the Zone status of the Plan.

11.03.5 The Employer shall continue to pay all of the scheduled contribution increases under the updated Rehabilitation Plan, as set forth above, through the term of this CBA, regardless of the zone status of the SRT. All hourly contributions to the SRT shall continue to be made on behalf of all compensable hours above regardless of whether the employee participates in the SRT prior to the freeze date. In addition, the Parties ask the Trustees of the Plan to explore adopting specific language that all additional contributions will not be used in calculations of the employers' share of the unfunded vested benefits, to the extent permitted by law.

11.03.6 The parties recognize that this global solution for the pension funding liabilities is contingent on the full implementation of the agreement between Safeway/Albertson's and the Union and the full implementation of the agreement between Kroger and the Union, including the transfer of liabilities and assets from the SRT to the UFCW Consolidated Fund under the MOU between Kroger and the Union. If either the SRT or the UFCW Consolidated Fund does not approve the global solution, the bargaining parties will meet to discuss other alternatives.

11.03.7 The parties agree to request that the Actuaries of the SRT review and update, as they determine is appropriate, the current withdrawal liability method used by the Fund.

11.03.8 In part to order to ensure the prudent funding of the Sound Retirement Trust, the Employers, in total, agree to redirect health & welfare trust contributions up to the total amount of \$100 million to the SRT commencing with January 2020 hours.

11.03.9 The parties will cooperate in seeking approval by the relevant parties for this global solution for accelerated funding of the unfunded liabilities of the SRT, including the SRT Board of Trustees, the PBGC and the UFCW Consolidated Fund Board of Trustees. (Subject to final agreement on the details of any Kroger transaction.)

11.03.10 To that end, the parties agree to ask that the SRT Trustees consider the following:

- a. Continue to extend cash-matched period under Beta portfolio as the situation warrants in order to continue to reduce investment risk in the SRT;
- b. Reduce the valuation assumption to 6.5% net of investment expenses; and
- c. Invest the \$165 million in assets to be transferred from the SRT to the UFCW Consolidated Pension Fund at a risk free rate of return from the ratification date of the collective bargaining agreement until the date of transfer. (Subject to final agreement on the details of any Kroger transaction.)

11.03.11 This agreement is contingent on the bargaining parties reaching an overall collective bargaining agreement, including an agreement between the Employer and the Union for a new future service defined benefit variable plan for all current employees affected by this transfer.

11.04 The Board of Trustees is authorized and directed to take all reasonable measures to cooperate and assist in achieving the objectives of this Section.

11.05 Notwithstanding the foregoing, the Board of Trustees is directed to apply for provisions provided by the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010. If relief is granted, the Trustees shall decide how such relief is applied. If later enacted legislation permits a reduction in contributions (or increase in benefits, or both), the Trustees may revise the Rehabilitation Schedules and the bargaining parties will adopt the new Schedule. Subject to the foregoing, the Trustees are authorized and directed to modify promptly the Schedule (and the contributions and benefit reductions) in accordance with this subsection and subsections (a) and (c) above and as required or permitted by such law, rule or regulation, and such modifications shall automatically be deemed incorporated into the attached Schedule (which shall be revised and updated accordingly).

11.06 RIGHT TO INFORMATION FOR AUDIT - The Employer agrees to furnish to the Plan Administrator and/or Plan Trustees, 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 prearranged 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 in full compliance with these provisions regarding the Employer's contributions. If the Employer is found delinquent through a regular or a 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.

11.07 ANNUAL DECLARATION – In as much 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, or
- (b) if not a corporation, a certificate stating who the sole proprietor is or who the partners are.

11.08 DELINQUENCIES - If the Employer is delinquent in the payment of contribution, liquidated damages in the sum of ten percent (10%) of any delinquent contributions, or fifty dollars (\$50.00), 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 twenty percent (20%) of the contributions owed as a result of the delinquency. In addition, the delinquent contributions shall bear interest at the rate of twelve per cent (12%) per annum from the due date until they are paid.

11.09 CONTRIBUTIONS TO VAP

11.09.1 Variable Annuity Plan. As of the effective date of the new future service defined benefit variable annuity plan (VAP), future service benefit accruals will be earned in the VAP, a multiemployer variable annuity defined benefit plan. Participants' service earned under the Sound Retirement Trust (SRT) and the VAP will be recognized for participation, vesting and benefit eligibility purposes in both plans. In the event of a short plan year running from the transfer date to December 31, the benefit guarantee will apply for the short plan year and the subsequent initial full plan year ending December 31, 2021. The VAP shall operate on a calendar plan year basis.

11.09.2 The Employer will contribute 3% (three percent) of salary per month, for each eligible active participant to the VAP, commencing with the effective date, as determined by the actuaries for the VAP to reflect the intent of the parties that: (1) that the contribution is set based on the cost of the aggregate current benefit accrual for the Employer's employees, but determined using a 5.5% discount rate and administrative costs, and (2) the benefit accrual rate is determined by the amount that can be funded with such contributions determined under (1) above (with a margin in the benefit accrual rate that is designed to guard against adverse non-investment experience). Contributions will be made on behalf of current active employees and future newly hired employees in classifications for whom contributions have been made under the current collective bargaining agreement. Salary shall be gross wages per payroll period. Contributions shall be remitted monthly, in the same manner as they have been made to the SRT. The benefit accrual under the VAP will be periodically reviewed (but at least every three years) to ensure that the plan is designed to maintain full funding of all benefit liabilities, with the first review no later than December 31, 2021. Notwithstanding the above, for the term of this contract, in no event shall the contribution be less than 125% of the base contribution to the Sound Trust as of the effective date of the VAP. All actuarial assumptions of the plan will be reviewed and adjusted as necessary on an annual basis for the term of this CBA.

In addition, the Employer will contribute three cents (\$.03) per hour for each eligible active participant to the VAP, commencing with the effective date of the VAP through the end of the initial first full Plan Year.

The Employer agrees to promptly provide, on a periodic basis, such salary data for employees intended to be covered by the VAP to allow the actuaries for the parties developing the VAP to determine the benefit accrual rate from the VAP that can be funded with such contributions determined above and in the future as the VAP operates to allow administration of the VAP.

11.09.3 The benefit accrual under the VAP will be periodically reviewed (but at least every three (3) years) to ensure that the plan is designed to maintain full funding of all benefit liabilities, with the first review no later than December 31, 2021. Notwithstanding the above, for the term of this contract, all actuarial assumptions of the plan will be reviewed and adjusted as necessary on an annual basis for the term of this CBA.

11.09.4 The eligibility, rights and features of the benefit design of the VAP on the effective date of the VAP will replicate the current benefit design of the SRT, except that the benefit accrual will be based on a formula that utilizes total contributions made on the employee's behalf and a percentage accrual factor that reflects the VAP characteristics (to be reviewed jointly by the parties). For the short plan year and the first full plan year, there shall be a floor benefit and the benefit accrual of the VAP cannot be less than what the participant would have earned in the same period under the SRT benefit formula. Thereafter, the earned benefit accrual will be adjusted annually up or down based on performance to a 5.5% hurdle rate which will also be used to discount the benefit liabilities.

11.09.5 Annual benefit improvements will be capped at 3.0% above the 5.5% hurdle rate. Any surplus investment return between the 5.5% and the 8.5% cap will fund benefit improvements and any surplus investment return over 8.5% shall be allocated to the stabilization reserve.

11.09.6 The VAP board of trustees will formulate a stabilization reserve policy which will define the board's discretion to manage the stabilization reserve and determine how and when it is used to support benefit accruals in years in which the plan investments underperform the hurdle rate. The Employer will contribute to the stabilization reserve from January through March, 2022 in accordance with Section 12.2.

It is the intent of the parties that the stabilization reserve policy will be used to stabilize benefits for active and retired participants in the event of returns of 2% or lower ("the Floor Return") and maintained in order to address the VAP investment and demographic experience

and the level of assets/benefits accrued under VAP. It is not the intent that the stabilization reserve be used in the event of investment returns higher than the Floor Return.

11.09.7 The Governance of the VAP will be modeled after the SRT Trust Agreement document, as appropriate and agreed to by the plan sponsor.

ARTICLE 12 – GENERAL CONDITIONS

12.01 NO LOSS BECAUSE OF AGREEMENT - No employee covered by this Agreement shall suffer any reduction in wages or loss of PTO pay now enjoyed because of the adoption of or through the operation of this Agreement.

ARTICLE 13 – DISCIPLINE – DISCHARGE

13.01 NOTICE OF TERMINATION REQUIRED - The employee agrees to give the Employer at least ten (10) days notice of the termination of his or her services. Any employee voluntarily leaving without notice or due to infraction of rules or policies set by his Employer, will be paid only to date of his departure, and at the regular rate specified in this contract.

13.02 It is further agreed that the Employer will give the employee at least ten (10) days notice of dismissal, except in cases of dishonesty or discharge for just cause.

13.03 DISCHARGE FOR JUST CAUSE - NO DISCRIMINATION - The Employer shall have the right to discipline or discharge an employee for just cause.

13.04 UNION ACTIVITIES PROTECTED - No one shall be discriminated against for lawful Union activity.

13.05 NON-DISCRIMINATION - Employees shall not be discriminated against because of race, creed, color, sex, age, national origin, handicap, religion, or sexual orientation.

ARTICLE 14 – GRIEVANCES

14.01 GRIEVANCE MACHINERY - All grievances and disputes, which must be filed in writing within sixty (60) days of the occurrence causing the complaint or grievance, except that in the case of claim for wages, the above sixty day limitation will not apply, including disputes as to the proper application and interpretation of any and all of the provisions of this Agreement, shall be adjusted by the accredited representative of the Employer and the accredited representative of the Union. In the event of the failure of these parties to reach a satisfactory adjustment within seven (7) days from the date a grievance is filed in writing by either party upon the other, the matter shall be referred for final adjustment to a labor relations committee selected as follows: Two (2) members representing the Employer and two (2) members representing the Union. In the event the labor committee fails to reach an agreement within twenty-one (21) days after the matter is presented to them, the four (4) shall select a fifth member or they shall request the Federal Mediation and Conciliation Service to submit a list of eleven

(11) names of qualified arbitrators, from which they shall select a fifth member, who shall be chairman, and the decisions of this committee shall be binding on both parties. During this procedure no strike or lockout shall occur.

14.02 Notwithstanding the language in Section 14.01, any non-probationary individual who is discharged must file a written grievance regarding their discharge with fifteen (15) calendar days from their last day worked at the Employer's principal place of business.

ARTICLE 15 – QUALIFIED TRANSPORTATION PLAN

15.01 The BAC Qualified Transportation Plan provides the opportunity for eligible employees to pay for employment related transportation expenses on a pre-tax basis. There are two options available in the program:

Option 1, Mass Transit & Van Pool: This is a pre-tax account for Bus Passes, Van Pooling and State Ferries. BAC contributes 50% of the cost of a monthly public transportation pass (ORCA Card). Eligible employees could set aside, on a pre-tax basis, the remaining 50% balance. You could also set aside additional amounts for other eligible transportation expenses up to the maximum pre-tax dollars allowed.

Option 2, Qualified Parking: This is a pre-tax, self-funded account for work related parking and may be funded for up to the maximum allowed.

15.02 Participants may change their transportation elections on a monthly basis. Consequently, the monthly pre-tax contribution is deducted in its entirety from the first payroll of the month. Please refer to your Summary Plan Description or contact the Human Resources Department with questions about this program.

15.03 This plan is offered at the discretion of the Employer; the Employer will notify the Union thirty (30) days prior to any plan changes or cessation.

ARTICLE 16 – CLAUSES RELATING TO AGREEMENT

16.01 SEPARABILITY CLAUSE- The provisions of this Agreement are deemed to be separable to the extent that if and when a court or administrative tribunal adjudges any provision of this Agreement in its application between the Union and the undersigned Employer to be in conflict with any law, such decision shall not affect the validity of the remaining provisions of this Agreement, but such remaining provisions shall continue in full force and effect; provided, however, that in the event any provision or provisions are so declared to be in conflict with the law, both parties shall meet immediately for the purpose of renegotiating any agreement on the provision or provisions so invalidated; provided further that if the parties fail to reach an agreement, this contract and the remaining provisions thereof shall be and remain in full force and effect. If the judicial or administrative adjudication that any provision of this Agreement is in conflict with any law is thereafter reversed, such provision shall be reinstated with full force and effect from the effective date of such reversal.

16.02 HEADINGS NOT BINDING - The section and paragraph headings used in this Agreement were inserted for convenience only, and shall have no bearing on the construction or meaning of this Agreement.

16.03 NO STRIKE - NO LOCKOUT - During the life of this Agreement, providing all terms of the agreement are fulfilled, the Union agrees not to engage in any strike or stoppage of work and the Employer agrees not to engage in any lockout; provided the Union retains the right to support any strike or picket line recognized by any Labor Council headquartered in King or Snohomish Counties, Washington.

16.04 It shall not be a violation of this Agreement or cause for discharge for any employee to refuse to cross a lawful picket line in the performance of his duties.

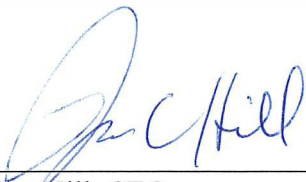
ARTICLE 17 – DURATION OF AGREEMENT

17.01 This Agreement shall be in full force and effect from August 1, 2016 until July 31, 2022 at which time it shall automatically be renewed for a period of one (1) year from said date, and thereafter for each year upon each anniversary of said date without further notice; provided, however, that either party may open this Agreement for the purpose of discussing a revision within sixty (60) days prior to said expiration date of each anniversary thereof upon written notice being served upon either party by the other.

IN WITNESS WHEREOF, we attach our signature this 10th day of September, 2020.

EB MANAGEMENT

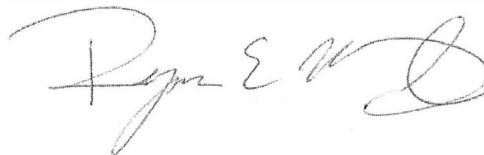
UFCW LOCAL 21



Tim Hill, CEO



Mia Contreras, Executive Vice President



Regan McBride, Negotiator