LOCAL 5 BARGAINING SUCCESSES

✓ ONE WAGE INCREASE AND TWO LUMP SUM Bonuses
✓ PERMANENT 28 HOUR GUARANTEE FOR PART-TIME EMPLOYEES
✓ HOLIDAY PREMIUM RESTORED FOR ALL EMPLOYEES
✓ MAINTAIN HEALTH AND WELFARE PLAN WITH NO EXTRA COSTS
✓ MAINTAIN RULE OF 85 PENSION
✓ UNFREEZE $13 AND $15.75 WAGE LEVELS AND RECEIVE LUMP SUM PAYMENT
✓ INCREASE IN ENTRY LEVEL WAGES
✓ PERMANENTLY ALLOW FULL-TIME WORKERS TO “BOOK-END” DAYS OFF ONCE YEARLY PROVIDING FOUR CONSECUTIVE DAYS OFF.

EMPLOYER PROPOSALS DEFEATED

✓ ELIMINATION OF MEMORIAL DAY FOR ALL EMPLOYEES
✓ ELIMINATION OF 28 HOUR GUARANTEE FOR PART-TIME WORKERS
✓ EXPANSION OF COURTESY CLERK DUTIES, INCLUDING STEP-UP, REDUCING FOOD CLERK HOURS
✓ INTRODUCTION OF SPLIT SHIFTS
✓ ELIMINATION OF OVERTIME ON 6TH DAY IN WORKWEEK UP TO 40 HOURS
✓ ELIMINATION OF EIGHT HOUR GUARANTEE FOR MEAT CUTTERS
✓ INTRODUCTION OF MEAT CLERK STEP-UP
✓ ELIMINATION NIGHT PREMIUM FOR ALL EMPLOYEES
✓ ADDING NON-UNION EMPLOYEES TO STORE STAFFING
AGREEMENT IN PRINCIPLE

- Between -

Raley’s Family of Fine Stores [Nob Hill General Store, Inc.]
(Hereinafter referred to as the ‘Employer’)

- and -

UFCW Local 5 representing the following bargaining unit:

Nob Hill (Food and Meat)
(Hereinafter referred to as the ‘Union’)

April 23, 2015

The terms and conditions contained herein shall constitute a principled in full and final settlement of all issues in dispute between them and shall form the basis of a fully recommended tentative agreement on all issues subject to a confidential financial review of the employer’s current financial position by a mutually selected auditor appointed by the parties no later than May 21, 2015.

It is understood and agreed that the existing agreement shall be renewed in it’s entirety save and except that which is contained in this agreement which shall, according to the terms herein, be incorporated into such collective agreement in all respects as an agreed upon ratified tentative agreement.

It is understood that the terms of the “Stabilization Agreement.” In effect between Nob Hill General Store, Inc. and UFCW Local 5, running concurrently with the 2011 through 2014 Collective Bargaining agreement, will be considered extinguished in their entirety as a result of a ratified successor collective agreement between the parties.

No later than sixty (60) days following the ratification of this agreement in principle the parties shall meet and consult to accurately amend the current collective agreements in accordance with the terms of this agreement.

Nothing in this Memorandum of Agreement shall be retroactive unless expressly agreed to in a specific provision contained herein.

The parties hereto agree therefore to the following agreement in principal:
1. NATIONAL LABOR RELATIONS BOARD CHARGES: The union shall withdraw all charges filed with the National Labor Relations Board as of the date of ratification of this agreement.

2. NEUTRALITY AGREEMENT: Delete from the collective agreement Paragraph 3 through 8 Section 1.1.

3. EXISTING EMPLOYER POLICIES: The union agrees to meet with the employer within thirty (30) days of the ratification of the tentative agreement to review, discuss and amend, where appropriate, the employer's new social media policy with a view to ensuring that employees shall continue to enjoy their section 7 rights under the National Labor Relations Act.

4. REDUNDENT WAGES SCHEDULES – Delete all redundant wage rates.

5. SECTION 4.2.5 – CLASSIFICATION: Eliminate reference to 'Apprentice Food Clerks' and same in Appendix 'A'.

6. ADD AS SECTION 4.8.1 TEMPORARY STORE ASSIGNMENT DUE TO TOURISM AND SEASONAL BUSINESS INCREASES: Add the following 'new' section under 'Temporary Assignments' in the collective agreements:

"Notwithstanding anything contained in this collective agreement, the employer reserves the right to add additional store bargaining unit personnel from any source during times of anticipated or actual volume increases due to market conditions. The employer agrees to post a notice for a minimum of fourteen (14) days requesting volunteers to work in such stores. The affected stores and the number of employees sought shall be identified on the posting as will the duration of the assignment(s). The following process shall be utilized for the selection of employees on temporary assignment:

(1) Selection for temporary assignment personnel shall be from amongst those who have applied with preference being given to those individuals who permanently reside closest to the affected store(s) and who also possess the ability and qualification to perform the work and are available:

(2) In the event that the selected individuals reside more than sixty (60) miles from the store seeking additional personnel, accommodation, meal and travel allowances shall be provided in accordance with the terms contained in Employer’s travel policy:

(3) Individuals who are selected and agree to the temporary assignment must commit to that temporary assignment for the duration of the assignment or ninety (90) days, whichever is earlier."
The employer reserves the right to cancel any temporary assignment posting as it deems appropriate under the circumstances.”

7. SECTION 4.9 TRANSFERS: Add second paragraph as follows: Store #628 located in Redwood City, currently in the San Mateo County jurisdictional seniority area of Local 5 will be included in the Santa Clara County jurisdictional seniority area upon ratification of a successor agreement and the store will be subject to the applicable seniority provisions contained in this agreement. The Company will give special consideration to hardship of team members as a result of a transfer into or out of Store #628 due to this change.

8. Section 4.10.5 WEEKLY GUARANTEE: Modify increase weekly guarantee for part-time employees from twenty-four hours (24) per week to twenty-eight (28) hours per week excluding Courtesy Clerks. Employees may work between twenty-four (24) and twenty-seven (27) hours per week by mutual agreement between the employer and the employees.

9. SECTION 5.7 PAYDAY AND DEDUCTIONS: Add new 3rd paragraph:
   ELECTRONIC PAYCHECK: Employees shall have the option to receive paychecks which may be provided electronically or via pay/check card. Employees desiring traditional payroll checks shall retain their current method of payment.

10. SECTION 5.10 UNION EMBLEM: Add letter of grievance settlement in the back of the collective agreement.

11. SECTION 6.1 ALTERNATE WORKWEEK – Add the following new clause to the agreement(s)

   “Employees who are earning more than 130% of the applicable minimum wage shall be eligible for a regular work week of four (4) ten (10) hour shift per work week. Employees who may be so scheduled shall be exempt from statutory eight (8) hour / day overtime requirements of up to ten (10) hours/day and will receive straight-time wages for hours worked during the 4 x 10s.”

12. PREMIUM PAY: Delete the following sections from the collective agreement:
   6.2.1.1, 6.2.2.4, 6.2.3.2, 6.2.3.5, 6.2.3.6, 6.2.4.1, 6.2.5.1, 6.2.5.2, 6.2.5.3, 6.2.5.4, 6.2.6.1.

13. Section 7.1 POSTING OF WORK SCHEDULE: Add as last paragraph in Section 7.1: Once per year all full-time employees will be allowed two days off at the end of the work week and two days off at the beginning of the following work week creating a four day weekend.
14. **SECTION 7.12 SUNDAY PREFERENCE:** Add as section 7.12 the following: On a semi-annual basis, team members will have the opportunity to express a preference for not working on Sundays. When operationally feasible, the Employer will schedule these employees off by seniority.

15. **SECTION 9.1.7 MEAT CUTTER STEP-UP (LOCAL 8 ONLY):** Eliminate section (clean-up)

16. **SECTION 9.4 DEMONSTRATORS:** Add the following new section:

   Demonstrations and Special Work

   a) Demonstration shall be defined as: the demonstration of food or product (which may include preparation); the assisting of customers in locating product throughout the store; or, the helping of customers with food preparation or food and beverage paring. No employee or contractor working as a demonstrator will be involved in the stocking of product or in the running of any check-stand register.

   b) The employer will have the exclusive right in the selecting the employee or contractor to perform the work of demonstration; however, if an employee is selected to perform the work, such employee has the right to decline the demonstration work if they so elect.

   c) If an employee is selected for the work and they are compensated at a rate less than $12.75 per hour, they will receive an additional $1.00 per hour or up to $12.75 per hour for the time spent performing the demonstrator’s work. Employees who earn more than $12.75 per hour will be compensated at their current wage rate.

   d) In accordance with the terms of the collective agreement employees working as demonstrators will be stepped up to the demonstrators classification for the time spent performing demonstrators work and there will be no hourly contribution to the Health, Welfare and Pension Trust for the time performing demonstration work as defined in #a above.

   e) If an employee is chosen to perform demonstration work, he/she will continue to be scheduled hours within their classification in accordance with seniority and will receive at least the minimum number of hours as required for their classification.

   f) The hours worked performing demonstration work may not be claimed by any other employee nor may those hours be used in a wage or additional available hours grievance.
17. **SECTION 10.1 HOLIDAYS FOR NEW HIRES:** Add the following ‘new’ section 10.1 (b) to section 10 of the collective agreements and re-number section 10.01 as section 10.01 (a):

"Employees hired after date of ratification, will receive the following as paid holidays after twelve (12) months of employment: New Year’s Day, Memorial Day, Fourth of July, Labor day, Thanksgiving Day and Christmas day. Holidays for new hires shall be paid in accordance with this section”. After three (3) years of employment, such new hires shall be entitled to a Birthday and Anniversary Date of Employment holiday.

18. **Section 10.2 HOLIDAY WEEK:** Modify as follows: “Any employee who has completed their scheduled work shift immediately preceding the holiday and completed their scheduled work shift immediately following a recognized holiday, except when permission to be absent has been granted by the employer or when the absence is due to a bona fide illness of the employee, shall receive holiday pay at his regular rate of pay. It is understood that in order to qualify for holiday pay and employee must work at least one (1) work day during the week in which the holiday falls”

19. **Section 11 VACATIONS:** Modify to provide vacation durations for employees after hired after 11/13/2012 will be limited as follows:

   1 year – 1 weeks
   3 years – 2 weeks
   5 years – 3 weeks

20. **SECTION 12 HEALTH, WELFARE and PENSION:** The employer will continue making current contributions for health, welfare and pension benefits (consistent with rehab plan) until such time as industry standards are agreed upon with the other UFCW Major Employer Trust participants (Safeway, Savemart and Raley’s).

21. **SECTION 7.8 NIGHT PREMIUM:** Only applies to employees hired prior to ratification of the last collective agreement.

22. Minimum Wage/Progressions: Add new language to Appendix “A” Wage Rates to read: “If minimum wage laws increase minimum wage above step progressions, clerks will be advanced to next step progression. In the event of such advance, the employee will begin to accrue hours at the new level starting with the date the new wage commences with no backfill of skipped hours in step progressions required.”
23. **UNFREEZE STEPS.** All employees must continue to earn the appropriate number of hours to move forward to the next incremental step that would provide them with an increase.

24. **TERM:** Three (3) years expiring October 11, 2017.

25. **APPENDIX “A” WAGES:**

<table>
<thead>
<tr>
<th>Nob Hill Stores</th>
<th>Current pay scale</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Clerks</td>
<td>22.22</td>
<td>22.22</td>
</tr>
<tr>
<td>Senior Head Clerks</td>
<td>21.68</td>
<td>21.68</td>
</tr>
<tr>
<td>Head Clerks</td>
<td>21.57</td>
<td>21.57</td>
</tr>
<tr>
<td>All Purpose Clerks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experienced</td>
<td>18.25</td>
<td>18.25</td>
</tr>
<tr>
<td>14th step 1040 hrs</td>
<td>17.50</td>
<td>Additional step</td>
</tr>
<tr>
<td>13th step 1040 hrs</td>
<td>17.00</td>
<td></td>
</tr>
<tr>
<td>12th step 1040 hrs</td>
<td>16.50</td>
<td></td>
</tr>
<tr>
<td>11th step 1040 hrs</td>
<td>16.00</td>
<td></td>
</tr>
<tr>
<td>10th step 1040 hrs</td>
<td>15.51</td>
<td>15.75</td>
</tr>
<tr>
<td>9th step 1040 hrs</td>
<td>14.50</td>
<td>Additional step</td>
</tr>
<tr>
<td>8th step 1040 hrs</td>
<td>13.00</td>
<td></td>
</tr>
<tr>
<td>7th step 1040 hrs</td>
<td>12.50</td>
<td></td>
</tr>
<tr>
<td>6th step 1040 hrs</td>
<td>11.75</td>
<td></td>
</tr>
<tr>
<td>5th step 1040 hrs</td>
<td>11.25</td>
<td></td>
</tr>
<tr>
<td>4th step 1040 hrs</td>
<td>10.85</td>
<td></td>
</tr>
<tr>
<td>3rd step 1040 hrs</td>
<td>10.55</td>
<td></td>
</tr>
<tr>
<td>2nd step 520 hrs</td>
<td>10.35</td>
<td></td>
</tr>
<tr>
<td>1st step 520 hrs</td>
<td>10.00</td>
<td></td>
</tr>
<tr>
<td>Courtesy Clerks</td>
<td>9.10/9.60</td>
<td>10.25 (eff: Jan 1, 2016) (one rate only) Start: 9.60 (Eff: On ratification)</td>
</tr>
</tbody>
</table>

a. **Meat Cutter Classification:** Eliminate steps one (1) and two (2) and increase Meat Extra Premium from $1.50 to $2.00 per hour.
b. Eliminate the $21.13 an hour wage rate for Experienced APC Clerks to attain after working twelve (12) years at the experienced APC hourly wage rate.

c. Within thirty (30) days following ratification of this Agreement in Principle, the employer shall pay all active employees who are on end rates (experienced and above) for the classifications listed in the agreement and those earning $13.00 and $15.75 (excluding Courtesy Clerks) a lump sum payment of .40 cents per hours for all regular, non-overtime hours worked back to October 11, 2014.

In addition, on the first pay period following one year after ratification, Employer shall pay all active employees on the end rates for the classifications listed in the agreement (excluding Courtesy Clerks) a lump sum payment of .40 cents per hour for all regular, non-overtime hours worked the previous twelve (12) month period.

Finally, on the first pay period following two years after ratification, Employer shall add .40 cents per hour to all end rates of all existing classifications Experienced and above.

Dated this __________ day of April, 2015

For the Union

____________________________________
John Nunes
President
UFCW Local 5

For the Employer

____________________________________
Brian B. McArthur
Sr. Director of Labor Relations
Raley's [Nob Hill General Store, Inc.]