

TENTATIVE AGREEMENT

1. **TENTATIVE AGREEMENT(S)**: All items agreed through October 7, 2015 and attached hereto in addition to the items that follow:
2. **LETTERS OF AGREEMENT**: Retain current Letters of Understanding as tentatively agreed by the parties' subcommittee and contained in Attachment "C" entitled "Letters of Agreement."
3. **TERM OF AGREEMENT**: 3 Years and four months beyond the current expiration.
 - a. Denver Clerks and Meat: September 13, 2015 through January 12, 2019.
 - b. Boulder Meat: September 13, 2015 through January 12, 2019.
 - c. Broomfield Meat: September 13, 2015 through January 12, 2019.
 - d. Broomfield Store #86 Clerks and Deli: September 13, 2015 through January 12, 2019.
 - e. Colorado Springs Clerks: September 13, 2015 through January 12, 2019.
 - f. Colorado Springs Meat: October 25, 2015 through February 23, 2019.
 - g. Fort Collins Meat: October 25, 2015 through February 23, 2019.
 - h. Grand Junction Clerks and Meat: October 4, 2015 through February 2, 2019.
 - i. Greeley Meat: October 25, 2015 through February 23, 2019.
 - j. Longmont Meat: October 25, 2015 through February 23, 2019.
 - k. Loveland, Meat: October 25, 2015 through February 23, 2019.
 - l. Parker, Meat: September 13, 2015 through January 12, 2019.
 - m. Pueblo Clerks: September 27, 2015 through January 26, 2019.
 - n. Pueblo Meat: October 25, 2015 through February 23, 2019.
4. **APPENDIX "A"**: Delete existing wage scales in Appendix "A" and add the new wage rates as indicated in the new Appendix "A" wage scales for each bargaining unit as detailed in Attachment "A". Re-write the "Wage Determination" section of each contract to read as follows:

Rate determination

Effective upon the 2015 ratification, current employees will enter the newly revised wage scales in the following manner:

- Employees making less than the new entry rate per hour will immediately upon ratification receive the new entry rate per hour.
- Employees whose current wage is not found on the newly negotiated wage scale and between the new entry rate and the new top rate will be moved to the next higher wage rate from their current pay rate, and they will be required to work in that step for the designated period of time.
- Employees whose wage is found in the newly agreed wage scale will move to the same rate in the newly negotiated wage scale and shall receive credit for the hours worked and will progress to the next wage step after finishing the balance of hours.

Demotions, Step Downs and layoffs: An employee who is demoted, steps down, or who is laid off in accordance with this Agreement, shall be placed back into the same wage schedule in which the employee was working immediately prior to their assignment into management or promotion into the classification from which they are being demoted, stepping down or laid off. In determining the proper progression level for an employee demoted, stepping down, or laid off from a classification with a higher "thereafter" hourly rate to a classification with a lower "thereafter" hourly rate, such

affected employee shall be placed in the appropriate progression level in the rate schedule referenced in this paragraph based on their experience in the newly assigned classification, regardless of whether such assigned rate results in a reduction in hourly rate. In determining prior experience hereunder, the Employer will give recognition to the verified number of hours of actual work experience in the same classification which said employee may have performed for the Employer and the verified number of hours of actual work experience on a comparable job which said employee may have performed within the previous ten (10) years for any other employer in a similar retail grocery operation.

Promotions, new hires and new entrants into the bargaining unit: Employees who are promoted to a different classification shall not receive a reduction in their hourly rate of pay if when promoted to such classification they are being paid an hourly rate of pay greater than the minimum, unless they are above the "thereafter" hourly rate in which case they will immediately be paid the "thereafter" hourly rate. When such employee is paid less than the "thereafter" hourly rate, prior to receiving an increase in their hourly rate of pay, they must work 1,040 hours at their current rate before promotion to the hourly rate in the new classification that would give them an increase in their hourly rate of pay.

5. **APPENDIX "A":**

Effective September 17, 2017 (or conforming dates for Agreements with a different anniversary date), a thirty (\$0.30) per hour rate increase shall be applied to the top rates and above, excluding Courtesy Clerks and excluding City Market Bakery, Deli, Liquor Store and Seafood Clerks.

6. **LUMP SUM BONUS:** Add the following to Appendix "A" to read:

Effective September 11, 2016 (or conforming dates for Agreements with a different anniversary date), a thirty cent (\$0.30) per hour bonus shall be paid to all active employees (excluding Courtesy Clerks and City Market Bakery, Deli, Liquor Store and Seafood Clerks) working at the top (or "Thereafter") pay rate or above for their classification based on the straight-time hours worked in the twelve (12) months preceding September 11, 2016 (or conforming dates for Agreements with a different anniversary date).

(City Market Agreements Only) Effective October 2, 2016, a thirty cent (\$0.30) per hour bonus shall be paid to all active Bakery, Deli, Liquor Store and Seafood Clerks working at the top (or "Thereafter") pay rate or above for their classification based on the straight-time hours worked in the twelve (12) months preceding October 2, 2016. Effective October 1, 2017, a thirty cent (\$0.30) per hour bonus shall be paid to all active Bakery, Deli, Liquor Store and Seafood employees working at the top (or "Thereafter") pay rate or above for their classification based on the straight-time hours worked in the twelve (12) months preceding October 1, 2017.

7. **(KING SOOPERS ONLY) DEPARTMENT HEAD BONUS:** Add to Appendix "A:"

The Company retains the right to develop, implement and establish a Bonus Plan for Department Heads at its sole discretion including the right to determine bonus amounts, payment criteria, measurements and the right to make changes and modifications to the program including termination of the program.

8. **DEFINITION OF CLASSIFICATIONS:** In the Clerk Agreements, delete, as applicable, the definition for GM/Non-Food Clerks (Utility Clerks at City Market) and Salad Bar Clerks and substitute the following new classification entitled Customer Service Clerks. Existing GM/Non-Food Clerks (Utility Clerks at City Market), Delivery Driver, Teleshopper Clerks, Salad Bar Clerks and Floral Clerks shall be moved to the Customer Service Clerk classification as provided above in the rate determination provision.

Customer Service Clerk. A Customer Service Clerk's duties shall include the pricing, handling, displaying, selling and stocking of those items generally considered as non-food, general merchandise or drug merchandise; all work in conjunction with the operation of the fuel center without restriction including, but not limited to, the stocking, handling and checking of food items; the operation of the currency booth and customer service counter; all work associated with the salad bar except any higher-rated employee in either the Retail Clerks or Meat Agreements may perform work in the salad bar; all work in the floral department; delivery driver work as assigned; and, home shop work as assigned.

9. **NIGHT PREMIUM:** Re-write the first sentence in paragraph 1 of the Clerk Agreements to read:

"A premium of one dollar (\$1.00) per hour shall be paid for all work performed between the hours of 12:00 midnight and 6:00 am to all employees (excluding Courtesy Clerks)."

10. **HEALTH AND WELFARE:**

- a. **Employer Contributions and Benefit Levels:** Adopt the "Health and Welfare Contributions" Letter of Agreement attached to this document as Attachment "B." Add the following new paragraph to read:

"Effective December 1, 2015 (November pension hours), in addition to the contributions required herein, a supplemental contribution of twenty (\$0.20) cents per hour times the pension hours for that month shall be contributed to the active health and welfare fund. Such supplemental contribution shall continue through the payment made in November 2018 (October pension hours)."

- b. **Store #86 Health and Welfare:** Effective December 31, 2015, employees of the store #86 Clerk and Deli agreement shall cease participation in the Company HW plan and, effective January 1, 2016, shall begin participation in the Trust HW plan. The provisions of the Denver Clerks HW article shall be adopted in the store #86 clerk and deli agreement.
- c. **Long Term Funding Policy – paragraph #2** – In paragraph #2 of the Long Term Funding Policy change "minimum reserve requirement" to "IBNR."
- d. **Trust Plan Changes:** The Trustees of the Plan shall be directed to make the following adjustments to the benefits of the Plan:
- i. Effective January 1, 2016, increase the disability benefit cap to \$300.

11. **PENSION:**

- a. The Trustees shall be directed to merge the Clerk and Meat Pension Plans no later than July 1, 2016.

- b. Adopt the provisions of the pension language in the Clerk's Agreement for the Meat Agreements.

Delete the Pension Protection Act (PPA) section in the current Agreement(s). Effective November 30, 2015, the supplemental contribution contained therein shall cease. Effective December 1, 2015, the base pension contribution rate for all contracts shall be increased to \$1.25 per hour (based on preceding month hours). "Effective December 1, 2015 (November hours), the base contribution rate shall be reduced to \$1.05 per hour. Such reduced contribution shall continue through the payment made in November 2018 (October hours). Effective December 1, 2018 (November hours) the base contribution rate shall return to \$1.25."

- c. The Trustees shall be directed to modify the Plan to provide for the ability of Courtesy Clerks to earn benefit accruals on a prospective basis. For Courtesy Clerks on the payroll as of the date of ratification, the Trustees shall be directed to apply the greater of the current benefit accrual for Courtesy Clerks or the provisions contained herein for each service year whichever is greater. Courtesy Clerk such accrual shall be equal to \$30.00 per month per year of service. Direct the Trustees to amend the plan to modify plan eligibility for courtesy clerks to reflect eligibility with first hour worked effective 1/1/16 on a prospective basis.
- d. The Trustees shall be directed to modify the Plan's accrual rates effective January 1, 2016 to \$30.00 per month for future years of service.
- e. Adopt the pension article of the Denver Clerks agreement for all collective bargaining agreements. Delete the Long Term Funding Policy except retain and rewrite the last subparagraph to read:

"The parties agree to direct the Trustees of the Pension Plan to use their best effort to effect a merger with the Denver Area Meatcutters Pension Fund with the Rocky Mountain UFCW Union and Employers Pension Plan with the objective of accomplishing the merger on or about July 1, 2016 and give full authority to effectuate such merger to the Board of Trustees of the two pension plans without further approval of the parties of this Agreement."

- f. At the trust meeting set no more than six (6) months prior to the expiration of the 2015 - 2019 contract, the actuaries are to determine the contribution rate necessary to continue funding current benefits and to maintain PPA green zone status for at least the next ten years. In the event the actuaries determine that a lower contribution rate is sufficient to continue current benefits, the Union and the Employers will share equally the excess funding. The Union may increase the accrual rate and the Employers' contribution rate will be reduced in an equal manner and amount, based on actuarial equivalence. Nothing in this section should be construed as an agreement to increase the pension contribution rate above the agreed upon basis set forth above.

12. **CITY MARKET UNION VISITATION:** Substitute the Kings Soopers Denver Clerks Union Visitation Provision for the Union Visitation provision in the City Market Grand Junction Clerk and Meat Agreements.

13. **NO DISCRIMINATION:** Add the following as a new paragraph in the No Discrimination Article to read:

"If requested and in accordance with applicable law, the company will refer to an employee participating in transgender procedures by the gender of their choice. It is understood that the foregoing provision is not subject to the grievance/arbitration provisions of the labor contract."

14. **LETTER OF AGREEMENT – MINIMUM WAGE:** Adopt the following Minimum Wage LOA:

"Effective upon ratification, in the event Federal or State minimum wage increases during the term of this Agreement to a rate greater than the starting rate, the new rate will be at least twenty cents (\$0.20) per hour above the minimum wage and each rate above will be at least ten cents (\$0.10) per hour higher than the previous rate in the progression schedule."

Bargaining Note: In applying the provisions of this Letter of Agreement, the parties understand, for example, that an employee working at a progression step that is adjusted as a result of the operation of this letter would remain at the same step but work under the newly adjusted rate until they complete the remaining hours of that step and advance to the next step.

15. **GRIEVANCE SETTLEMENT: LIQUOR STORE CLERKS:** The Union agrees as follows:

The Union agrees to withdraw with prejudice and without back pay all current pending grievances regarding the classification and rate of pay for work performed in the liquor store. Effective the first Sunday following ratification, a Liquor Store Clerk Classification shall be established with the rates set equal to the new Deli/Bakery Clerk rates and the employer shall transfer existing Non-Food Clerks working in the Liquor Store to such new classification.

16. **STORE #86 CLERK AND DELI AGREEMENT – COLORADO LABOR PEACE ACT** – Add a Letter of Agreement to the store #86 clerk and deli agreement to read: In the event the Union proceeds with an election pursuant to the Colorado Labor Peace Act ("the Act"), the Company will remain neutral throughout the entire process. Except as set forth below, neutrality means the Company will neither help nor hinder UFCW Local 7 ("the Union") in its efforts to win an election pursuant to the Colorado Peace Act including making any statement or taking any action that directly or indirectly indicates or implies any opposition to workers pursuing their rights under the Act or assisting any person or group who may oppose the Union. The Company maintains the right to correct any material misstatement or omission presented regarding the Act or related labor laws during a campaign.

The Company agrees to send a letter to each affected worker outlining the Employer's neutral position. The Employer will provide the Union with a copy of the letter prior to it being distributed to the affected workers.

Attachment "A"
Appendix "A" Wage Scales (Subject To Final Verification and Audit)

**King Soopers: Denver, Colorado Springs and Pueblo Clerk
 Bargaining Unit(s):**

CLASSIFICATION	Effective September 13, 2015 (or conforming dates for Agreements with a different anniversary date)	Effective September 10, 2017 (or conforming dates for Agreements with a different anniversary date)
ALL PURPOSE/NUTRITION CLERK		
First 1040 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.03	\$11.03
Next 1040 hours worked	\$11.80	\$11.80
Next 1040 hours worked	\$12.55	\$12.55
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$14.80	\$14.80
Next 1040 hours worked	\$15.80	\$15.80
Next 520 hours worked	\$16.80	\$16.80
Thereafter	\$18.11	\$18.41
PHARMACY TECHNICIANS		
First 1040 hours worked	\$10.40	\$10.40
Next 1040 hours worked	\$11.05	\$11.05
Next 1040 hours worked	\$11.70	\$11.70
Next 1040 hours worked	\$12.55	\$12.55
Next 1040 hours worked	\$13.25	\$13.25
Next 1040 hours worked	\$14.43	\$14.43
Next 520 hours worked	\$14.80	\$14.80
Thereafter	\$18.11	\$18.41
BAKERY CLERK/LIQUOR STORE CLERK		
1st 520 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.00	\$11.00
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.00	\$12.00
Next 1040 hours worked	\$12.50	\$12.50
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$15.50	\$15.50
Next 1040 hours worked	\$16.00	\$16.00
Thereafter	\$16.69	\$16.99

PLANT/FLORAL MANAGER	\$19.11	\$19.41
CUSTOMER SERVICE CLERK		
1st 520 hours worked	\$10.00	\$10.00
Next 1040 hours worked	\$10.30	\$10.30
Next 1040 hours worked	\$10.60	\$10.60
Next 1040 hours worked	\$11.05	\$11.05
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.28	\$12.28
Next 1040 hours worked	\$13.80	\$13.80
Next 1040 hours worked	\$14.20	\$14.20
Thereafter	\$15.18	\$15.48
COURTESY CLERK	\$9.00	\$9.00
SERVICE OR GROCERY MANAGER	\$20.11	\$20.41
HEAD CLERK & NIGHT CREW FOREMAN	\$19.11	\$19.41
PRODUCE MANAGER	\$20.11	\$20.41
GENERAL MERCHANDISE MANAGER	\$20.11	\$20.41
ASSISTANT BAKERY MANAGER	\$19.11	\$19.41
BAKERY MANAGER	\$20.11	\$20.41

King Soopers: Store #86 Clerk and Deli Bargaining Unit(s):

<u>CLASSIFICATION</u>	<u>Effective September 13, 2015 (or conforming dates for Agreements with a different anniversary date)</u>	<u>Effective September 10, 2017</u>
ALL PURPOSE/NUTRITION CLERK		
First 1040 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.03	\$11.03
Next 1040 hours worked	\$11.80	\$11.80
Next 1040 hours worked	\$12.55	\$12.55
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$14.80	\$14.80

Next 1040 hours worked	\$15.80	\$15.80
Next 520 hours worked	\$16.80	\$16.80
Thereafter	\$18.11	\$18.41
PHARMACY TECHNICIANS		
First 1040 hours worked	\$10.40	\$10.40
Next 1040 hours worked	\$11.05	\$11.05
Next 1040 hours worked	\$11.70	\$11.70
Next 1040 hours worked	\$12.55	\$12.55
Next 1040 hours worked	\$13.25	\$13.25
Next 1040 hours worked	\$14.43	\$14.43
Next 520 hours worked	\$14.80	\$14.80
Thereafter	\$18.11	\$18.41
BAKERY CLERK/LIQUOR STORE CLERKS		
1st 520 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.00	\$11.00
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.00	\$12.00
Next 1040 hours worked	\$12.50	\$12.50
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$15.50	\$15.50
Next 1040 hours worked	\$16.00	\$16.00
Thereafter	\$16.69	\$16.99
PLANT/FLORAL MANAGER		
	\$19.11	\$19.41
CUSTOMER SERVICE		
1st 520 hours worked	\$10.00	\$10.00
Next 1040 hours worked	\$10.30	\$10.30
Next 1040 hours worked	\$10.60	\$10.60
Next 1040 hours worked	\$11.05	\$11.05
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.28	\$12.28
Next 1040 hours worked	\$13.80	\$13.80
Next 1040 hours worked	\$14.20	\$14.20
Thereafter	\$15.18	\$15.48
COURTESY CLERK		
	\$9.00	\$9.00
SERVICE OR GROCERY MANAGER		
	\$20.11	\$20.41

HEAD CLERK & NIGHT CREW FOREMAN	\$19.11	\$19.41
PRODUCE MANAGER	\$20.11	\$20.41
GENERAL MERCHANDISE MANAGER	\$20.11	\$20.41
ASSISTANT BAKERY MANAGER	\$19.11	\$19.41
BAKERY MANAGER	\$20.11	\$20.41
DELI DEPARTMENT MANAGER	\$20.11	\$20.41
ASSISTANT DELI DEPARTMENT MANAGER	\$19.11	\$19.41
CATERING CAPTAIN	\$15.48	\$15.78
DELI CLERK/COFFEE CLERK/CHEESE SHOP CLERK		
1st 520 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.00	\$11.00
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.00	\$12.00
Next 1040 hours worked	\$12.50	\$12.50
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$15.50	\$15.50
Next 1040 hours worked	\$16.00	\$16.00
Thereafter	\$16.69	\$16.99
DELI AND RESTAURANT CHEFS	\$17.24	\$17.74
CHEESE STEWARD/CHEESE SHOP LEAD	\$19.11	\$19.41
SNACK BAR/MEAT CLEAN-UP		
FIRST 520 HOUR OF WORK	\$9.00	\$9.00
SECOND 520 HOURS OF WORK	\$9.50	\$9.50
THEREAFTER	\$10.09	\$10.39
CATERING CLERK		
FIRST 1040 HOURS OF WORK	\$9.00	\$9.00
SECOND 1040 HOURS OF WORK	\$9.50	\$9.50
THEREAFTER	\$12.01	\$12.31

King Soopers: Denver, Boulder, Colorado Springs, Fort Collins, Longmont, Parker and Pueblo Meat Bargaining Unit(s):

CLASSIFICATION	Effective September 13, 2015 (or conforming dates for Agreements with a different anniversary date)	Effective September 10, 2017 (or conforming dates for Agreements with a different anniversary date)
MEAT DEPARTMENT MANAGER	\$21.48	\$21.78
ASSISTANT MEAT DEPARTMENT MANAGER	\$20.43	\$20.73
BUTCHER BLOCK MANAGER	\$20.43	\$20.73
DELI DEPARTMENT MANAGER	\$20.11	\$20.41
ASSISTANT DELI DEPARTMENT MANAGER	\$19.11	\$19.41
CATERING CAPTAIN	\$15.48	\$15.78
MEAT CUTTERS		
1st 1040 hours worked	\$10.65	\$10.65
Next 1040 hours worked	\$11.15	\$11.15
Next 1040 hours worked	\$11.30	\$11.30
Next 1040 hours worked	\$12.36	\$12.36
Next 1040 hours worked	\$13.23	\$13.23
Next 1040 hours worked	\$14.12	\$14.12
Next 1040 hours worked	\$15.01	\$15.01
Next 520 hours worked	\$15.89	\$15.89
Thereafter	\$20.10	\$20.40
BUTCHER BLOCK CLERK		
1st 1040 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.00	\$11.00
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.00	\$12.00
Next 1040 hours worked	\$12.50	\$12.50
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$15.50	\$15.50
Next 520 hours worked	\$16.00	\$16.00
Thereafter	\$16.99	\$17.29
MEAT WRAPPER		
1st 1040 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.00	\$11.00

Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.00	\$12.00
Next 1040 hours worked	\$12.50	\$12.50
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$15.50	\$15.50
Next 520 hours worked	\$16.00	\$16.00
Thereafter	\$16.99	\$17.29
DELI CLERK/COFFEE CLERK/CHEESE SHOP CLERK		
1st 520 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.00	\$11.00
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.00	\$12.00
Next 1040 hours worked	\$12.50	\$12.50
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$15.50	\$15.50
Next 1040 hours worked	\$16.00	\$16.00
Thereafter	\$16.69	\$16.99
DELI AND RESTAURANT CHEFS		
	\$17.24	\$17.54
CHEESE STEWARD/CHEESE SHOP LEAD		
	\$19.11	\$19.41
SNACK BAR/MEAT CLEAN-UP		
FIRST 520 HOUR OF WORK	\$9.00	\$9.00
SECOND 520 HOURS OF WORK	\$9.50	\$9.50
THEREAFTER	\$10.09	\$10.39
CATERING CLERK		
FIRST 1040 HOURS OF WORK	\$9.00	\$9.00
SECOND 1040 HOURS OF WORK	\$9.50	\$9.50
THEREAFTER	\$12.01	\$12.31

King Soopers: Broomfield, Greeley and Loveland Meat Bargaining Unit(s):

<u>CLASSIFICATION</u>	<u>Effective September 13, 2015 (or conforming dates for Agreements with a different anniversary date)</u>	<u>Effective September 10, 2017 (or conforming dates for Agreements with a different anniversary date)</u>
MEAT DEPARTMENT MANAGER	\$21.48	\$21.78
ASSISTANT MEAT DEPARTMENT MANAGER	\$20.43	\$20.73

BUTCHER BLOCK MANAGER	\$20.43	\$20.73
MEAT CUTTERS		
1st 1040 hours worked	\$10.65	\$10.65
Next 1040 hours worked	\$11.15	\$11.15
Next 1040 hours worked	\$11.30	\$11.30
Next 1040 hours worked	\$12.36	\$12.36
Next 1040 hours worked	\$13.23	\$13.23
Next 1040 hours worked	\$14.12	\$14.12
Next 1040 hours worked	\$15.01	\$15.01
Next 520 hours worked	\$15.89	\$15.89
Thereafter	\$20.10	\$20.40
BUTCHER BLOCK CLERK		
1st 1040 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.00	\$11.00
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.00	\$12.00
Next 1040 hours worked	\$12.50	\$12.50
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$15.50	\$15.50
Next 520 hours worked	\$16.00	\$16.00
Thereafter	\$16.99	\$17.29
MEAT WRAPPER		
1st 1040 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.00	\$11.00
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.00	\$12.00
Next 1040 hours worked	\$12.50	\$12.50
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$15.50	\$15.50
Next 520 hours worked	\$16.00	\$16.00
Thereafter	\$16.99	\$17.29
MEAT CLEAN-UP		
FIRST 520 HOUR OF WORK	\$9.00	\$9.00
SECOND 520 HOURS OF WORK	\$9.50	\$9.50
THEREAFTER	\$10.09	\$10.39

City Market: Grand Junction Clerk Bargaining Unit:

<u>CLASSIFICATION</u>	<u>Effective October 4, 2015</u>	<u>Effective October 1, 2017</u>
ALL PURPOSE CLERK		
First 1040 hours worked	\$9.50	\$9.50
Next 1040 hours worked	\$10.00	\$10.00
Next 1040 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$10.94	\$10.94
Next 1040 hours worked	\$11.59	\$11.59
Next 1040 hours worked	\$12.24	\$12.24
Next 1040 hours worked	\$12.89	\$12.89
Next 520 hours worked	\$13.55	\$13.55
Thereafter	\$16.66	\$16.96
ALL PURPOSE HEAD CLERK*	\$17.41	\$17.71
SERVICE CENTER HEAD CLERK*	\$14.60	\$14.90
CUSTOMER RELATIONS MANAGER*	\$17.71	\$18.01
BAKERY CLERK/LIQUOR STORE CLERKS		
1st 520 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.00	\$11.00
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.00	\$12.00
Next 1040 hours worked	\$12.50	\$12.50
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$15.50	\$15.50
Next 1040 hours worked	\$16.00	\$16.00
Thereafter	\$16.69	\$16.69
BAKERY HEAD CLERK*	\$17.41	\$17.71
FLORAL MANAGER - FTD*	\$14.97	\$15.27
FLORAL MANAGER*	\$14.97	\$15.27
FLORAL HEAD CLERK*	\$14.40	\$14.70
COURTESY CLERK	\$8.43	\$8.43
CUSTOMER SERVICE CLERKS		

Sde

First 520 hours worked	\$9.00	\$9.00
Next 1040 hours worked	\$9.30	\$9.30
Next 1040 hours worked	\$9.60	\$9.60
Next 1040 hours worked	\$9.90	\$9.90
Next 1040 hours worked	\$10.20	\$10.20
Next 1040 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$10.80	\$10.80
Next 1040 hours worked	\$11.21	\$11.21
Thereafter	\$13.92	\$14.22
UTILITY HEAD CLERK	\$14.97	\$15.27

City Market: Grand Junction Meat Bargaining Unit

CLASSIFICATION	Effective October 4, 2015	Effective October 1, 2017
MEAT CUTTERS		
First 1040 hours worked	\$9.72	\$9.72
Next 1040 hours worked	\$10.53	\$10.53
Next 1040 hours worked	\$11.34	\$11.34
Next 1040 hours worked	\$12.15	\$12.15
Next 1040 hours worked	\$12.96	\$12.96
Next 1040 hours worked	\$13.77	\$13.77
Next 1040 hours worked	\$14.58	\$14.58
Next 520 hours worked	\$15.39	\$15.39
Thereafter	\$18.31	\$18.61
MEAT WRAPPER		
First 1040 hours worked	\$9.50	\$9.50
Next 1040 hours worked	\$9.80	\$9.80
Next 1040 hours worked	\$10.20	\$10.20
Next 1040 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$10.80	\$10.80
Next 1040 hours worked	\$11.10	\$11.10
Next 1040 hours worked	\$11.40	\$11.40
Next 520 hours worked	\$11.79	\$11.79
Thereafter	\$15.30	\$15.60
DELI/SEAFOOD CLERK/COFFEE CLERK/CHEESE SHOP CLERK		
1st 520 hours worked	\$10.50	\$10.50
Next 1040 hours worked	\$11.00	\$11.00
Next 1040 hours worked	\$11.50	\$11.50
Next 1040 hours worked	\$12.00	\$12.00

SAC

Next 1040 hours worked	\$12.50	\$12.50
Next 1040 hours worked	\$14.00	\$14.00
Next 1040 hours worked	\$15.50	\$15.50
Next 1040 hours worked	\$16.00	\$16.00
Thereafter	\$16.69	\$16.69
CHEESE STEWARD/CHEESE SHOP LEAD	\$17.74	\$18.04
SNACK BAR/MEAT CLEAN-UP		
First 520 hours of work	\$9.00	\$9.00
Second 520 hours of work	\$9.50	\$9.50
Thereafter	\$10.09	\$10.39
Deli Head Clerk	\$17.69	\$17.94
Deli Chef	\$17.69	\$17.94
Coffee Shop Lead	\$17.24	\$17.54

Attachment "B"

**LETTER OF UNDERSTANDING
HEALTH & WELFARE CONTRIBUTIONS
RECITALS**

- A. **King Soopers/City Market** (the "Employer") and the **United Food and Commercial Workers Local 7** (the "Union") are party to various collective bargaining agreements (the "CBAs").
- B. Pursuant to the CBAs, the Employer makes contributions on a monthly basis to the **United Food and Commercial Workers Welfare Trust** (the "Plan") on behalf of specified bargaining unit employees who work 80 or more hours in a four week month or 100 or more hours in a five week month.
- C. The contribution presently required to be made to the Plan by the CBAs is expressed as a monthly dollar amount that commences with hours worked after the employee completes their initial eligibility period (the "Monthly Rate").
- D. The undersigned parties desire to modify the contribution structure to convert the Monthly Rate to an equivalent hourly contribution rate commencing at date of hire (the "Hourly Rate") pursuant to the methodology outlined below, with the express intent of maintaining the overall economic terms of the CBAs by requiring a monthly reconciliation to ensure the amount contributed each month pursuant to the new Hourly Rate structure equals the amount that would have been contributed under the Monthly Rate structure.

AGREEMENTS

The undersigned parties hereby agree as follows:

1. Effective December 1, 2015 (November hours) the Monthly Rate shall be converted to an equivalent Hourly Rate commencing with an employee's first hour of employment pursuant to the methodology outlined below. The undersigned parties agree the Hourly Rate provided for herein shall supplant and replace the Monthly Rate specified in the CBAs, and the Employer shall have no additional obligation to contribute to the Plan beyond the Hourly Rate (subject to the monthly reconciliation provided for herein).
2. The Monthly Rate shall be converted to an equivalent Hourly Rate as follows:
 - (a) The Employer shall calculate the Hourly Rate. Each participating Employer at its option may have the Plan's Consultant calculate the Hourly Rate. The Hourly Rate shall be the amount projected by the Plan's consultant to provide an equivalent dollar amount of monthly contributions to the Plan as would have been made had the Monthly Rate and contribution rules remained in effect.
 - (b) The Employer shall calculate the Hourly Rate to be effective commencing with hours worked November 2015. The Plan's consultant shall thereafter update his calculation of the projected Hourly Rate each January 1 and July 1 (or such other dates as determined as necessary and appropriate by the Plan's Trustees) based on Plan experience for such employer, and such updated Hourly Rate shall become effective when approved by the Plan's Trustees.
 - (c) To maintain the overall economic terms of the CBAs, the undersigned parties agree the Employer or Plan Administrator if assigned the task by an Employer shall reconcile contributions on a monthly basis to compare the amount actually contributed by the Employer pursuant to the Hourly Rate each month relative to the amount that the Employer would have contributed had the Monthly Rate remained in effect for such month. The Employer will determine by the last day of each month whether the amount contributed to the Plan in such month pursuant to the Hourly Rate structure was more or less than would have been paid pursuant to the Monthly Rate structure. To the extent the

amount of the Employer's actual Hourly Rate contributions for a month exceed the amount the Employer would have contributed had the Monthly Rate remained in effect for such month, then the Employer shall be entitled to a credit in the amount of such excess against contributions due for the following month.

EXAMPLE ONE: EMPLOYER CONTRIBUTES \$50,000 TO THE PLAN ON APRIL 10 FOR MARCH HOURS. EMPLOYER OR PLAN ADMINISTRATOR RECONCILES AND IF THE EMPLOYER OR PLAN ADMINISTRATOR DETERMINES EMPLOYER WOULD HAVE PAID \$48,000 HAD MONTHLY RATE STRUCTURE BEEN IN EFFECT FOR THE MONTH, EMPLOYER WILL BE ENTITLED TO \$2,000 CREDIT TO BE TAKEN AGAINST CONTRIBUTION DUE IN MAY FOR APRIL HOURS. Conversely, to the extent the amount of the Employer's actual Hourly Rate contributions for a month are less than the amount the Employer would have contributed had the Monthly Rate remained in effect for such month, then the Employer shall pay the amount of such difference to the Plan as an additional contribution, with such amount due for the following month. **EXAMPLE TWO:** EMPLOYER CONTRIBUTES \$50,000 TO THE PLAN ON APRIL 10 FOR MARCH HOURS. EMPLOYER OR PLAN ADMINISTRATOR RECONCILES AND IF THE EMPLOYER OR PLAN ADMINISTRATOR DETERMINES EMPLOYER WOULD HAVE PAID \$54,000 HAD MONTHLY RATE STRUCTURE BEEN IN EFFECT FOR THE MONTH, EMPLOYER WILL CONTRIBUTE AN ADDITIONAL \$4,000 WITH THE CONTRIBUTION DUE IN MAY FOR APRIL HOURS.

(d) Notwithstanding the foregoing, all other terms of the CBAs with respect to the amount of the Employer and employee contributions payable to the Plan shall remain in effect.

3. The Employer shall pay the Hourly Rate to the Plan on behalf of those employees covered by the CBAs (even if such employees have not yet satisfied the eligibility requirements to qualify for initial Plan eligibility) beginning with the first hour worked with the Employer in such an eligible position. The hours for which the Employer shall be obligated to contribute the Hourly Rate to the Plan shall be the same hours that are credited under the CBAs for purposes of determining whether employees satisfy the 80-hour, or 100-hour, qualifiers for receiving the prior Monthly Rate contributions. However, employees shall not be required to work such 80 hours, or 100 hours, to qualify for the Hourly Rate contribution. The Employer shall continue to report credited hours to the Plan on a monthly basis, and the contribution amount shall continue to be payable each month by the deadline required under the CBAs.

4. The Employer agrees that its contributions tendered pursuant to this Agreement are subject to audit by the Fund's auditor. The Employer further agrees to reimburse the Fund Administrator for any administrative expense it incurs in the processing of these contributions with the understanding that there shall be no reimbursement of the Fund auditor by the Employer for audits conducted pursuant to this provision.

King Soopers/City Market

UFCW LOCAL 7

Name _____

Name _____

Date _____

Date _____