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a VOICE for working America

Local 1099

United Food and
Commercial Workers Union

919 Lechman Street
Montevideo, Ohio 45050-1485

AGREEMENT

between

CVS

and

United Food and
Commercial Workers Union
Local No. 1099
AFL-CIO, CLC

UFCW
a VOICE for working America
Local 1099

Effective: October 12, 2008
Expiration: October 31, 2009



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Dear Member:

Enclosed herewith is a copy of your revised Union Agreement presently in effect with your Employer. The many benefits contained in this Union Agreement are a direct result of many years of contract improvements through the collective bargaining process. Among the concerted efforts of the affected membership, the Executive Officers and the representatives on behalf of the members of Local No. 1099.

As a member, you should familiarize yourself with the contents of this Agreement in order for you to obtain and receive the many benefits as provided for therein. Keep this Agreement handy so that you can refer to it in the event any questions may arise as to your rights under the Agreement. Should you have any questions regarding any part of this agreement, please feel free to contact your assigned business representative, and he/she will be happy to assist you whenever and wherever possible.

Every non-union store and non-union employee are a threat to any future improvements in your Union Contract. If you know a person working in a non-union store, please contact your Local Union's Organizing Department (ext. 3040) with pertinent demographic information on this person.

Only regular attendance at Union meetings can you hope to gain the knowledge necessary to win further gains in wages, working conditions and other conditions of employment. General membership meetings are held at 7:00 p.m. on the third Wednesday of January, April, July and October (unless otherwise noted in the Local Union's newsletter), and New Member Orientation Meetings are held promptly at 5:00 p.m. on the third Tuesday of every other month beginning with January (unless otherwise noted in the Local Union's newsletter). These meetings are held at the UFCW Assembly Center, 913 Lebanon Street, Monroe, Ohio.

Remember - it doesn't cost, it pays to belong to the UFCW!

MEMBERS' RIGHTS

The Court held that an employer's denial of an employee's request that the union steward be present at an investigatory interview, which the employee reasonably believed might result in disciplinary action, constituted a violation of the National Labor Relations Act. This means that an employee has a right to have the union steward present when the employee is being interviewed on a matter which might result in disciplinary action. In the absence of the steward, employees may request any member of the bargaining unit to be present at any investigatory meeting.

The stewards should, therefore, not fear to insist to the employer that they honor the employee's request for representation in such cases. Each steward should advise each member/employee working in the store(s) to request union representation during any employer investigatory interview which could lead to disciplinary action.

Lennie Wyatt, President Steve Culter, Secretary-Treasurer
United Food & Commercial Workers Union Local No. 1099

UFCW Local 1099 is a community-based union dedicated to the economic and social well-being of its members, the growth and advancement of the labor movement, and the promotion and practice of union and political democracy. It works to attain contracts with higher wages, better benefits, and increased job security resulting in a higher standard of living, enhanced quality of life, and greater economic security for members and their families.

Local 1099 seeks to: elevate the members' economic and social status through both collective bargaining and legislation; provide assertive, knowledgeable, and professional leadership and representation; protect the rights of the individual member and the union under collective bargaining agreements and the law; ensure a safe and healthy work environment for members at all work sites; maintain and increase unionized market share by aggressively organizing the unorganized who desire the benefits and protections of union representation and collective bargaining; promote democratic ideals so that the voices of the members are heard not only at the negotiating table and within the union, but also at the ballot box and in the legislative process of the larger community; attain decency, equality and fair treatment on the job and in the union; maximize membership participation in all aspects of the union's activities; encourage and develop responsible future leaders for the union; use all lawful means possible to ensure that the rights of the members, the union, and workers in general are protected outside the workplace as well as within it; and provide members with the best union representation possible at the highest level of value received for dues paid.

To accomplish these ends, Local 1099 will utilize all the resources available to modern trade unionism including, but not limited to: collective bargaining and servicing; organizing; politics and legislation; law; research; education; communication; community services; and technology.

Local 1099 shall act with honesty and integrity in all its dealings, honor and maintain traditional trade union principles, and perform its duties in a manner consistent with the values and ethics of working men and women.



AGREEMENT

THIS AGREEMENT is entered into this ____ day of _____, 2003 by and between CVS, its successors and assigns, hereinafter referred to as the "Employer" and the UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL NO. 1099, chartered by the UFCW International Union AFL-CIO, CLC, hereinafter referred to as the "Union".

ARTICLE I. INTENT AND PURPOSE

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

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

ARTICLE II. RECOGNITION

Section A. The Employer recognizes the Union as the sole collective bargaining representative for all of its store employees in its present and future retail stores located in the Counties of Hamilton, Butler, Warren, Clinton, Clermont, Brown, Adams, Clark, Greene, Preble, Miami, Darke, Champaign, Logan, Shelby, and Montgomery in the State of Ohio; and in the Counties of Kenton, Campbell, Boone, Harrison, Mason and Fayette in the State of Kentucky and in the county of Dearborn in the State of Indiana with the exception of store managers, assistant store managers, pharmacists, pharmacist interns, casual employees and guards.

In the event of the sale or lease of the Employer's business, the Employer agrees to notify the purchaser of the existence of this bargaining Agreement.

Section B. Whenever the term "employee" is used throughout this Agreement, it refers only to those employees who are members of the bargaining unit as above defined.

ARTICLE III. UNION SECURITY AND CHECKOFF

Section A. It shall be a condition of continued employment that all employees of the Employer covered by this Agreement, 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 sixty first (61st) 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 continuous employment that all employees covered by this Agreement and hired on or after its effective date shall, on the sixty first (61st) day following the beginning of such employment, become and remain members in good standing in the Union. For the purpose of this Article, the execution date of this Agreement shall be considered as its effective date.

Section B. During the first sixty (60) days of employment, a new employee shall have a probationary trial period and may be discharged at the discretion of the Employer, and such discharge may not be the subject of the Grievance and Arbitration Procedure nor give rise to any other right of claim or relief on the part of such employee. During such probationary trial period, all other terms and provisions of this Agreement shall apply unless otherwise exempted herein.

In the event of a new store opening or store acquisition, the probationary period may be extended an additional amount of time mutually agreed upon between the Union and Employer for new employees.

Initiation fees for employees hired between Memorial Day and Labor Day will be payable only if the employee is still on the payroll after Labor Day.

Section C. The Employer agrees, for the term of this Agreement, to deduct Union dues and/or service fees and uniform assessments from the wages of the employees who individually certify in writing authorization for such deduction in a form authorized by law. The Employer agrees, in the case of new Union members, to deduct the Union initiation fee and in the case of a non-member, an initial service fee from the wage of any new or non-member Union employee who certifies in writing authorization for such deduction in a form authorized by law. It is the responsibility of the Union to obtain and deliver to the Employer such written authorization.

Section D. In the event no wages are then due the employees or are insufficient to cover the required deduction, the deduction for such payroll period shall nevertheless be made from the next payroll and thereupon transmitted to the Union.

If at that time there are no wages or an insufficient amount due, the Union will then

make its own arrangements directly with the employee as to payment, or provide the Employer with a corrected amount due for the normal deduction on the following month's statement.

Upon written request by an authorized representative of the Union, the Employer agrees to dismiss any employee within five (5) days of such written request for failure to comply with this Article, limited only by the Labor Management Relations Act of 1947 and its amendments.

The Union agrees to indemnify the Company against any liability received or imposed upon the Company by reason of any action taken by it as directed by Sections C and D of this Agreement.

Section E. The Employer agrees to notify the Union Office on a monthly basis of new and current employees with the following information: employee's name, residence, Social Security Number, date of hire, store location, date of employment and rate of pay.

The Employer further agrees to furnish the Local Union on a monthly basis, in writing, a list of all terminations, lay offs and leaves of absence.

Section F. Active Ballot Club - The Employer agrees to transmit to the Local Union contribution deductions to the UFCW Active Ballot Club from employees who are Union members, and who sign deduction authorization cards. The deductions shall be in the amount specified on the political contribution deduction authorization card and shall be deducted not more than once each month.

Section G. For the purpose of this Article, the execution date of this Agreement shall be considered its effective date.

Section H. The use of the male gender in this Agreement shall, except as the context requires otherwise, be deemed to include the female gender as well.

Section I. The Union has a right to organize in order to equalize wages and fringe benefits in a prevailing area.

Section J. The Union has a right to be involved in politics on behalf of the members and non-members.

ARTICLE IV. MANAGEMENT RIGHTS

The management of the business and the direction of the working forces, including the right to plan, direct and control store operations, hire, suspend or discharge for proper cause, transfer or relieve employees from duty because of lack of work or for other legitimate reasons, the right to

study or introduce new or improved production methods or facilities and the right to establish and maintain reasonable rules and regulations covering the operation of the store, a violation of which shall be among the causes for discharge are vested in the Employer; provided, however, that this right shall be exercised with due regard for the rights of the employees; and provided further, that it will not be used for the purpose of discrimination against any employee or for the purpose of invalidating any contract provisions.

ARTICLE V. BARGAINING UNIT WORK

It is understood that, in the interest of protecting the work and work opportunities for all employees, the present practice of vendors doing work within the stores will not be expanded during the life of this Agreement without first consulting with the Union. It is also understood that interns will not reduce employees' regular hours in the store.

It is further agreed that there will be no sub-contracting of bargaining unit work.

ARTICLE VI. WAGES

Section A Rates of pay as set forth in this Agreement shall remain in effect for the life of this Agreement, which shall constitute the basis for determination of wages for time worked.

EFFECTIVE	EFFECTIVE	EFFECTIVE	EFFECTIVE	EFFECTIVE
<u>10-12-03</u>	<u>10-10-04</u>	<u>10-9-05</u>	<u>10-15-06</u>	<u>10-14-07</u>
\$6.00	\$6.00	\$6.10	\$6.10	\$6.25

In the event Federal Minimum Wage increases, the Employer agrees to implement a start rate at \$.15 above minimum wage effective the year following the Federal Minimum Wage increase.

General increases for employees who are above the brackets, and who are on the payroll of the Employer as of October 11, 2003 are as follows:

<u>10-12-03</u>	<u>10-10-04</u>	<u>10-9-05</u>	<u>10-15-06</u>	<u>10-14-07</u>
\$0.30 / hour	\$0.30 / hour	\$0.30 / hour	\$0.30 / hour	\$0.30 / hour

1. The Employer shall have the right to designate any employee, without regard to seniority, and to fill or not fill the position of Pharmacy Service Associate (PSA), Pharmacy Technician, Lead Pharmacy Technician, Photo Lab Supervisor, or Shift Supervisor. The Employer shall also have the right to remove any employee from these positions for performance issues or business reasons. Should an employee be removed from these positions, that employee shall return to his or her former position and rate of pay and/or in the position that their seniority places them.

2. Employees who are classified as Photo Lab Supervisor shall receive a fifty cents (\$.50) per hour premium in addition to their regular rate of pay. This premium shall not be in addition to any other premium they are currently receiving.

3. Employees who are classified as a PSA shall receive a thirty cents (\$.30) per hour premium in addition to their regular rate of pay. This premium shall not be in addition to any other premium they are currently receiving.

4. Employees who are classified as a Pharmacy Technician shall receive a sixty cents (\$.60) per hour premium in addition to their regular rate of pay. This premium shall not be in addition to any other premium they are currently receiving.

5. Employees who are classified as a Lead Pharmacy Technician shall receive one dollar and twenty cents (\$1.20) per hour premium in addition to their regular rate of pay. This premium shall not be in addition to any other premium they are currently receiving.

6. Effective 1/1/04, Employees who are classified as a Shift Supervisor shall receive a one dollar (\$1.00) per hour premium in addition to their regular rate of pay. This premium shall not be in addition to any other premium they are currently receiving.

Section B General increases as provided for in Section A above, are for employees who are on the payroll as of October 11, 2003 and/or for employees who are hired at a higher rate than the yearly start rate. No employee shall suffer a reduction in wages or wage rates as a result of the signing of this Agreement.

Section C Special aptitude and retail experience may be recognized at the Employer's discretion

in hiring employees for the determination of any employee's rate of pay. If the Employer decides not to recognize special aptitude and retail experience, it shall not be subject to the Grievance and Arbitration Procedure.

Section D. Either on a weekly or bi-weekly basis, Friday shall be considered as the regular payday for all employees. If paychecks are not available on payday due to unforeseen circumstances, then the Employer will advance the employee's money upon request on such payday.

Section E.

Upon the request of the Employer, any employee who is assigned a temporary transfer to a store other than an his/her regularly assigned store, works at multiple stores, or attends at mandatory educational seminar or workshop; that employee will be reimbursed for additional miles traveled beyond the normal mileage to and from their regularly assigned store at the prevailing Company allowance (currently \$0.30 per mile). Mileage allowance will be subject to the Employer's policy.

Section F. Any employee assigned to a twenty-four (24) hour store and is required to work between the hours of 12:00 midnight and 7:00 a.m. shall receive a fifty cent (\$.50) per hour premium over their personal rate of pay.

Section G. If management is absent from the store for a full week (with no management coverage scheduled) the senior designated shift supervisor will be compensated with a \$50 CVS Gift Card.

ARTICLE VII. HOURS OF WORK AND OVERTIME

Section A. The hours of each employee shall be scheduled by the Employer in accordance with this Agreement and the method provided herein.

Section B. The basic straight time work week shall consist of forty (40) hours to be worked in five (5) days, Sunday through Saturday, not necessarily consecutive, provided however, that nothing contained in this Article shall constitute a guarantee of hours of work per day or per week.

All hours worked in excess of the basic work week of forty (40) hours per week or in excess of eight and one-half (8 ½) hours per day shall be paid for at time and one-half (1 1/2). In the event an employee is scheduled for more than eight (8) hours in a day, that employee will be paid time and one-half (1 ½) for all hours over eight (8) hours in that day. Eight (8) hours shall constitute the basic straight time work day for all employees.

All hours worked on the sixth and/or seventh day of the basic work week or on the fifth and/or sixth day of a holiday week shall be paid at time and one-half, except that employees wishing to maximize their hours on the sixth and seventh day of a regular work week (fifth and sixth day of a holiday work week) shall be paid for such hours at straight time.

No employee shall be required to work a sixth and seventh day in a regular work week (fifth and sixth day in a holiday work week) at straight time.

Any hours or days which are paid for at a premium rate of pay shall not be considered as hours worked in determining any other type of premium pay requirement of this Agreement.

Section C. All time worked in any day shall run consecutively from the employee's starting time to his quitting time, except for the meal period provided for herein, which shall be posted on the work schedule, and there shall be no split shift schedules without the employee's consent.

ARTICLE VIII. WORKING CONDITIONS

Section A.

The Employer agrees to post in ink in each of its stores a work schedule no later than 4:00 p.m. on Thursday of the current week, indicating the work schedule for the following week. The schedule shall list all employees by their first and last names along with their starting and finishing times, and days off.

Once a schedule has been posted for the succeeding week, such schedule shall not be changed, except in the event of an emergency, and the unexpected absence of an employee shall be considered such an emergency, unless the employee concerned has notified the store manager of any such error no later than 6:00 p.m. Saturday in the week in which the schedule is posted.

The Employer will make all reasonable efforts to post on the schedule all hours for the succeeding week that are planned on being used. It is recognized, however, that the Employer may add hours to the schedule after posting if necessary. Overtime work shall be scheduled and/or offered by seniority within the store. Unscheduled overtime shall be offered to the most senior employee in the store at the time the overtime exists.

Section B. No employee shall be made to take time off as compensation for overtime.

Section C. The Employer agrees that all employees who have been scheduled to work on a given date, and who report for work on such date shall be paid for at least four (4) hours work, except where an employee is called in when less than four (4) hours remain in the work day.

Section D. Meal Period - No less than thirty (30) minutes nor more than one hour on the employee's time shall be allowed for meals on each working day. This meal period shall not be scheduled until an employee has worked at least three (3) hours, and no employee will be required to work more than five (5) hours prior to the beginning of the meal period. Such meal period shall be scheduled as near to the midpoint of the work day as possible. Meal periods may be skipped by mutual consent between the employee and management, so long as this provision is not applied in a discriminatory manner.

The Employer also agrees to provide tables and chairs for employees in new stores.

Section E.

All employees working four (4) hours or more in any one day shall receive one (1), uninterrupted fifteen (15) minute rest periods during that day. Employees working six (6) hours or more hours in any one day shall be entitled to one (1) additional uninterrupted fifteen (15) minute rest period.

All rest periods shall be scheduled as near to the middle part of each shift as possible; however, no rest period will be scheduled until an employee has worked at least one hour.

Section F. Employees' Apparel - The Employer will furnish adequate, safe facilities for the storage of employees' apparel on the job. The Employer will not, however, assume any responsibility for any such apparel or other property of the employees.

Section G. Time Records - All employees are required to accurately record their own work hours by a timekeeping system indicating starting and ending times of their work shift, meal periods, and break periods.

The Employer shall continue to provide a time keeping system in each store throughout the life of this Agreement for the purpose of recording hours worked by each employee covered by this Agreement.

The Employer and the Union agree that a proven violation of the established timekeeping system, including working before punching in or after punching out, may subject such an employee to disciplinary action up to and including discharge.

Section H. Cash Register Errors - Cash register errors are not to be deducted from or added to wages earned by employees. In those cases where an employee is responsible for cash register errors, such employee shall be subject to established disciplinary action by the Employer if these errors are in sufficient numbers or in amounts which tend to cast doubt on the employee's ability or integrity.

Section I. Individual Agreements - The Employer agrees not to enter into any agreement or understanding with its employees, individually or collectively, which in any way conflicts with any of the terms and provisions of this Agreement.

Section J. Uniforms - In the event that the Company shall require the wearing of uniforms by employees, such uniforms shall be furnished at Company expense.

Employees shall be permitted to wear trousers, jeans or slacks that are neat and clean, solid, subdued color at the employee's expense, if they so desire. It is also understood that frayed, bleached, spotted, vari-colored, patched pants or bib overalls will not be permitted.

Blue jeans will not be worn except while unloading the truck. Employees will be permitted to change into blue jeans when merchandise is delivered on truck day. All efforts will be made to spend minimal time on the sales floor in blue jeans when taking recently delivered merchandise to the sales floor. Exceptions to this policy may be made with approval by management.

Tennis Shoes - Tennis shoes will not be worn; however, a leather walking shoe such as "rockport" may be worn.

Section K. Bulletin Boards - The Employer agrees to provide an area in each store for the purpose of the Union to post and maintain any notices or other materials pertaining to Union business. All such notices shall be shown to the store manager before being posted.

Section L. The business representative shall have the right, subject to the approval of the Local Union's Executive Officers, to appoint one steward in each store.

A Union steward, regardless of his date of employment, shall have seniority over all other employees within the store in which he works and, accordingly, shall be the last employee to be reduced in hours and/or laid off and shall have the right to all available hours over all other employees within the store in which he works.

In addition, the Union steward shall be entitled each year to eight (8) hours pay at his/her regular hourly rate for the purpose of attending a Union steward seminar, provided the steward does attend the seminar on a day to be selected by the Union.

Section M. The Union shall have the right to designate a Union Counselor in each store. It is understood that the Employer shall grant the necessary time off for each Union Counselor to attend conferences and/or training sessions if the needs of the business are not adversely affected.

Section N. The Employer agrees that there will be a minimum of two (2) employees, not necessarily members of the bargaining unit, in the store during normal business hours. No bargaining unit employee shall be required to work alone.

Section O. Any employee promoted into a Shift Supervisor position or into the pharmacy from a front store position must successfully pass a drug test screening in order to be eligible for the promotion. Employees currently in Shift Supervisor or Pharmacy positions are exempt from this provision

ARTICLE IX. PREFERENTIAL SHIFT

Schedules will be arranged to provide as many employees eight (8) hours per day schedules and forty (40) hours per week (thirty-two (32) hours in a holiday week) schedules as is consistent with the needs of the business, and with the further understanding that the hours not consistent with the needs of the business will not be added to accomplish this objective; provided however, that nothing contained in this Article shall constitute a guarantee of hours of work per day or per week. However, an employee by seniority may, at his or her option, waive certain nights that could result in a reduced work week.

It is the primary intent of the parties to provide preferential hours for senior employees who are available for and desirous of working the full-time basic work week; however, it is the primary intent of the parties to provide preferred day(s) off for senior employees, full-time and part-time, regardless of classification, based upon length of continuous service with the Employer.

Furthermore, it is agreed between the parties, in reference to this Article, that no store will be obligated to schedule a shift preference by seniority with inefficient or untrained personnel.

ARTICLE X. SENIORITY

Section A. Seniority shall be defined as the length of continuous employment with the Employer. The Employer recognizes the principle of seniority and will apply this principle wherever possible - first within the store, second within the geographic seniority area and within the contract bargaining unit.

Employees working in stores in the jurisdiction of UFCW Local 1099 in which the Local Union is recognized as the bargaining agent for such employees shall retain past service with the Employer. The seniority for the above-mentioned employees shall be their most recent date of hire with the Employer.

A full-time employee shall be defined as any employee hired by the Employer as such, or who averages thirty-four (34) hours or more per week in any twelve (12) consecutive weeks. A part-time employee is any employee who is hired as such, or who works less than thirty-four (34) hours per week in any twelve (12) consecutive weeks.

It is understood that Sunday/holiday hours worked and holiday hours paid shall be included in the computation of full-time and/or part-time status.

Section B. In layoffs and rehiring, the principle of seniority shall apply, and the last employee to be laid off shall be the first employee to be recalled to work. In the matter of promotions and inter-store transfers, the Employer shall have the right to exercise his judgment after giving due regard to seniority.

In the matter of promotions and transfers from one type of work to the other, it shall be on the basis of fitness and ability with seniority a factor when all other factors are approximately equal.

Section C. Seniority shall be considered broken if any employee is duly discharged by the Employer, if he or she has voluntarily quit (no call/no show for three (3) days is considered a voluntary quit), or if he or she has been laid off continuously for a period of more than twelve (12) months, or if he or she is called back to work after a lay off by a certified letter to the last known address and does not report for work within ten (10) days thereafter. Any authorized leave of absence shall not be considered as a break in seniority.

Section D. The Employer reserves the right to schedule hours of work for each employee so as to maintain efficiency in each store.

Scheduled hours, except as otherwise provided in Article IX, Shift Preference, up to and including eight (8) hours per day and forty (40) hours per week, including any and all portions of a less senior employee's hours, will be assigned to each employee in accordance with seniority within each store and reasonable ability to perform the work assigned. It is mutually agreed that the intent of this paragraph is to provide full eight (8) hour shifts and forty (40) hour work weeks for all employees who desire such full-time employment. Nothing contained herein, however, shall be construed as a guarantee of hours of work per day or per week to require the Employer to schedule daily/weekly hours for a given store to any and all employees. It is also understood that scheduled hours not consistent with the needs of the Employer's business will not be added to accomplish this objective.

Any employee who is an academic student must submit in writing to the store manager his academic schedule for the school semester. Once agreed to by both parties, such students shall

only be scheduled hours in accordance with the provisions of this Agreement during the time which they are not in school. Employees who are only available for certain and/or limited work hours due to prior commitments and, accordingly, have voluntarily limited their availability for work may thereafter claim additional available hours but may not claim previously scheduled hours of another employee until a vacancy occurs, or additional hours become available unless otherwise agreed to between the Employer and the Union. Employees desiring additional hours under the provisions of this paragraph must so notify the store manager in writing with a copy to the Union.

Section E. The Employer and the Union have agreed on certain geographic seniority areas for the application of seniority. The geographic seniority areas will coincide with the Employer's business districts, a copy of which will be provided to the Union.

Seniority will be applied first on a storewide basis, then on a geographic seniority area/business district basis, and lastly on a bargaining unit basis - all as outlined below.

Any full-time employee involuntarily reduced to less than twenty-four (24) hours per week, including Sunday and holiday hours, in any eight (8) consecutive weeks shall have the option as specified in the following procedure.

The Employer shall explore the possibilities for maintaining the full-time status of the employee by offering the employee a transfer to another store in his or her seniority area where there is a bona fide full-time available opening.

If no such full-time job is available, the employee shall then be offered the opportunity to transfer and displace the least senior full-time employee then working in the seniority area.

If no such full-time job is available (i.e., displacing the least senior employee in the seniority area), the employee shall then be offered the opportunity to transfer and displace the least senior full-time employee then working in the entire collective bargaining unit.

If at this time no such transfer is available (i.e., displacing the least senior employee in the bargaining unit), or at this step, the employee refuses the transfer in the bargaining unit, or is unable to accept such transfer, the employee will then revert to a part-time status in his or her store and will then be entitled to such hours as his or her seniority will entitle them.

Any employee eligible for transfers as provided above must exercise their option to transfer in writing to the district manager with a copy to the Union Office. The Employer will arrange such transfer, if it is in accordance with the contract, no later than the beginning of the second week after the request by the eligible employee is received.

Section F. When a full-time employee is involuntarily reduced to part-time as provided above, his or her seniority shall be frozen for a period of twelve (12) months.

Section G. Any part-time employee who is involuntarily reduced below twelve (12) hours per week for eight (8) consecutive weeks shall have the right, as outlined below, to transfer at that time and displace the least senior part-time employee in his or her classification then working, but only within the seniority area.

Section H. The Employer shall explore the possibilities for maintaining the approximate number of hours per week that the employee had been working by offering the employee relocation to another store in his or her seniority area when an opening exists in his or her classification.

Section I. If no such other opening is available, the employee shall then be offered the opportunity to transfer in his or her classification and displace the least senior part-time employee then working in the seniority area.

Section J. If no such transfer is available or the employee refuses or is unable to accept such transfer, the employee will then remain in his own store and accept those hours which are available to him by seniority.

Section K. Part-time employees shall be given preference over new hires in filling full-time openings. First preference for filling full-time openings shall, in accordance with the available hour's provisions of this Agreement, be given to those part-time employees working in the store where the full-time opening exists. Second preference for filling full-time openings shall be given to part-time employees based on their seniority, working in those stores other than the store in which the full-time opening exists. Those part-time employees who are available and desire a full-time job in a store other than the one in which they work shall advise the Employer and state in writing, with a copy to the Union, that they desire full-time work. Only those employees whose written request is on file shall be considered for such openings. If, in accordance with their request, a part-time employee is offered a full-time job and refuses such job, they must submit another written request in order to again receive consideration for such full-time employment.

Section L. Part-time employees shall not accrue seniority over any full-time employee, and when a part-time employee is reclassified to full-time status, his or her name shall be placed at the bottom of the full-time seniority list as of the date of his or her reclassification.

Section M. In the event two (2) or more employees have the same seniority date, the employee having the lowest social security number shall be considered to have the greater amount of seniority.

Section N. When a full-time employee voluntary requests reclassification to part-time status or

makes himself unavailable for full-time work, such employee shall state in writing (such statement to be signed by the employee, the store manager and the Union steward) and such statement shall be sent to the District Manager, who shall submit a copy of same to the Union office. Such employee shall then be transferred to the part-time seniority list on the first Monday following the date of such statement, and his date on the part-time seniority list shall be the most recent date of continuous employment or the date of entrance into the bargaining unit, whichever is later.

Section Q. Before the application of the transfer and displacement procedure called for in this Article of either a full-time or part-time employee, the Employer shall have the right to place the affected employee(s) into bona fide full-time or part-time openings that may exist at the time of such employee transfer request in order that such affected employee(s) may be relocated in order to minimize and/or eliminate employee displacement. The Union will discuss these possibilities with the Employer when requested to do so, and any mutually agreeable decision on placement reached between the Employer and the Union shall supersede the other procedures called for in this Article. Transfer of employee(s) shall not be made in an arbitrary, capricious or discriminatory manner.

Section P. When a store is opened under this Agreement, a notice of such opening will be posted approximately fifty (50) days prior to the opening of the new store in the existing stores in the seniority areas/business districts listed in Schedule "A". Those employees wishing to transfer to the new store will sign the notice within ten (10) days of the posting period. Available job openings will be filled from such employee requests based on job classification and ability to perform the work. All things being equal, seniority will prevail.

ARTICLE XI. LEAVES OF ABSENCE

Section A. A personal leave of absence without pay may be granted with the approval of the Employer for acceptable reasons to any employee with six (6) months of continuous service for a period of time not to exceed ninety (90) days.

Section B. Medical Leave - A non-probationary employee shall be granted a sick leave not to exceed ninety (90) days upon written request supported by medical evidence. Said sick leave shall include illness, pregnancy, miscarriage, childbirth and recovery from same. Extensions of ninety (90) days at a time up to a total of two (2) calendar years shall be granted upon written request, supported by medical evidence. By mutual agreement and a written request from the employee, accompanied by a written statement from the attending physician, a medical leave of absence may be extended ninety (90) days at a time for a period of an additional year.

Section C. A leave of absence without pay shall be granted to any employee with more than thirty-one (31) days of continuous service for Union business for a period of time not to exceed ninety (90) days, with one extension of ninety (90) days for a total period of 6 months.

Leaves of absence as provided above are subject to reasonable extensions for good and sufficient cause established in writing to the satisfaction of the Employer and the Union.

Section D. Funeral Leave - All full-time employees shall be allowed up to three (3) days off with full pay in the event of a death of the employee's parents, spouse, child, brother, sister, parents-in-law, grandparents, grandparent-in-laws, grandchildren, step-parents, step-child or any other relative residing with the employee or with whom the employee is residing; however, an employee shall not be paid more than forty (40) hours per week as a result of this provision, and part-time employees shall be granted up to three (3) days off with pay for all hours scheduled during the three (3) days.

It is understood that such payment for time off may include but not extend beyond the day after burial. Moreover, if the employee is notified of such death while at work, he shall be excused from further work on that day without loss of pay, and the time off provided for above shall begin with the following day. If additional time off is necessary, such time will be granted by the Employer without pay.

Section E. Jury Duty - If an employee has been selected to serve on jury duty, he shall submit written verification of his time spent on jury duty and shall be paid for hours necessarily absent from work. Such pay shall not exceed the pay for his normal work week. He shall be entitled to keep any jury fees paid to him in addition to his normal pay. Jury duty hours and work hours shall not exceed eight (8) hours in any one day.

Any employee who is absent from scheduled work hours to testify on behalf of the Employer (for reasons having to do with the operation of the Employer's business) shall be paid at straight time in addition to any remuneration from the courts.

Section F. Military Leave - Any employee coming under the provisions of the Federal Selective Service Training Act shall be returned to his job and retain his seniority in accordance with the provisions of the Act and its amendments.

Section G. Where a Union member accepts a promotion to a supervisory job within the company outside of the bargaining unit, he may, upon written request to the Union by him or the Employer, be granted a leave of absence from the bargaining unit not to exceed six (6) months during which period he may return to the bargaining unit in his former classification without loss of seniority.

ARTICLE XII. VACATIONS

Section A. Eligibility for an employee's first vacation (one week) and for his first increase in

vacation (his first two (2) weeks vacation) and for his second increase in vacation (his first three (3) weeks vacation) and for his third increase in vacation (his first four (4) weeks vacation) and for his first fourth increase in vacation (his first five (5) weeks vacation) will be determined by his anniversary date of employment. Arrangements must be made to permit employees to enjoy such earned vacations between the actual employment anniversary date and the end of the year in which it occurs.

Section B. The following schedule shall apply: "Service" means continuous employment with the Employer: one year - one vacation week; two (2) years - two (2) vacation weeks; seven (7) years - three (3) vacation weeks; fourteen (14) years - four (4) vacation weeks; twenty-five (25) years - five (5) vacation weeks.

Section C. The number of hours constituting a vacation week shall be the total number of hours worked (including vacation and holiday hours paid) by the employee in the fifty-two (52) weeks immediately prior to taking vacation divided by fifty-two (52) not to exceed forty (40) hours. In the event that the employee was on an approved written leave of absence for reasons of sickness or pregnancy, then the employee's total number of hours worked in the fifty-two (52) weeks immediately prior to taking vacation will be divided by a figure arrived at by subtracting from fifty-two (52) the number of weeks of such sick leave or pregnancy leave.

It is understood that any withholdings from vacation checks will be the same as if they receive two (2) separate checks.

Section D. After an employee has qualified for his first one (1) week's vacation and/or increase in vacation, as specified in Section A of this Article, such employee automatically qualifies for future vacations as of January 1 of each year.

Section E. If an employee has qualified for vacation as of January 1, as specified in Section B, and is due to complete the service necessary for additional vacation later in the year, the employee shall be allowed to split his vacation or take all of his weeks of vacation together if he so desires.

Section F. Vacations shall be scheduled by seniority and must be taken during the calendar year unless due to emergency the management finds it necessary to request postponement. The vacation schedule for each year will be posted by March 1, and vacation times will be chosen by seniority by April 1.

Vacation pay will be paid in advance, if requested.

Section G. Employees may take vacation time one (1) day at a time with advanced approval by management. The Union and Employer agree that vacation time must be used in the calendar year in which it is awarded, or be forfeited. As such, it is strongly encouraged by both parties that vacation time be taken in 1 week intervals so that the time can be properly scheduled and taken each year.

Section H. If any employee who has not taken his vacation earned by his service leaves (regardless of whether or not he gives notice) or is separated for any reason other than confessed or proven theft, he will receive his vacation pay.

ARTICLE XIII. SUNDAY WORK

Employees hired on or before September 6, 1988 will be given their basic schedule (up to 40 hours) Monday thru Saturday. These employees may continue to volunteer for Sunday work, but will not be drafted to work on Sunday except by seniority.

ARTICLE XIV. HOLIDAYS

Section A. The following shall be recognized by the Employer as holidays: Memorial Day, Fourth of July, Labor Day, Veterans Day, Thanksgiving Day, Christmas Day, New Year's Day and Easter.

Section B. Employees with one year of continuous employment will receive, in addition to the above holidays, two (2) personal holidays to be taken on days selected by mutual agreement between the dates of January 1 and November 1 of each year.

Employees eligible for personal holidays may request pay for these two (2) holidays to replace hours lost due to bona fide illness or injury.

Section C. Full-time employees shall receive as holiday pay eight (8) hours straight time pay. Part-time employees shall receive as holiday pay four (4) hours straight time pay.

Section D. The basic straight time work week during a holiday week shall consist of up to thirty-two (32) hours to be worked in not more than four (4) days, not necessarily consecutive and exclusive of the holiday.

Section E. All work in excess of thirty-two (32) hours in a holiday week, or work performed on the fifth (5th) or sixth (6th) day, exclusive of the holiday shall be paid for at time and one-half (1 1/2) the employee's regular rate of pay

Section F. No employee is eligible for his holiday pay unless he works his regularly scheduled work day preceding and following the holiday and works the holiday itself, if scheduled, unless absence from work on such days is because of any of the following reasons:

1. Proven illness or accidental injury of the employee substantiated by reasonable proof. To qualify by this exemption, however, the employee must have worked at least some portion of the holiday week.
2. Excused from work by the store manager.
3. Authorized funeral leave as provided in this Agreement.

Section G. Holidays shall be considered to start at 12:01 a.m. and end at midnight.

Section H. When any work is performed on a holiday, it shall not be part of the normal basic work week and shall be compensated for at the rate of time and one-half (1 1/2) in addition to any holiday pay due,

Hours worked by any employee on Christmas Day shall be paid at double time (2 times) the employee's rate of pay.

It is understood however that no employee will be required to work after 6:00 p.m. on Christmas Eve and on Christmas Day.

Section I. The Employer agrees to post a voluntary holiday list on the bulletin board in each of his stores on the Thursday ten (10) days prior to the beginning of the week in which a contractual holiday occurs, and such list shall remain posted through Tuesday, 2:00 p.m. of the following week. Any employee wishing to work on a holiday shall indicate his desire by signing such voluntary list. The Employer will then attempt to fill his holiday needs from the names on that list, considering the needs of the business and the classification of the employees who have listed their names. The Employer will then schedule those employees to work on the holiday by seniority - first from among the full-time employees, and then from among the part-time employees.

Section J. In the event the Employer cannot take care of the needs of the business in any store from the holiday volunteer list, he shall have the right to schedule the required employees in inverse seniority order, excluding probationary employees, if necessary, and require them to work. Failure of an employee to comply with this requirement could result in disciplinary action up to and including discharge.

Section K. Any employee who is scheduled to work on a holiday and reports shall be guaranteed

all of the hours of that holiday for which he or she is scheduled or pay in lieu thereof. It is further agreed that no employee will be scheduled to work less than four (4) hours on a holiday.

Section L. The Employer agrees he will not discriminate against any employee for failure to volunteer for holiday work.

Section M. All other applicable provisions of this Agreement which affect all employees during the regular basic work week, such as meal periods, rest periods, etc., shall also prevail for work on holidays.

Section N. If a holiday occurs during an employee's vacation period, the employee will have the option of having an extra day off with pay or eight (8) hours added to the employee's vacation check.

ARTICLE XV. GRIEVANCE AND ARBITRATION

Section A. The term "grievance" comprehends any complaint, difficulty, disagreement or dispute between the Employer and the Union or any employee covered by this Agreement, and which complaint, difficulty, disagreement or dispute pertain to the interpretation or application of any and all provisions of this Agreement or to the working conditions of employees within the bargaining unit.

When any grievance arises under this Agreement, it shall be settled through the methods hereinafter set forth:

STEP 1. By conference between the Union's steward and/or the business representative and/or aggrieved employees or any of them and the manager of the store.

STEP 2. If the grievance is not satisfactorily adjusted in Step 1, by conference conducted within ten (10) days between the Union's business representative and the district manager.

STEP 3. If the grievance is not satisfactorily adjusted in Step 2, by grievance reduced to writing and signed by the employee or employees involved, with concurrence of a Union representative in their behalf, presented to the Employer's Labor Relations Director and discussed within ten (10) days by an officer or officers of the Union and a representative or representatives of the Employer.

STEP 4. If the grievance is not satisfactorily adjusted in Step 3, either party may,

within forty-five (45) days in writing request arbitration, and the other party shall be obliged to proceed with arbitration in the manner hereinafter provided. The parties shall forthwith attempt to agree upon an impartial arbitrator. If they cannot so agree within five (5) working days of the request for arbitration, the party requesting arbitration may, within forty-five (45) days, file a demand for arbitration with the Federal Mediation and Conciliation Service, in accordance with the then applicable rules and regulations of the Service. The party requesting arbitration shall ask that a panel of eleven (11) arbitrators be submitted and the selection of the third arbitration shall be chosen by the alternate striking of names, first by the Employer and second by the Union, until only one name remains, who shall be the third arbitrator. The expenses of the arbitrator, excepting the parties' own expenses, shall be borne equally by the Union and the Employer.

Section B. The arbitrator shall have authority and jurisdiction to determine the propriety of the interpretation and/or application of the Agreement, respecting the grievance in question, but he shall not have the power to alter or modify the terms of the Agreement. With respect to arbitration involving discharge or discipline of employees, the arbitrator shall determine if the discharge or discipline was for just cause; and he shall review the penalty imposed and, if he shall determine the Employer's action to be improper, inappropriate and/or unduly severe, he may vacate it or modify it accordingly.

He shall have the authority and jurisdiction in cases concerning discharge, discipline or other matters, if he shall so determine, to order the payment of back wages and compensation for an employee which the employee would otherwise have received and/or enter such other and/or further award as may be appropriate and just.

Section C. No grievance will be discussed until the outlined procedures have been followed, and the grievance presented within ten (10) days, except a grievance arising from an error in the rate of pay or wages may be presented within one (1) years.

Section D. The Company will provide written notice for all discharges with a copy thereof to the Union, upon request.

Section E. Any accredited Union official of Local No. 1099 shall be granted access to the store at any time the store is open for business for the purpose of satisfying himself that the terms of this Agreement are being complied with. It is understood, however, that the Union representative will, upon entering the store, make his presence known to the store manager or his representative. It is further understood that there will be no unreasonable interference with efficient store operations.

Section F. The Executive Board of the Local Union shall have the final authority, with respect to

any aggrieved employee covered by this Agreement, to determine whether or not an employee's grievance shall be submitted to arbitration.

Section G. It is understood and agreed that all employees within the bargaining unit covered by this Agreement must exercise their rights, privileges or necessary procedures of this Agreement in the settlement of any and all complaints or grievances filed by such employee before taking any action outside the scope of this Agreement for settlement.

ARTICLE XVI. NO STRIKES-NO LOCKOUTS

Section A. During the term of this Agreement, the Union agrees there shall be no strike or any interference with, or interruption of the normal conditions of the Employer's business by the Union or its employees.

Section B. The Employer agrees there shall be no lockout. The closing of the store due to the sale of the store or cessation of business at any store location in the normal course of business shall not be considered a lockout.

ARTICLE XVII. HEALTH AND WELFARE

Section A. The Employer agrees to pay the monthly contributions to the UFCW Local Unions and Employers Benefit Plan of the Southwestern Ohio Area which are necessary to maintain the full-time and part-time health and welfare plans for the life of this Agreement.

Section B. The Employer agrees to pay the Health and Welfare contribution rates for all full-time and part-time employees. Such rates shall be adjusted up or down semi-annually in accordance with guidelines established by the Board of Trustees of the Plan to maintain benefits and appropriate reserve levels. Contributions shall be submitted to the fund by the tenth (10th) day of each month.

Section C. Eligibility for Dependent Coverage

Eligibility for dependent coverage insurance is based on each full-time employee who averages thirty-four (34) hours for twelve (12) consecutive weeks immediately preceding the first day of each calendar month, including Sunday and holiday hours worked and paid.

Dependent coverage is limited to a defined percent of the total bargaining unit. All employees in the bargaining unit including probationary, active and on-leave will be included in the calculations.

<u>1/1/04</u>	<u>1/1/05</u>	<u>1/1/06</u>	<u>1/1/07</u>	<u>1/1/08</u>
41%	42%	43%	44%	45%

Availability of dependent coverage will be reviewed quarterly, using the time period of September thru November to determine eligibility for January 1, December thru February to determine eligibility for April 1, March thru May to determine eligibility for July 1, and June thru August to determine eligibility for October 1. When a dependent coverage position becomes available, it would be offered to the next most senior full-time status employee in the bargaining unit.

Those who accept dependent coverage must be available to work for a minimum of 34 hours per week (85% of the normal work week).

Section D. Eligibility for Single Coverage

Eligibility for single coverage insurance is based on each employee who averages twenty (20) hours for twelve (12) consecutive weeks immediately preceding the first day of each calendar month including Sunday and holiday hours worked and paid.

Effective 1/1/04, Eligibility for single coverage insurance is based on each employee who averages twenty-two (22) hours for twelve (12) consecutive weeks immediately preceding the first day of each calendar month including Sunday and holiday hours worked and paid.

Effective 1/1/05, Eligibility for single coverage insurance is based on each employee who averages twenty-four (24) hours for twelve (12) consecutive weeks immediately preceding the first day of each calendar month including Sunday and holiday hours worked and paid.

Section E. Eligibility for Contributions

Contributions will commence on the first of the month following six (6) months of service for dental, vision, prescription, life insurance and sick-pay. On the first of the month after twelve (12) months of service, contributions for hospitalization, and other medical benefits will begin.

Nor will there be any contribution made on behalf of any part-time high school student or any part-time employee under the age of 18.

Section F. Prescription Drug Plan

Eligibility for CVS in store co-pay prescription drug program for employees will follow eligibility as stated in Sections C and D.

The Prescription Drug Plan will mirror the benefits provided in the CVS Company Plan to non-bargaining unit members in the geographic area.

Current co-pays are \$7.00 for generic, \$20.00 for preferred brands and up to \$35.00 for non-preferred brands. The Company will provide the Union and the employees a list of non-preferred brands annually.

Changes in plan co-pays and coverage will follow the CVS Company Plan after negotiation with the Union, with a maximum cap of two (2) times the current co-pays.

Section G. Required Contributions

Insurance premiums during a leave of absence will be payable only for the calendar month in which the leave begins and will resume for the calendar month following the date of return to work, except for medical, injury or maternity leave of absence, in which case premiums will be paid for the first six (6) calendar months following the month in which the medical, injury or maternity leave of absence began.

Section H. Discontinued Contributions to the Trust Fund

Contributions to the Trust Fund shall be discontinued as of the first day of the month following:

- A. Approved leave of absence (personal)
- B. Voluntary quit
- C. Termination for cause
- D. Employee's request for change in status from full-time to part-time
- E. Full-time employee ceasing to be an eligible employee because of an involuntary reduction of hours below an average of twenty-four (24) hours per week for the twelve (12) consecutive weeks immediately preceding the first of such month.

Section I. If a quality HMO plan becomes available that would be economically feasible, the parties agree to discuss the possibility of implementation.

Section J. If business needs necessitate, any full-time employee placed from an acquisition with dependent coverage, will also elevate the next most senior full-time employee to dependent coverage. Any current CVS employee who transfers into the bargaining unit will maintain current benefit eligibility.

ARTICLE XVIII. PENSION

Section A. The Employer agrees to continue to contribute, as hereinafter provided, to a jointly administered Trust Fund known as the UFCW Local Unions and Employers Pension Plan of the Southwestern Ohio Area. Such contribution shall be made on or before the fifteenth (15th) day of each month for eligible hours accrued through the last full work week of the preceding calendar month. The Employer will contribute thirty-eight cents (\$.38) per hour for each eligible employee for all hours worked by each employee-member of the bargaining unit, including hours of vacations and paid holidays, but not to exceed eight (8) hours in any work day or forty (40) hours in any work week for any individual employee. No part of such payments shall be included in the regular rate of pay of any employee.

Beginning January 1, 2006, the Employer will contribute forty-three (\$.43) per hour for each eligible employee for all hours worked by each employee-member of the bargaining unit, including hours of vacations and paid holidays, but not to exceed eight (8) hours in any work day or forty (40) hours in any work week for any individual employee. No part of such payments shall be included in the regular rate of pay of any employee.

Employer contributions will be made for each eligible employee covered by this Agreement beginning with the first full pay period following six (6) months from the employee's most recent date of hire or transfer into the bargaining unit, whichever is later.

Section B. The Employer hereby agrees to execute and be bound by the existing Trust Agreement covering the aforesaid Plan, and any amendments thereto as soon after the execution of this Agreement as reasonably possible, provided the Union has, prior to that time, submitted copies of the Trust Agreement to the Employer and submitted proof that the Plan has been approved by the United States Treasury Department and is qualified under I.R.S., Section 401(A) and 501(A).

ARTICLE XIX. SEPARABILITY

Nothing contained in this Agreement is intended to violate any federal law, rule or regulations made pursuant thereto. If any part of this Agreement is construed to be in such violation, then that part shall be null and void, and the parties agree they will, within thirty (30) days, begin

negotiations to replace said void part with a valid provision.

ARTICLE XX. STORE CLOSINGS

In the event that the Employer permanently closes or sells a store and employees are terminated as a result thereof, severance pay will be paid to any employee who works until store closing according to the following schedule:

YEARS OF SERVICE	SEVERANCE PAY
Less than six (6) months	None due
Six (6) months through two (2) years	One (1) week
Two (2) through five (5) years	Two (2) weeks
Six (6) through ten (10) years	Three (3) weeks
Eleven (11) or more years	Four (4) weeks

Severance pay will equate to the average number of hours worked in the twelve (12) weeks preceding the separation, up to forty (40) hours straight time pay.

Severance pay will not be due if an employee refuses transfer to another location within the bargaining unit as outlined in the Agreement.

Employees who receive severance pay shall also be entitled to holiday pay as prescribed in this Agreement for any holiday which falls within a period of thirty (30) days after termination.

No benefits shall accrue under the terms of this Article unless the Employer makes a business decision to close or sell a store. If a store closing is caused by fire, flood, storm or land condemnation, then this Article shall not apply.

ARTICLE XXI. GENERAL

Section A. Each employee shall receive twenty percent (20%) on all items not excluded by Company policy. The percentage of discount will not change during the life of this Agreement without first negotiating with the Union.

Section B. Employees will not be required to charge purchases in order to receive the twenty percent (20%) discount.

Section C. The Employer has agreed not to discharge, discriminate or otherwise discipline non-probationary employees within the bargaining unit for failure to submit to polygraph testing nor to subject themselves to a voice or stress evaluator test or any other test used to determine the honesty of such employee.

Section D. The Employer agrees to check-off contributions to the Day Met Credit Union for any employee who wishes to participate and who voluntarily authorizes the Employer for such deduction.

Section E. The Employer agrees to display a Union Store Card and/or Decal in a prominent place in its stores. The Union Card is and shall remain the property of the Union.

Section F. Employees shall be permitted to wear Union buttons while on duty.

Section G. The Employer agrees to provide a refrigerated water fountain in its remodeled and new stores.

ARTICLE XXII. EXPIRATION

This Agreement shall be effective October 12, 2003, and shall continue through October 11, 2008, and shall automatically be renewed from year to year thereafter unless either party serves notice in writing to the other party sixty (60) days prior to October 11, 2008, or any October 11 thereafter of a desire for termination or changes in this Agreement.

IN WITNESS WHEREOF, the said parties have caused duplicate copies hereof to be executed by their duly authorized officers this ____ day of _____, 2003.

FOR THE UNION:

UNITED FOOD & COMMERCIAL
WORKERS UNION LOCAL NO. 1099

BY: Steve Culler

BY: Lynn Wynn

FOR THE EMPLOYER:

CVS

BY: [Signature]

BY: _____

LETTER OF UNDERSTANDING

PHARMACY TECHNICIANS

Pharmacy technicians shall be considered as a separate working unit for purposes of seniority and scheduling of hours. The Employer may, however, schedule pharmacy technicians to work in other areas of the store, in accordance with their overall store seniority, in addition to their pharmacy responsibilities. The parties recognize that the training of pharmacy interns may at times cause a pharmacy technician to be utilized exclusively in responsibilities outside the pharmacy.

Selection of pharmacy technicians shall be based on ability to do the job. Individuals desiring consideration should indicate that desire in writing to the District Manager. These individuals must complete a training program acceptable to the Employer or demonstrate sufficient prior pharmacy technician experience. Such pharmacy technicians will not be used to reduce the hours of current employees who are on the payroll as of September 6, 1988.

October 2, 2003

Mr. Kevin Garvey
Director of Collective Bargaining
UFCW Local 1099
913 Lebanon Street
Monroe, OH 45050

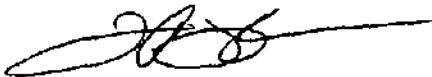
Dear Kevin,

This letter will confirm our understanding on the following issues agreed to during the negotiations of our Collective Bargaining Agreement, which expires on October 11, 2003.

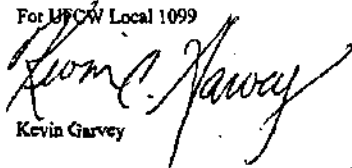
1. All wages will be applied retroactively to October 12, 2003 upon ratification of the contract.
2. Conversion to the CVS Prescription Plan will occur as of January 1, 2004.
3. The new eligibility periods for health care and pension negotiated in the new Collective Bargaining Agreement will be effective for employees who are hired on or after October 12, 2003.
4. The Company has agreed to enhancements to the sick pay benefit as of January 1, 2004. These enhancements improve the weekly sick pay maximum from \$75.00 to \$125.00 for single coverage employees, and from \$125.00 to \$175.00 for dependant coverage employees.
5. The Company has agreed to enhancements to the major medical benefit as of January 1, 2005. These enhancements improve the lifetime maximum from \$25,000 to \$100,000 for single coverage employees, and from \$250,000 to \$1,000,000 for dependent coverage employees.
6. The Company agrees to investigate the possibility of providing employee-paid dependent coverage to single coverage employees with the UFCW Unions and Employers Health and Welfare Plan of Southwest Ohio Trust fund.

For CVS

For UFCW Local 1099



John Iaderosa



Kevin Garvey