

RETAIL FOOD, MEAT, BAKERY, CANDY  
AND GENERAL MERCHANDISE AGREEMENT

APPENDIX F  
COVERING  
PHARMACISTS

MARCH 5, 2007 - MARCH 6, 2011

between

UFCW UNION LOCALS  
135, 324, 770, 1036, 1167, 1428 & 1442

and

STATER BROS. MARKETS

INDEX

Page

**APPENDIX F - PHARMACISTS..... 1**

**ARTICLE 1 - RECOGNITION OF THE UNION..... 1**

F. DEFINITIONS..... 1

    1. Pharmacists..... 1

    2. Graduate Pharmacists ..... 1

    3. Head Pharmacists ..... 1

**ARTICLE 5 - WORKING HOURS AND OVERTIME..... 1**

A. FULL-TIME EMPLOYEE ..... 1

    1. Full-Time Pharmacist..... 1

    2. Guarantees ..... 2

B. PART-TIME EMPLOYEE ..... 2

    1. Part-time Pharmacist ..... 2

    2. Part-Time Guarantee ..... 2

F. OVERTIME..... 2

    1. Extra Pharmacist ..... 3

J. LUNCH PERIOD ..... 3

    1. One Hour ..... 3

    2. Pharmacist ..... 3

    3. Pharmacist ..... 3

M. WORK SCHEDULE..... 3

P. FULL-TIME/PREDESIGNATED DAY OFF ..... 4

Q. SUNDAY GUARANTEE..... 4

S. ON CALL ..... 4

X. ROTATION OF WORK ..... 4

**ARTICLE 6 - WAGES..... 4**

A. SCHEDULE OF RATES ..... 4

B. PREMIUMS..... 5

**ARTICLE 7 - HOLIDAYS ..... 5**

A. PAID HOLIDAYS..... 6

B. HOLIDAY PAYMENT ..... 6

C. VOLUNTARY WORK..... 7

D. PART-TIME PHARMACISTS..... 7

E. HOLIDAY WORK GUARANTEE ..... 7

F. REQUIREMENTS..... 7

G. VOLUNTARY CLOSING..... 7

**ARTICLE 10 - SICK LEAVE ..... 8**

A. SICK LEAVE ENTITLEMENT ..... 8

**ARTICLE 14 - GENERAL CONDITIONS..... 8**

Z. MILEAGE PAY..... 8

AA. PHARMACISTS RESPONSIBILITIES TO THE PUBLIC AND THE PHARMACY PROFESSION..... 8

**ARTICLE 15 - TRUST FUNDS ..... 9**

A. BENEFIT FUND ..... 9

## APPENDIX F - PHARMACISTS

All of the terms and conditions of the Retail Food, Meat, Bakery, Candy and General Merchandise Agreement (hereinafter the "Retail Food Agreement") shall apply to Pharmacists employed by Stater Bros. Markets:

### ARTICLE 1 - RECOGNITION OF THE UNION

#### 1) *MODIFY SECTION F TO READ AS FOLLOWS:*

F. DEFINITIONS. For the purpose of this Agreement, the following definitions shall apply:

1. Pharmacists. A Pharmacist is a professional employee to whom a license to practice pharmacy in the State of California has been issued by the California State Board of Pharmacy.

2. Graduate Pharmacists. A Graduate Pharmacist is a professional employee as described in Paragraph 1, above, during his first (1<sup>st</sup>) year of employment as a licentiate in pharmacy.

3. Head Pharmacists. Pharmacies doing in excess of a daily average of one hundred ten (110) prescriptions shall have one (1) Head Pharmacist on schedule. This daily average shall be determined by dividing the total number of prescriptions per month by the total number of days per month the pharmacy is operating. No Head Pharmacist shall be demoted from that position because of deficient performance in the job without first having received a prior warning notice in writing, copy to the Union, calling attention to his deficiencies.

This Head Pharmacist shall receive an additional fifty cents (50¢) per hour over the applicable pharmacy rate of pay. The selection of Head Pharmacist shall be solely vested in management.

To qualify as a Head Pharmacist store, the aforementioned qualifying hours must be maintained as an average during four (4) of the preceding six (6) months. Semiannual evaluation periods will be October 1 through March 31 and April 1 through September 30. The necessary adjustments based on this evaluation will be effective the first payroll period in January and July of each year.

### ARTICLE 5 - WORKING HOURS AND OVERTIME

#### 2) *MODIFY SECTION A TO READ AS FOLLOWS:*

The following shall be effective January 3, 2000:

#### A. FULL-TIME EMPLOYEE

1. Full-Time Pharmacist. Full-time Pharmacists shall receive forty (40) hours' work per week, scheduled either as five (5) - eight (8) hour days or with written agreement between the company and union four (4) - ten (10) hour days. In the first instance, overtime shall be payable after eight (8) hours in any one day, in the second instance, overtime shall be payable after ten (10) hours in any one day. Work after twelve (12) hours in any one day shall be paid at the rate of double time (2x) the employee's straight-time hourly rate.

With written agreement by the company, the union and the employee an employee may work an alternate work schedule consisting of shifts of not more than twelve (12) hours at straight-time. In such cases, any work over twelve (12) hours shall be at double time (2x) and any work over forty (40) hours in a workweek shall be at time and one half (1½). Approval of such alternate work schedule shall not be withheld arbitrarily or discriminatorily by the Union.

The workweek shall be Monday through Sunday. Eight (8) hours shall constitute a regular day's work, and forty (40) hours, consisting of five (5) eight (8) hour days shall constitute a regular week's work. All employees hired to work on a full-time basis or who are scheduled and work at least forty (40) hours in ten (10) consecutive weeks shall be guaranteed forty (40) hours' work per week, except in a holiday week, in which it shall be thirty-two (32) hours, provided the employee is available and able to work the required work schedule. Part-time jobs shall not be created or scheduled for the purpose of destroying the forty (40) hour week principle.

2. Guarantees.

a. Full-Time Scheduled Day. All full-time employees reporting for work on their scheduled workday shall be guaranteed a full day's work of eight (8) hours with pay (except as provided under the alternative workweek provisions); except if a full-time employee is scheduled to work six (6) days in any workweek, the employee shall be guaranteed four (4) hours' work on the sixth (6<sup>th</sup>) day. The four (4) hour day need not be the actual sixth (6<sup>th</sup>) day, but may be, in the Employers discretion, any one of the workdays in the weekly work schedule except Sunday.

b. The integrity of the eight (8) hour day shall be preserved and all time worked shall be paid for. Part-time jobs shall not be created or scheduled for the purpose of destroying the eight (8) hour day principle.

3) *MODIFY SECTION B TO READ AS FOLLOWS:*

B. PART-TIME EMPLOYEE.

1. Part-time Pharmacist. A part-time Pharmacist is one who is scheduled to work less than forty (40) hours per week.

2. Part-Time Guarantee. Upon reporting for work, all part-time employees and those replacing employees in an emergency shall be guaranteed not less than four (4) hours' work with pay.

4) *MODIFY SECTION F TO READ AS FOLLOWS:*

F. OVERTIME. Effective January 3, 2000, all time worked in excess of eight (8) hours in any one (1) day or ten (10) hours for pharmacists working a four (4) day ten (10) hour workweek pursuant to written agreement between the company and the union shall be paid at the overtime rate of time and one half (1½x). All time worked in excess of twelve (12) hours per day shall be paid at the overtime rate of double time (2x). All work performed in excess of forty (40) hours of work within a workweek shall be deemed overtime and paid at the overtime rate of time and one-half (1½x) the employee's regular straight-time rate of pay or a higher premium rate, if such is applicable.

With written agreement by the company, the union and employee, an employee may work an alternate work schedule consisting of shifts of not more than twelve (12) hours at straight-time. In such cases, any work over twelve (12) hours shall be at double time (2x) and any work over forty (40) hours

in a workweek shall be at time and one-half (1½x). Approval of such alternate work schedule shall not be withheld arbitrarily or discriminatorily by the Union.

Where employees exchange days off for their convenience, the effect of which would result in more than seven (7) consecutive days of work, the overtime provision for over seven (7) consecutive days of work where such voluntary exchange is accomplished shall not apply. Prior manager approval of such exchange of days off shall be required but shall not be withheld arbitrarily or discriminatorily.

1. Extra Pharmacist. Extra Pharmacists that are employed under the terms of this Appendix who work up to ten (10) hours on any workday shall be compensated at their straight-time hourly wage rate. Extra Pharmacists working more than ten (10) hours on any workday shall receive time and one-half (1½) their straight-time hourly wage rate for all hours worked in excess of ten (10) hours on any workday. For purposes of this provision, an Extra Pharmacist shall be defined as a Pharmacist who works two (2) or less days per week, including a week in which a holiday occurs. Extra Pharmacists working on a holiday, as set forth in Item 13 A-1 herein, shall be compensated at the applicable holiday premium.

5) *MODIFY SECTION J TO READ AS FOLLOWS:*

J. LUNCH PERIOD.

1. One Hour. All hours shall be worked consecutively, except for a lunch period which shall be one (1) hour. No employee shall be scheduled more than one (1) hour after the middle of his shift or less than one (1) hour before the middle of his shift for a meal break. Lunch period shall be one (1) hour; however, by mutual agreement between the Union and the Employer, less than one (1) hour may be established to meet business conditions, but in no event may less than one-half (½) hour be given.

2. Pharmacist “On-Call”. When there is only one (1) Pharmacist on duty, who has no relief, said Pharmacist shall be considered as “on-call” and he shall take a lunch period of not less than one-half (½) hour on the Employer’s time and shall not be called to perform any duties during this lunch period except in cases of emergency. Said one-half (½) hour lunch shall be scheduled within the eight (8) hour shift or in addition to said shift. Said lunch period shall not be counted toward daily or weekly overtime.

3. Pharmacist “On-Call” (Effective January 3, 2000). When a Pharmacist is working a shift greater than six (6) but not more than ten (10) hours, the Pharmacist may take an on-call lunch of one-half (½) hour on the employer’s time if there is ancillary staff on duty during such lunch period. Said Pharmacist shall remain within the store during the lunch period, but shall not be called upon to perform any duties during this lunch period except in the case of a bona fide emergency. Pharmacists working more than a ten (10) hour shift shall take a lunch break on his own time of not less than one-half (½) hour and said Pharmacist shall not be required to remain in the pharmacy during this lunch period.

6) *MODIFY SECTION M TO READ AS FOLLOWS:*

M. WORK SCHEDULE. The Employer shall post a work schedule for a two (2) week period in advance, in ink, for all employees, showing their surname and first (1<sup>st</sup>) initial, not later than the end of the first (1<sup>st</sup>) shift on the Wednesday preceding the first (1<sup>st</sup>) day of the following two (2) workweeks. Any alteration in such work schedule must be made not later than the end of the first (1<sup>st</sup>) shift on the Friday of the week. If the work schedule within any day is changed after the end of the first (1<sup>st</sup>) shift on Friday without reasonable cause, the matter may be subject to the grievance procedure. The Employer agrees that changes after the Wednesday posting will only be made for operational purposes and shall

not be made for arbitrary and capricious reasons. An employee shall be guaranteed pay for the specific days in a workweek upon which the employee is scheduled to work, provided the employee is available for such work subject to Article 5-W of this Agreement.

7) *MODIFY SECTION P TO READ AS FOLLOWS:*

P. FULL-TIME/PREDESIGNATED DAY OFF. Any full-time employee called for work on their predesignated day off, as established in the work schedule provisions, shall be guaranteed not less than four (4) hours work at the overtime rate of pay.

Where employees exchange days off for their convenience, the overtime provision shall not apply.

8) *MODIFY SECTION Q TO READ AS FOLLOWS:*

Q. SUNDAY GUARANTEE.

1. Any Pharmacist who works on Sunday shall be guaranteed eight (8) hours' work. On Sunday schedules, if eight (8) hour shifts create unnecessary overlapping of Pharmacists, the Employer may schedule part-time Pharmacists for four (4) hours or more, but the number of such part-time Pharmacists shall not exceed the number of full-time Pharmacists on said Sunday.

2. This clause shall be deemed to have been complied with if less than an eight (8) hour shift is worked on Sunday, but said hours are part of an eight (8) hour shift which includes hours on either Saturday or Monday.

9) *MODIFY SECTION S TO READ AS FOLLOWS:*

S. ON CALL. If the Employer requires an employee to remain at home "on call" the Employer shall guarantee the employee four (4) hours' pay at the appropriate rate for such day. All Employer requests for an employee to remain available for "on call" duty shall be in writing to the employee.

10) *ADD NEW SECTION X AS FOLLOWS:*

X. ROTATION OF WORK. For regularly scheduled Pharmacists, work on nights, Sundays, and holidays shall be rotated equally and on a periodic basis to the extent possible. Variation from such rotation shall occur only if approved by the Employer and the Union to meet problems of the individual Pharmacist and in cases of emergency.

ARTICLE 6 - WAGES

A. SCHEDULE OF RATES.

1. Base Rates. The contractual straight-time hourly rates for all Head and Experienced Pharmacists shall be as follows:

	<u>Current Rates</u>	<u>Effective 3/5/07</u>	<u>Effective 3/3/08</u>	<u>Effective 3/2/09</u>	<u>Effective 3/1/10</u>
<b><u>PHARMACISTS</u></b>					
Head Pharmacist	\$49.50	\$51.50	\$53.00	\$54.50	\$55.50
Pharmacist	49.00	51.00	52.50	54.00	55.00
1 <sup>st</sup> 520 ST Hours	\$44.25	\$46.25	\$47.75	\$49.25	\$50.25
Next 520 ST Hours	44.50	46.50	48.00	49.50	50.50
Next 520 ST Hours	44.75	46.75	48.25	49.75	50.75
Next 520 ST Hours	45.00	47.00	48.50	50.00	51.00

The contractual straight-time hourly rates for all Experienced Intern Pharmacists shall be as follows:

	<u>Current Rates</u>	<u>Effective 3/5/07</u>	<u>Effective 3/3/08</u>	<u>Effective 3/2/09</u>	<u>Effective 3/1/10</u>
<b><u>INTERN PHARMACISTS</u></b>	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00

Undergraduate Pharmacists contractual rates shall be as follows:

**UNDERGRADUATE PHARMACISTS**

	<u>Current Rates</u>	<u>Effective 3/5/07</u>	<u>Effective 3/3/08</u>	<u>Effective 3/2/09</u>	<u>Effective 3/1/10</u>
5 <sup>th</sup> Year of Pharm School	\$15.00	\$16.00	\$17.00	\$18.00	\$19.00
4 <sup>th</sup> Year of Pharm School	13.50	14.50	15.50	16.50	17.50
3 <sup>rd</sup> Year of Pharm School	11.00	12.00	13.00	14.00	15.00
2 <sup>nd</sup> Year of Pharm School	10.50	11.50	12.50	13.50	14.50
1 <sup>st</sup> Year of Pharm School	9.50	10.50	11.50	12.50	13.50

12) *MODIFY SECTION B TO READ AS FOLLOWS:*

**B. PREMIUMS.**

1. Night Premium. A premium of fifty cents (50¢) per hour in addition to the applicable straight-time or overtime rate shall be paid on all hours worked by Pharmacists between the hours of Midnight and 8:00 A.M.

**ARTICLE 7 - HOLIDAYS**

13) *MODIFY TO READ AS FOLLOWS:*

A. PAID HOLIDAYS.

1. The following days will be holidays and granted without reduction in pay:

New Year's Day	Thanksgiving Day
Memorial Day	Christmas Day
Independence Day	Three (3) Personal Holidays
Labor Day	

2. Personal Holidays. Effective as of January 1st of each year employees, who have one (1) or more years of service with the Employer as of that date, shall be eligible for three (3) personal holidays that shall be observed by the employee during the calendar year-in-question. Each employee shall give the Employer no less than two (2) weeks advance written notice of the date(s) on which he wishes to observe his personal holidays. Personal holidays may not be celebrated in the same week as any of the other contractual holidays except by mutual agreement between the employee and the Employer.

The Employer shall endeavor to grant such request subject to store operational requirements. The Employer will grant such holiday time off with pay to the senior requesting employee(s). Personal holiday dates, once granted for the year, will become permanent fourteen (14) calendar days prior to the date selected, and no senior employee(s) shall have the right to such date.

Personal holidays are expected to be scheduled and taken. In cases where an employee has been scheduled for a personal holiday, and the Employer cancels such holiday, the employee will receive holiday pay in accordance with the provisions of Section B, below. Mutual rescheduling may be undertaken in lieu of holiday pay.

An employee, who fails to receive a personal holiday(s) that he is contractually entitled to during a calendar year, shall be paid for such a personal holiday(s) immediately following the end of the calendar year-in-question. Hours of holiday pay that are paid in accordance with these provisions in lieu of a day off shall not be considered to be a day and/or hours worked for the purposes of computing weekly overtime under this Agreement.

3. When a contractual holiday falls on a Sunday, the following Monday shall be observed, except for the Christmas Day holiday, which shall always be observed on December 25th.

4. Any Pharmacist hired within thirty (30) days of any holiday shall not be entitled to pay for time not worked on the holiday, or to overtime for the first eight (8) hours on the fifth (5th) day of such week. Employees hired on or after October 15, 1993, shall not be entitled to pay for time not worked on the holiday during the first (1st) year of their employment.

5. With respect to any of the holidays listed in this Agreement which may, by virtue of controlling legislation be celebrated on Monday, this Agreement will be changed automatically to permit such Monday observance, coincident with the dates specified in such legislation.

B. HOLIDAY PAYMENT.

1. Holiday Allowance. A full-time Pharmacist who does not work on a holiday shall be paid eight (8) hours' holiday allowance. A part-time Pharmacist shall receive holiday allowance as provided in Section D, below.

2. Holiday Work. All Pharmacists scheduled to work on a holiday shall receive one (1) hour straight-time holiday allowance for each hour worked on said holiday plus straight-time pay for each hour worked; provided, however, that any Pharmacist scheduled for less than the eight (8) hours on a holiday shall be guaranteed the number of hours of holiday allowance set forth in Paragraph 1, above.

3. Holiday Week - Overtime. In a holiday workweek, weekly overtime for Pharmacists shall commence after forty (40) straight-time hours of work. Work on the holiday up to eight (8) hours shall be included in the calculation of said forty (40) hours. When a holiday falls on a Pharmacist's sixth (6th) day of work within a workweek, he shall be paid time and one-half (1½) in addition to his holiday allowance for each hour worked.

4. Guarantee. Any Pharmacist called in on a holiday which is his predesignated day off shall be guaranteed eight (8) hours' work at the overtime rate of pay as provided in Article 5-P in addition to his holiday allowance for each hour worked.

C. **VOLUNTARY WORK.** Work on Thanksgiving and December 25th for Pharmacists shall be voluntary to the greatest extent possible.

D. **PART-TIME PHARMACISTS.** Holiday pay for part-time Pharmacists shall be based on twenty percent (20%) of the Pharmacist's average hours worked per week in the six (6) weeks worked immediately preceding the holiday or the number of weeks worked if less than six (6) except that in computing pay for the New Year's holiday, the same period of time used in computing pay for the Christmas holiday shall be used.

E. **HOLIDAY WORK GUARANTEE.** An employee who works on a holiday shall be guaranteed not less than the number of hours regularly worked on such day, unless the pharmacy department is open less than its regular hours, in which case a four (4) hour minimum is provided.

F. **REQUIREMENTS.**

1. No Pharmacist shall receive pay for any holiday not worked unless such Pharmacist has reported for work on his regular working day next preceding and next following said holiday. A Pharmacist shall be deemed to have reported for work if absence on said day before and said day after said holiday is due to express permission from or action of the Employer and also in case of certified illness, provided the Pharmacist has worked during the holiday week, except that if the Pharmacist is absent during the entire holiday week due to illness or injury, then he must have worked at least one (1) day during the week immediately preceding the holiday week in order to be entitled to holiday pay.

2. A probationary Pharmacist may be terminated prior to a holiday without being paid for such holiday even though said Pharmacist has worked during the holiday week.

G. **VOLUNTARY CLOSING.** When the Employer voluntarily closes his store to the public because of any commemoration day or celebration day, or on any holiday other than those set forth in Section A, above, it is agreed that the Pharmacists shall suffer no reduction in straight-time weekly earnings on account of such closing.

ARTICLE 10 - SICK LEAVE

14) *MODIFY TO READ AS FOLLOWS:*

A. SICK LEAVE ENTITLEMENT.

1. Eligibility.  
Change six (6) days to forty-eight (48) hours.

ARTICLE 14 - GENERAL CONDITIONS

15) *ADD NEW SECTIONS*

Z. MILEAGE PAY. The mileage compensation of eleven cents (11¢) per mile plus five dollars (\$5.00) per week shall be modified to reflect a straight mileage allowance of thirteen cents (13¢) without the five dollar (\$5.00) override whichever is greater.

AA. PHARMACISTS RESPONSIBILITIES TO THE PUBLIC AND THE PHARMACY PROFESSION.

1. Principles. The foremost obligation of the Employer and the Pharmacist is to assure the public that prescriptions and related matters are handled in accordance with the highest professional standards of pharmacy. The Employer and the Pharmacist pledge full cooperation in such mutual undertaking.

2. Declarations. To make possible the fullest attainment of the above-stated objective, the following declarations shall apply:

(a) The Employer shall make every possible endeavor to provide work surroundings and conditions which will prevent the Pharmacist from being interrupted or distracted unnecessarily while compounding prescriptions. Such conditions will specifically include, but not be limited to:

(1) Prescription compounding area shall be separated from the public by barriers of appropriate height and distance.

(2) A sign shall be posted on entrance to pharmacy departments restricting entry to authorized persons only.

(b) The Pharmacist shall have full control over the pharmaceutical case and shall see that cleanliness and organization are maintained therein in accordance with State and Federal laws and Employer policies. However, he shall not be required to do work of a maintenance or clean-up nature.

(c) The Pharmacist shall be expected to keep himself informed of developments in the pharmaceutical field. Therefore, he will be expected to participate in necessary interviews during working hours with Employer-approved medical sales representatives. He will also be expected to consult trade publications and books of reference, available in the store, concerning matters of importance and immediate concern, as needed. To assist in the foregoing, the Employer will make available in the store publications containing up-to-date product information, including cross-referencing.

(d) The Pharmacist shall compound and dispense prescriptions, and sell pharmaceuticals, medicines, and related drug items. He may in his individual discretion, but shall not be required to perform, additional functions outside the prescription and drug departments.

(e) On all matters relating to the ethical practice of pharmacy including those set forth in this Article, Pharmacists shall be responsible within the Company only to supervisors who are Pharmacists.

(f) The Employer will carry an insurance policy in the amount of \$300,000 for each person in each accident, and in the aggregate, \$600,000 per twelve (12) month period, in order to protect the Pharmacist while working on the job against any civil losses for incorrect compounding of prescriptions, or for the performance of any usual and customary professional services authorized by the Employer. The Employer shall send evidence of such coverage to the Union.

(g) Professional Rights. A Pharmacist in his professional judgment may delay or refuse to fill or refill any prescription if there is reason to believe that such action would protect the health of the patient or where reasonable doubt exists as to the legality of said prescription or the legal use thereof, after first having established the fact by having consulted the prescriber if said prescriber is available.

(h) There shall be established a Professional Relations Committee composed of an equal number of Union and Employer representatives.

The purpose of this Committee will be to consider, discuss and mutually agree upon, if possible, matters of concern and common interest relating to the practice of pharmacy. In no event shall any action of this Committee interfere with or abridge the legal and ethical duty and responsibility of the individual Pharmacist in his practice of pharmacy.

The Committee shall have the right to establish its own rules and procedures, including but not limited to the selection of Chairman, Secretary, meeting dates, places and the agenda for each meeting of the Committee.

The duties and functions of the Committee shall not abridge or preclude either the Union or the Employer from taking unresolved grievances arising under the terms of this Agreement through arbitration as set forth in Article 12 of this Agreement.

#### ARTICLE 15 - TRUST FUNDS

##### *16) MODIFY TO READ AS FOLLOWS:*

A. **BENEFIT FUND.** The Employers agree to comply with and adopt the contribution rates and Plan modification approved by the Trustees of the Southern California Drug Benefit (Platinum Plan) and Pension Funds for the life of this Agreement.

**17) OTHER CONTRACT PROVISIONS.** Subject to the understandings contained in the July 31, 1990 Letter of Agreement regarding the inapplicability of certain provisions of the Retail Food Agreement, all other provisions of this Agreement not set forth in this Appendix which do not specifically limit their application to clerks shall apply equally to Pharmacists.

**18)** Unless expressly provided for otherwise, the term "Pharmacist" as used in this Appendix shall be interpreted and construed to apply to both the "Pharmacist" and "Graduate Pharmacist" classifications.

19) Except as otherwise expressly provided for herein, all of the terms and conditions of employment established under this Appendix shall be effective as of the first (1<sup>st</sup>) Monday following March 5, 2007.

20) It is expressly understood and agreed that, to the extent that there may be any conflict between any of the understandings and agreements contained in this Appendix and the provisions of the Retail Food Agreement, the understandings and agreements continued herein shall prevail over and/or supersede those contained in such Retail Food Agreement.

21) VONS' PHARMACISTS CASH OR DEFERRED ARRANGEMENT 401 (k) PLAN. The Employer signatory to this Appendix F shall adopt a cash or deferred arrangement ["401(k) Plan"] for the covered Pharmacists employed by it, or at its option shall amend any existing 401(k) Plan maintained by it to include such Pharmacists. Any such Plan shall have the following attributes:

(a) The Plan (or the amendments to an existing Plan) became effective January 1, 1991.

(b) All non-probationary Pharmacists who are at least age 21 and who are employed by the Employer as of January 1, 1991, shall be eligible to participate as of such date. Any other covered Pharmacist shall be eligible to participate on the first (1<sup>st</sup>) day of the calendar quarter ("entry date") coincident with or next following the Pharmacist's date of hire, or the date the Pharmacist has attained age 21, whichever is later.

(c) An eligible Pharmacist who terminates his employment or whose employment is terminated shall, upon reemployment by the sponsoring Employer, be eligible to participate on the entry date coincident with or next following his reemployment date.

(d) As of each entry date, an eligible Pharmacist may elect to participate or discontinue participation or change his elective deferral rate.

(e) Each eligible Pharmacist may defer a portion of the compensation he receives from his Employer at any of the following deferral rates on an annual basis: 1%, 2%, 3%, 4%, 5%, 6%, 7%, 8%, 9%, 10%, 11%, 12%, 13%, 14%, 15%, 16%, 17% or 18%. In no case, however, may a Pharmacist defer in any year more than the amount specified in Section 402(g) of the Internal Revenue Code. Deferrals shall be deducted from each paycheck.

(f) Subject to Paragraph (i) below, the sponsoring Employer shall make an annual matching contribution for each participating Pharmacist equal to the lesser of:

- (1) 50% of the Pharmacist's elective deferrals for the year; or
- (2) \$1,000.

For a Pharmacist actively working for the Employer at the conclusion of the preceding Plan year, matching contributions for any year shall be made on or before March 15<sup>th</sup> of the year following the year of the Pharmacist's contribution.

Notwithstanding the foregoing, for any year in which any Pharmacist works less than one thousand eight hundred (1,800) straight-time hours (including vacation time) the maximum matching contribution for such Pharmacist shall be determined by multiplying \$1,000 by a fraction, the numerator of which is the actual number of straight-time hours worked by the Pharmacist during the year (including vacation hours), and the denominator of which is two thousand eighty (2,080).

(g) A Pharmacist shall be at all times one hundred percent (100%) vested in his own elective deferrals. A Pharmacist shall vest in the Employer matching contributions made on his behalf in accordance with the following schedule:

<u>Years of Service</u> <u>(Completed since January 1, 1991)</u>	<u>Vesting</u> <u>Percentage</u>
Less than three years	0%
3 years	20%
4 years	40%
5 years	60%
6 years	80%
7 or more years	100%

Forfeitures in any year due to a participating Pharmacist’s termination of employment before full vesting shall first be applied to Plan administrative expenses incurred for such year, and then to the Employer’s matching contribution obligation for such year.

(h) Each Pharmacist shall have the right to allocate the amounts in his account among two (2) or more investment alternatives. The number and nature of the investment alternatives shall be solely determined by the sponsoring Employer and may be changed from time to time by the sponsoring Employer.

Each Pharmacist shall have the right to change his investment alternatives no less frequently than at each entry date. Any fee, commission or other charge made for any reallocation shall be charged against the amount in the Pharmacist’s account.

(i) Notwithstanding Paragraph (f) above, the matching contribution required by the sponsoring Employer for any year shall be reduced by an amount equal to all Plan administrative expenses incurred by the Employer in such year. The portion of Plan administrative expenses chargeable against the matching contribution for any particular Pharmacist shall be proportionate to the ratio that such matching contribution bears to the matching contribution made for all Pharmacists for such year. Start-up expenses (i.e. expenses incurred in creating a new Plan or amending an existing Plan) shall be advanced to the Plan by the Employer and shall be amortized over three (3) years.

If the Plan includes or will include employees other than Pharmacists, only that portion of the Plan’s administrative expenses attributable to Pharmacists shall be used to reduce the matching contributions required hereunder. Where a Plan administrative expense applies generally to all Plan participants, the portion attributable to the Pharmacist participants shall be determined by the ratio that the number of such Pharmacists bears to all Plan participants.

(j) No Pharmacist shall have the right to borrow any amount from his account.

(k) As used herein, “year of service” shall mean eight hundred (800) hours of service within any Plan year (January 1 - December 31) and shall not include any year in which a Pharmacist declines to make elective deferrals. “Hours of service” shall have the same meaning as set forth in applicable regulations promulgated by the Department of Labor.

(l) Except as expressly set forth in this Item 21 and 22 all matters regarding the establishment and administration of any Plan created or amended pursuant to Item 21 and 22 shall be the exclusive right and responsibility of the sponsoring Employer. The Employer shall have the right to amend any Plan heretofore or hereafter established or to merge or terminate any such Plan, so long as the Employer either maintains the Plan or adopts a successor Plan which includes the attributes set forth herein.

(m) Notwithstanding anything herein to the contrary, the Plan shall at all times comply with all applicable laws and regulations relating to the tax qualified status of such Plan or the contributions thereto. In the event of any conflict between any provisions herein and any such law or regulation, the law or regulation shall control.

(n) The Employer agrees that it will institute procedures permitting Pharmacists to make a “hardship withdrawal” of funds in accordance with such procedures established by the Employer. The Union understands and agrees that although no additional charges are presently incurred due to a “hardship withdrawal” transaction, if a fee is incurred the Plan provides that a Participant’s “hardship withdrawal” distribution amount may be reduced up to one hundred dollars (\$100) per each “hardship withdrawal” transaction.

## NOTES