



LOCAL 5

COLLECTIVE BARGAINING AGREEMENT

WITH

CLERKS AND PHARMACISTS



JULY 14, 2022 – JULY 9, 2025

Dear Member:

We are pleased to present you with your Union Contract which contains the provisions covering your working conditions. This contract is a result of over seventy years of effort on the part of our membership in negotiating improvements for themselves and their families. We encourage you to take the time to review this contract and keep it available for your reference.

This contract protects you on the job and outlines all the various provisions that apply to your working lives such as:

- * Wages
- * Hours of Work
- * Vacations
- * Seniority
- * Health & Welfare
- * Retirement Plans
- * Grievance Procedure

If you ever have any questions or need to discuss a particular matter, always contact the Union so that we may give you proper guidance and direction.

In Solidarity

John Frahm
President

Oscar Orozco
Secretary-Treasurer

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COLLECTIVE BARGAINING AGREEMENT BETWEEN UNITED FOOD & COMMERCIAL WORKERS UNION LOCAL 5 AND THRIFTY PAYLESS INC., DBA RITE AID

CLERKS AGREEMENT

THIS AGREEMENT, entered into this 14th day of July 2022, by and between **THRIFTY PAYLESS INC., DBA RITE AID**, referred to hereinafter as the "Employer", and **UNITED FOOD & COMMERCIAL WORKERS UNION LOCAL 5**, chartered by the United Food & Commercial Workers International Union, referred to hereinafter as the "Union".

WITNESSETH

In consideration of the premises and of the respective promises, agreements, and covenants of the above-mentioned parties hereto, they do hereby mutually agree as follows:

SECTION 1. RECOGNITION AND CONTRACT COVERAGE

1.1 BARGAINING UNIT: The Employer hereby recognizes the Union as the sole collective bargaining agent for an appropriate unit consisting of all employees working in the Employer's retail drug stores within the geographical jurisdiction of the Union.

1.1.1 It is recognized that work presently performed by members of the bargaining unit shall continue to be bargaining unit work. Furthermore, it is understood and agreed that operations and services not presently being performed or offered within a store that is covered by this Agreement shall not be considered bargaining unit work.

1.1.2 MANAGEMENT RIGHTS: The Union recognizes that the Employer retains the exclusive right to operate and manage the business, to direct and control and schedule its operations and work force, and to make any and all decisions affecting the

business, whether or not specifically mentioned herein and whether or not heretofore exercised. All the functions, rights, powers, and authority which the Employer has not specifically abridged, delegated, or modified by this Agreement are recognized by the Union as being retained by the Employer and exercisable without the prior notification to or consultation with the Union.

1.2 DEMONSTRATING AND SUBLEASING: It is agreed that the Employer and Union have a common interest in protecting work opportunities for all employees covered by this Agreement. It is further agreed that displaying, servicing, ordering and demonstrating of merchandise for sale can be handled at the Employer's discretion by non-bargaining unit salesmen or display person.

1.2.1 In no event shall any bargaining unit employee be laid off or reduced in hours as a result of work being performed by any salesperson or display person.

1.2.2 Notwithstanding the foregoing, the parties hereto recognize the fact that certain present or future departments or operations on the Employer's premises are or may be operated by licensees, lessees, subleases or concessionaires.

1.2.3 Delivery drivers who are employed by Rite Aid shall be allowed to receive prescriptions and pharmaceutical merchandise from store locations for delivery to customer's homes and return payment for such to same store locations as needed. The choice of using a delivery driver not employed by Rite Aid will be at the Employer's discretion.

1.3 SERVICE ASSOCIATE'S WORK: It is agreed that the work covered by this Agreement is all work involving the handling or selling of merchandise, but excluding:

1.3.1 The work performed as provided for in Section 1.2 hereof.

1.3.2 The work of any and all other employees expressly excluded from the provisions of this Agreement.

1.4 LEASED DEPARTMENTS: It is recognized by the Union that if the terms of the Employer's lease, license, contract or other arrangement obligate the lessee or other party, as the case may be, to pay the wages and observe the other terms of this Agreement, then the Union agrees that the sole and entire financial responsibility for meeting the costs of observance of this Agreement shall be upon said lessee or other party and not upon this Employer, and that it shall be and by these presents is hereby released from any and all financial liability in connection therewith.

1.5 EXCLUSIONS: The following employees are to be recognized as excluded from the terms and conditions of this Agreement:

1.5.1 None of the provisions of this Agreement shall apply to one (1) overall supervisory Store Manager and two (2) Assistant Managers, and said employees may be excluded from coverage under this Agreement. A fourth (4th) exclusion shall be permitted in stores with an annual sales volume in excess of 2.5 million dollars. An additional exclusion to the above shall be permitted in the twenty-four (24) hour stores.

1.5.2 It is hereby agreed to by and between the parties that with respect to employees hired or assigned as Management Trainees, the following will apply: the probationary period for newly hired Management Trainees shall be ninety (90) days.

Management Trainees will be allowed to be used in any store provided the Employer does not exceed the total number of exclusions allowed within the District. No employee shall be reduced in hours or laid off as a direct result of utilizing Management Trainees within a given store. The total number of Management Trainees allowed within any store shall be limited to three (3). Upon request, the Company shall provide the Union with a list of trainees.

If a store is utilizing Management Trainees as referenced above and exceeds the number of exclusions allowed for that store, then, at that store, there shall not be more exclusions than bargaining unit employees on a given day.

- 1.6 OWNERS:** There shall be not more than two (2) Employers in any store or group of stores having common ownership. In partnerships, "Employer" as used in this Subsection means only bona fide partners who own an interest in the assets and in the profits of the partnership. In corporations, "Employer" as used in this Subsection means only two (2) officers of the corporation who own capital stock of the corporation. No more than two (2) shareholders of a corporation or more than two (2) bona fide partners shall be deemed or classified as an Employer within the meaning of this Agreement. Employers as thus defined may do such work as is necessary in the conduct of the business. All other persons performing work under the jurisdiction of the Union shall be members of the Union and shall be governed by the provisions of this Agreement.
- 1.7 NEW OWNERS:** This Agreement shall be binding upon the successors and assigns of the parties hereto. In the event of a bona fide sale or transfer of any store covered by this Agreement during the period hereof, the new owner or such transferee shall be notified of the obligation of this Agreement and be required to become a party hereto. In the event of a bona fide sale or transfer of twenty-five percent (25%) or more of the stores in Northern California within a period of three (3) months, the new owners or such transferee shall be notified of the obligation of this Agreement and be required to become a party hereto. In the event of a bona fide sale or transfer of less than twenty-five percent (25%) of the stores in Northern California within a period of three (3) months, the new owners or such transferee shall not be required to become a party hereto. The former owner shall be required to meet any and all monetary benefits that employees have accumulated under this Agreement.
- 1.8 INDIVIDUAL AGREEMENTS:** The Employer agrees that no employee covered by this Agreement shall be compelled or allowed to enter into any individual contract or agreement with said Employer concerning

wages, hours of work and/or working conditions that provides less benefits than the terms and provisions of this Agreement.

- 1.9 UNION EMBLEM:** The Union agrees to issue Union Store Cards or Window Decals to the Employer under the rules governing Union Store Cards set forth by the United Food & Commercial Workers International Union. Such Union Store Cards and Decals are, and shall remain, the property of said United Food & Commercial Workers International Union, and the Employer agrees to surrender said Union Store Cards or Decals to an authorized representative of the Union on demand in the event of failure by the Employer to observe the terms of this Agreement or the conditions under which said Union Store Cards or Decals are issued.

SECTION 2. EMPLOYMENT AND UNION MEMBERSHIP

- 2.1 UNION SHOP:** On and after thirty (30) days of employment or the date of execution of this Agreement, whichever is later, each employee shall become and remains a member of the Union as a condition of employment; provided, however, that the Employer shall not be obligated to discharge any employee in violation of the National Labor Relations Act, as amended. Upon written notification from the Union that an employee has failed to make timely tender to the Union of initiation fees and/or periodic dues, the Employer agrees to terminate said employee on the eighth (8th) day from such notice unless the Union notifies the Employer, in writing, that the employee has complied with the provisions hereof.

- 2.1.1** If the Union discovers within thirty (30) days after the discharge of an employee that the discharge was in error, the Union shall so advise the Employer, provide the Employer with bona fide evidence that the termination demand was improper, and the Employer shall then reinstate the employee with full seniority on the first (1st) weekly schedule posted by the Employer after being so notified by the Union in writing.

- 2.1.2** The Union agrees to indemnify and hold the Employer harmless in any and all claims and/or causes of action which arise out of or are in any way connected with the Employer's compliance with this provision.
- 2.2 NEW EMPLOYEES:** The Employer shall pay the said person so employed during the period said person is not a member of the Union at the regular wage provided for in this Agreement, and shall in all other respects require said person to work under and live up to all terms and conditions set forth in this Agreement, covering his/her employment.
- 2.3 REPORTING:** The Employer shall notify the Union once a month, in writing, on forms, as to the name, social security number, address, classification, rate of pay, date of hire, land-line phone number, cell phone number if available, and email address if available for all employees hired, resigned, promoted, laid off, and discharged. If the discharge is for cause, the Employer agrees to submit the reasons therefore to the Union, in writing, upon request.
- 2.3.1** The Employer shall pass out the Union application forms to newly hired employees. The responsibility to forward the application to the Union will be the responsibility of the employee. The Employer shall advise the employee of the terms and provisions of this Agreement and of his/her obligations hereunder, and the need to timely complete the necessary applications, forms, and papers for qualification under the Health and Welfare and Pension Plans provided by this Agreement.
- 2.4 AGENCIES:** If the Employer obtains a new employee through a private employment agency, it shall pay the employment agency fee unless it had previously sought to obtain an employee through the Employment Development Department or through newspaper advertisement and was unable to obtain a satisfactory employee for the position from such sources.

- 2.5 NON-DISCRIMINATION:** The Employer shall not discriminate against any person in regard to hire, tenure of employment, or job status because of race, creed, religion, color, sex or national origin, nor shall age, disability unrelated to the job duties or veteran status under any circumstances be a basis for rejection or termination of an otherwise qualified employee and applicant for employment.

SECTION 3. DISCHARGE

- 3.1** The Employer shall and hereby agrees not to discharge or discriminate against any employee for upholding Union principles, which are not a violation of this Agreement, serving on a committee of the Union, or any organization affiliated therewith, and failing or refusing to purchase stocks, bonds, securities, or interest in any partnership, corporation, or company.
- 3.2 PROBATION:** There shall be a probationary period of sixty (60) days, during which a new employee may be discharged without right of appeal except if such discharge is in violation of Section 2.5 or Section 3.1 hereof. Upon mutual agreement between the Union and the Employer the probationary period may be extended a total of thirty (30) days up to a total maximum of ninety (90) days.
- 3.3 WORK PERFORMANCE:** The Employer shall have the right to discharge any employee for just cause. Any grievance relating to discharges shall be filed and processed in accordance with Section 18 of this Agreement.
- 3.3.1** Employees who are discharged for incompetency or failure to perform work as required (including excessive absenteeism or excessive tardiness) shall first have had two (2) prior warnings, in writing, within twelve (12) months preceding the discharge for such incompetency or of related or similar failure to perform work as required, with a copy sent to the Union, and be given an opportunity to improve his/her work. Employees and Union Representatives will not be denied an opportunity to discuss warning notices with the Employer.

- 3.3.2** Employees shall be required to sign or initial such written warnings solely as an acknowledgment of the receipt thereof and such signature or initial shall not be construed as an admission of guilt or the validity of the contents thereof.
- 3.3.3** Upon severance of employment of any employee, the Employer shall, within seven (7) calendar days thereafter, notify the Union of such resignation, layoff, or discharge. If discharge is for cause, the Employer agrees to submit the reasons therefore to the Union, in writing, upon request.
- 3.4** **TERMINATION:** Regular employees who work on three (3) full days per week or more shall be given three (3) working days' notice of layoff, or the equivalent pay. (A regular employee is a non-probationary employee.)
- 3.5** **WAGES DUE:** If an Employer discharges an employee or if an employee quits after having given three (3) days' notice, the total wages earned are due and payable immediately, including termination vacation pay.

SECTION 4. SENIORITY

- 4.1** **DEFINITION AND APPLICATION:** Seniority as hereinafter defined shall apply to all employees after ninety (90) days from date of their employment. Seniority as used herein shall mean length of service. It is agreed that ability being reasonably equal, length of service shall determine the order in which employees' hours may be reduced or increased or in which employees are laid off and rehired. The employee with the least length of service and ability shall be the first to suffer a reduction in hours, or be laid off, and shall have his/her hours increased or shall be rehired in reverse order to that in which his/her hours were reduced or he/she was laid off. No new help shall be hired until all laid off employees have been given an opportunity to return to work.
- 4.2** When an employee is transferred into the area of one (1) United Food & Commercial Workers Union's jurisdiction from another United Food &

Commercial Workers Union's jurisdiction in California, the employee shall retain and accrue all seniority rights acquired with the Employer.

- 4.3 LAYOFF AND RECALL:** In the event of a reduction in hours for Service Associates, the affected employee may only exercise his/her seniority rights within the individual store.

Layoffs and recalls shall be on a seniority basis within the County that the Associate's home store is located, except for the Counties of Monterey, San Benito and Santa Cruz, and the Counties of Napa and Solano, which both will be considered as one geographical seniority area. In the event of a layoff, the employee laid off shall have the right to displace the least senior employee in the same classification in the geographical seniority area. He/she shall thereafter be afforded available hours in the newly assigned store by seniority by classification.

With respect to layoff and recall, seniority shall be based upon the length of service with the Employer in each of the areas covered by this Agreement.

- 4.4 LISTS:** Upon written request by the Union, the Employer agrees to provide seniority lists of its employees semiannually.

- 4.5 LOSS OF SENIORITY:** No employee shall break seniority unless he/she:

4.5.1 Is discharged;

4.5.2 Quits;

4.5.3 Is laid off for a minimum of six (6) consecutive months;

4.5.4 Fails to return to work upon completion of a leave of absence;

- 4.5.5** Fails to report for work when recalled within three (3) days after having been notified by the Employer by telegram or registered mail to so report.
- 4.6 TRANSFER:** No employee shall be required to accept a permanent transfer outside the jurisdiction of the Union nor shall he/she be penalized for failure to accept such transfer. Request for transfer, within the Union's territorial jurisdiction, so an employee may work nearer his/her home will be given appropriate consideration, and will not be refused arbitrarily. Similarly, an employee will not be arbitrarily transferred to a store farther from his/her home.
- 4.7 PART-TIME SCHEDULED HOURS:** More-senior, part-time employees shall not be scheduled fewer hours in a store than less-senior, part-time employees, who are qualified to perform the same work in the same store when availability is equal. Alleged violations of this paragraph must be grieved by the end of the first (1st) shift of the Friday following any Wednesday schedule posting or by the end of the first (1st) shift on the Monday following any Thursday or Friday schedule change or shall be forever waived. Reduction of hours of a less-senior employee necessitated by scheduling of more hours to a senior employee shall not give rise to any schedule/pay grievance by a less-senior employee.
- 4.8 REQUEST FOR ADDITIONAL HOURS:** A part-time employee shall have the right to claim, within his/her own store, all part-time hours when such hours become available, up to eight (8) hours per day and forty (40) hours per week, for which he/she is available, based on seniority, over other part-time employees, provided such part-time employee has the qualifications and ability to perform the duties of the position claimed.
- 4.8.1** After first having notified, in writing, the home Store Manager and the Union, a part-time employee shall also have the right to request additional available hours, up to forty (40) hours per week, at no more than three (3) other stores within the Union's jurisdiction. Said part-time employee shall notify, in writing, the Manager of such

stores of the request; and said managers shall endeavor to comply with such request on a seniority basis.

- 4.8.2** No new part-time or extra employees shall be hired until, or unless, said part-time employee has been afforded the opportunity to work such additional hours on a seniority basis as set forth above.
- 4.8.3** The Employer shall not be required to honor any request for additional available hours if the honoring of such a request would place the Employer in a position of violating the contract or having to pay overtime under Section 7.
- 4.9** Where an employee is promoted to a job with a higher rate of pay and is unable to perform the duties thereof within six (6) months, such employee shall have the right to be restored to the former or an equivalent position without-loss of seniority, and the right to such employment shall not be jeopardized by reason of such restoration.

SECTION 5. GENERAL PROVISIONS

- 5.1 PAY PERIOD AND WAGE STATEMENT:** All employees shall be paid on a weekly or biweekly basis. The Employer shall designate a payday which will be not later than the Friday following the completion of the pay period and employees must be paid on that day. The Employer agrees to furnish each employee with a weekly or biweekly wage statement showing the name of the employee, period covered, current hourly wage rate, total amount of wages paid, and all deductions made. An employee scheduled off on a payday shall be paid on his/her last scheduled working day before the payday, if checks are available.
 - 5.1.1** Payment of any employee whose regular pay check is not available on the employee's normally scheduled payday, said employee is to be given a "cash advance". The cash shall be in the approximate net amount due to the employee. The "cash advance" repayment will be withheld from the employee's next check.

5.2 UNIFORMS: Employees shall wear clothing suitable and proper in the reasonable judgment of the Employer for the type of work performed.

5.2.1 The Employer shall furnish all caps, uniforms, gowns, and/or aprons and pay for the laundering or cleaning of same, where the wearing of such uniforms is required by the Employer.

5.2.2 When drip-dry uniforms are provided by the Employer, the employees will be responsible for the maintenance of the uniforms.

5.2.3 The Employer will permit female employees to wear slacks or pant suits (not blue jeans) in accordance with reasonable and appropriate standards of attire for retail employees.

5.3 No salary rate herein provided for shall be considered or interpreted as meaning other than a minimum wage. No salary rate being paid to any employee, on or prior to the date of the signing of this Agreement, which is higher than the minimum herein established for the classification in which the employee works, shall be reduced by reason of the signing and execution of this Agreement.

5.4 BONUSES AND COMMISSIONS: The Union agrees that all bonuses, commissions, and the associate purchase discount paid to the employee shall not be considered as wages but are to be considered, for the purpose of this Agreement, as extra compensation over and above the minimum wage provided for in this Agreement and as such are not subjects for negotiation during the term of this Agreement.

Additionally, if the Employer chooses to implement a program (i.e., but not limited to bonuses) which results in a higher rate of pay than required by the Collective Bargaining Agreement, the Employer may eliminate the program and reduce wages by the same amount as they were increased as a result of the new program.

5.5 TRAVEL TIME: Whenever the employee is required by the Employer to change from one (1) store to another during the same day, all time

consumed by said employee, in going either to or from one (1) store to another, shall be considered and paid for as part of his/her regular duties and shall be entitled to reimbursement for the following travel expenses:

- 5.5.1** Mileage allowance as determined by company policy will be paid for the extra travel resulting from such assignment (or established bus or taxi fare if so designated by the Employer).
 - 5.5.2** Allowance for board and lodging as determined by Company policy when required to stay away from home overnight.
 - 5.5.3** Necessary out-of-pocket expenses such as bridge tolls and parking fees.
- 5.6 TRAVEL ALLOWANCE:** Any employee using his/her automobile on the Employer's business shall be reimbursed as determined by Company policy.
- 5.7 PAYROLL DATA:** In case of a dispute over wages, the Union Representative shall, upon request, have the right to see the necessary payroll information relative to employees covered by this Agreement. The Union reserves the right to require, in such instances as it deems necessary, that wages of employees be paid through the office of the Union.
- 5.8 BOND:** Whenever the Employer requires the bonding of any employee or the carrying of any insurance for the indemnification of the Employer, the premium for the same shall be paid for by the Employer. Posting of cash bond by any employee shall not be required nor allowed, except through agreement between the Union and the Employer.
- 5.9 FLOOR COVERING:** Wood or suitable floor covering shall be provided on concrete floors in back of check stands or in places where employees are required to stand for long periods of time.

5.10 RETURNED CHECKS AND BREAKAGE: No employee shall be held responsible for normal merchandise breakage or returned checks other than his/her own checks. Written instructions concerning the cashing or acceptance of checks shall be posted on or near the cash register. New employees shall be given formal notice of policy and instructions referred to above.

5.11 JANITORIAL RESTRICTIONS: It shall be the policy of the Employer, with respect to janitorial work in restrooms, to have the employees do the so-called heavy cleaning and light clean-up on the basis of personal cleanliness. It is understood that this work shall be rotated to the degree possible.

5.12 JURY DUTY OR COURT APPEARANCES: Employees required to perform jury duty or to appear in Court or the Police Department on behalf of their Employer shall receive their regular straight-time hourly pay during such jury duty or such appearances, less jury pay or witness fees received. An employee shall be eligible for jury duty pay to a maximum of ten (10) days only, during the life of this Agreement.

5.12.1 Notwithstanding the provisions of Section 6.7 hereof, the Employer may reschedule an employee performing jury duty or making such appearances as referred to above, during store operation hours, so as to avoid or minimize payment of wages for such periods of jury duty or appearances, provided that such rescheduled hours, when combined with time spent for such services, does not exceed a total of eight (8) hours when in reasonable control of the Employer. Otherwise, the overtime rate of one and one-half (1½) times the employees straight-time hourly rate shall apply for all time in excess of the combined total of eight (8) hours. The employee shall supply the Employer with verification of time spent and fees paid for jury duty services.

5.12.2 If an employee appears in Court or the Police Department on behalf of the Employer on his/her days off, he/she shall receive his/her

basic straight-time hourly rate of pay for the time spent in making such appearance.

5.12.3 It is hereby agreed to by and between the parties that, with respect to Section 5.12 of the Agreement which limits the paid jury duty benefit to maximum of ten (10) days, the following will apply:

If an employee's jury duty exceeds the ten (10) day maximum, the Company and the employee will endeavor to have the employee relieved of jury duty; however, if the employee is not relieved of jury duty, he/she shall be paid jury duty benefits as provided for in the parties Agreement.

5.13 REST PERIODS: All employees shall receive a rest period of ten (10) minutes during every four (4) hours of work or major fraction thereof. The rest period shall be specified by management and allowed to each employee and shall be arranged so as to be divided as equally as possible within the four (4) hour shift.

5.14 JOB INJURY: When an employee is injured on the job and reports for medical care and it is certified that he/she is unable to continue work, he/she shall be paid the basic straight-time hourly rate of pay for the hours not worked on the day of injury.

5.15 CLAIM LIMIT: No wage or other direct compensation claim, not involving interpretation of this Agreement, can require the Employer to pay such claim or any portion thereof retroactively for a period of more than twelve (12) months immediately prior to the date of the Employer's receipt of written notice from the Union of such claim.

5.16 CONTRIBUTIONS: All employee contributions to charity shall be voluntary.

5.17 SAFETY RULES: The Employer shall promote safe working conditions within each store and shall provide and maintain first-aid supplies for the treatment of minor injuries.

5.18 PHYSICAL EXAMINATIONS: When required by law or requested by the Employer, the Employer shall pay charges for physical examinations of employees.

5.19 SALES TRAINING: When requested by the Employer, the Employer shall pay charges for sales training of employees.

5.20 SHORTAGES: No employee may be written up regarding register shortages, when management exercises its rights to open the register during the employee's work shift, unless the register is opened in the presence of the employee, and the employee is given the opportunity to verify all withdrawals and/or deposits, and unless he/she is given the privilege of checking the change and daily receipts upon starting and completing the work shift, and unless the employee has exclusive access to the cash register during the work shift. From time to time the company may update their cash handling policies and procedures.

For the purpose of clarification, the parties agree that in determining whether or not employees shall be terminated for cash handling, the Company shall take into consideration the number of counselings, frequency of cash errors, seniority and any other factor that may be deemed relevant.

5.21 POLYGRAPHS: The Employer shall not request nor require any applicant for employment or prospective employment, or any employee, to submit to or take a polygraph, lie detector or similar test, or examination as a condition of employment or continued employment.

5.22 LIQUOR SALES: No employee selling liquor will be required by supervisors to sell to customers without proper identification.

5.23 DUES CHECKOFF:

5.23.1 The Employer agrees to deduct uniform monthly dues, initiation fees, and political contributions, as determined by the Union, on a regular basis from the wages of employees in the bargaining unit

who provide the Employer with a voluntary written authorization for such deductions. Such deductions, when authorized, will be transmitted to the office of the Union no later than the 15th day of the month following the month in which deductions are made. No deduction will be made from the wages of any employee until the Employer has received a signed copy of voluntary written authorization for such deductions.

5.23.2 Authorizations for deductions are to be entirely voluntary upon the part of each such individual employee. Authorizations shall be irrevocable for a period of one (1) year or until the termination of this Agreement, whichever occurs sooner. The authorization shall be automatically renewed or be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable Collective Bargaining Agreement, whichever shall be shorter, unless written notice is given by the employee to the Employer and the Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year or of each applicable Collective Bargaining Agreement.

5.23.3 The Union shall indemnify and hold the Employer harmless from any and all actions resulting from the implementation of this provision. However, mistakes by the Employer shall be immediately corrected by the Employer upon notification from the Union.

5.24 STORE CLOSURE NOTICE: The Employer shall provide no less than twenty-four (24) hours' notice of any store closures to the Union providing the date and time the Employer will notify employees of such closure so the Union may attend.

SECTION 6. HOURS AND WORK SCHEDULES

PREAMBLE: For employees classified as full-time prior to August 26, 2011, the Industry recognizes the five (5) day, forty (40) hour week provisions except for layoffs and individual cutbacks due to lack of work,

acts of God, or circumstances beyond the control of the Employer. For employees classified as full-time on or after August 26, 2011, full-time shall be defined as thirty-five (35) hours per week. Part-time jobs shall not be created for the purpose of destroying full-time jobs. This Section, however, does not impede the right of the Employer to use part-time help as needed."

6.1 BASIC WORKWEEK: Forty (40) hours, consisting of five (5) days of eight (8) hours each in a week, shall constitute a basic week's work. The current workweek(s) shall remain. However, the Employer may, on a one (1) time basis, change the workweek. The process of implementing the change in the workweek shall not adversely impact any employee nor shall such change modify any guarantee in this Collective Bargaining Agreement. The Employer shall provide the Union at least two (2) weeks' advance notice prior to making the change.

6.2 STRAIGHT-TIME WORKDAY: The straight-time workday shall consist of eight (8) hours worked with one uninterrupted meal period between one half (½) hour and an hour in duration. The duration of the meal period shall be determined solely by the Employer based on the needs of the business. The meal period shall be given not earlier than three (3) hours nor later than five (5) hours from the starting time of the employee's shift. An associate may request, in writing, to the Store Manager to be scheduled a one (1) hour lunch. Any such request will be granted.

In accordance with state law, the Employer may schedule up to a six (6) hour shift without a lunch period. Any scheduled or extended shift that is more than five (5) hours up to and including a six (6) hour shift shall not be subject to the overtime rate and shall include two (2) unscheduled ten (10) minute breaks.

6.2.1 An employee sent to lunch prior to his/her third (3rd) hour of employment or not granted a lunch period until after the fifth (5th) hour of employment will be paid an additional hour of pay for that day. (This remedy also satisfies current state law requirements.)

6.3 During the life of this Agreement, it is agreed that there shall be no restriction on employees working six (6) days of eight (8) hours each in any workweek.

6.4 FULL-TIME EMPLOYEES: For employees classified as full-time prior to August 26, 2011, a full-time employee is one who works forty (40) or more hours per week. For employees classified as full-time on or after August 26, 2011, full-time shall be defined as one who works thirty-five (35) or more hours per week. All full-time employees, when ordered to and do report for work, shall receive a full day's (hours scheduled for that day) pay based on the established rate of pay for that day.

Employees who are scheduled and work at least thirty five (35) hours in ten (10) consecutive weeks shall be reclassified as full-time. This requirement shall not apply during the Christmas season or when an employee is scheduled thirty five (35) hours due to the absence of another employee in excess of three (3) consecutive weeks. Provided, however, that thirty five (35) hours weeks immediately prior to any of the above exception(s) shall be considered continual for the purpose of calculating the ten (10) consecutive weeks.

6.5 PART-TIME EMPLOYEES: A part-time employee is one who works less than thirty five (35) hours per week. When part-time employees are ordered to and do report for work, they shall receive at least four (4) hours' pay and must be paid immediately upon completion of the work for which they have been called, unless they are employed regularly on a part-time basis. The four (4) hour guarantee, herein above referred to, shall not apply to students where four (4) hour employment is prohibited by law; however, it is further agreed that students shall not replace non-student employees. By mutual agreement, employees may report for and work a nonscheduled shift of a minimum of two (2) hours.

6.5.1 All employees with less than two (2) years of seniority shall be guaranteed a minimum of sixteen (16) hours work per workweek. All other employees shall be guaranteed a minimum of twenty-

four (24) hours work per workweek unless operationally unfeasible. Unfeasible shall be defined as follows:

6.5.1.1 The employee is called in to cover an absence or illness of another bargaining unit employee or in an emergency.

6.5.1.2 The employee is unable to work the scheduled hours or declines to work the appropriate minimum scheduled hours.

6.5.1.3 An employee working more than the appropriate minimum scheduled hours declines or refuses to work additional hours when requested to do so.

6.5.1.4 The employee is classified as a Store Helper.

6.6 WORK SCHEDULE:

6.6.1 The Employer agrees to keep posted, in each store, a weekly schedule of the working hours for all employees. Such schedule shall be in ink and shall show the full or last name of each employee, employee's classification, starting time, mealtime, quitting time, and days off. It is further agreed that any change in this schedule must be made, and the employee so notified not later than Thursday noon of the week preceding the week in which the change is to become effective, emergencies excepted.

6.6.2 Such schedule shall be posted on the bulletin board at a place where all employees and representatives of the Union may observe same. An employee shall be guaranteed pay for the specific days in a workweek in which he/she is scheduled to work, provided he/she is available for such work.

6.6.3 Employees who work on the last shift, during the period the store is open for business, shall be properly scheduled to serve

customers and perform other miscellaneous duties in connection with the closing of the store.

6.7 SHIFT INTERVAL: The minimum lapse of time between the termination of the shift of an employee and the commencement of his/her next shift shall be ten (10) hours.

6.7.1 Except when an employee's schedule has been changed in accordance with Section 6.7 of this Agreement, any employee called in to work sooner than the ten (10) hours shall be paid one and one-half (1½) times the employee's straight-time hourly rate for all work performed up to the time said ten (10) hour period between shifts shall have elapsed.

6.8 ROTATION OF SHIFTS: Weekly shifts will be rotated so that early and late shifts, Sunday work and consecutive days off, shall be divided among employees alternately and equitably. Early and late shifts shall be scheduled and rotated on a weekly basis. Early shifts shall be defined as those shifts commencing on or prior to 10 a.m. Late shifts shall be defined as those shifts commencing at 12 noon or later.

6.9 HOLIDAY AND SUNDAY: Where the Employer is open for business on any of the holidays named herein, or on Sundays, the normal work force shall be given preference to work on said holidays or Sundays, based on seniority, and preference of shifts shall be given to senior employees, but no employee shall be required to work more than two (2) Sundays in any month; provided, however, the Employer shall be allowed to require a sufficient number of qualified employees to work on any Sunday or holiday to adequately staff the store by using inverse seniority.

6.10 DAYS OFF: Non-probationary employees with less than one (1) year of seniority shall be provided two (2) consecutive days off at least once each calendar month.

6.10.1 All employees, upon completion of one (1) years' service, shall be provided with two (2) consecutive days off, at least once each

calendar month, on a Friday-Saturday, Saturday-Sunday, Sunday-Monday. When scheduling employees as required above, the provision of Section 7.5 of this Agreement shall not apply.

6.11 PAY FOR TIME WORKED: Time off shall not be given to equalize time worked.

SECTION 7. OVERTIME AND PREMIUM PAY

7.1 The overtime rate of pay of one and one-half (1½) times the employee's regular basic hourly rate of pay shall be paid for the following work:

7.1.1 Work in excess of eight (8) hours per day.

7.1.2 Work in excess of forty (40) hours per week.

7.1.3 Work on the sixth (6th) day in any week. This provision shall not apply when a part-time employee desires, in writing, additional work, including work on a sixth (6th) workday and the Employer accommodates said employee. If the Union becomes aware of abuse, it reserves the right to revoke the option at any location(s) after first covering the steps in the Grievance procedure in Section 18 hereof.

7.1.4 Work outside a full-time employee's normal schedule in accordance with Section 6.7 hereof.

7.1.5 Work on a full-time employee's scheduled day off unless the schedule is changed in accordance with Section 6.7 or by mutual agreement.

7.1.6 Work in excess of four (4) days, excluding the holiday, in a week in which there is a paid holiday named in Section 10 hereof. This provision shall not apply when a part-time employee desires, in writing, additional work, including work on a

fifth (5th) workday and the Employer accommodates said employee.

7.2 SUNDAY PREMIUM RATE:

7.2.1 All employees hired on or before February 23, 1998, shall continue to receive their former Sunday premium rate of one dollar (\$1.00) per hour in addition to their regular rate of pay.

7.3 NIGHT PREMIUM RATE: All employees working between the hours of 7 p.m. and 7 a.m. shall receive fifty cents (50¢) per hour in addition to their regular pay. This shall go into effect when an overall agreement is implemented. Rite Aid agrees to inform the Union of the specific pay period this will be in full effect. The Company will implement in no more than forty-five days after the date of ratification (July 14, 2023).

7.4 SEVENTH (7TH) DAY WORKED: In emergency cases when employees are required to work on the seventh (7th) day worked in a regular workweek, they shall be paid at the rate of two (2) times their straight-time hourly rate of pay.

7.5 CONSECUTIVE DAYS WORKED: The rate for any employee who works in excess of seven (7) consecutive days without reference to the workweeks under Sections 6.1 and 6.3 hereof, shall be one and one-half (1½) times the employee's straight-time hourly rate of pay (or such higher premium as may apply) until such time as the consecutive days worked are broken by a day or days off.

This provision shall not apply when a part-time employee desires, in writing, additional work, including working ten (10) consecutive work days; and the Employer accommodates said employee. If the Union becomes aware of abuse, it reserves the right to revoke the option at any location(s) after first covering the steps in Section 18 Grievances, Adjustment, and Arbitration.

7.6 DISCIPLINE: No employee shall be disciplined for refusing to work on his/her scheduled day off.

7.7 NO PYRAMIDING: There shall be no pyramiding of overtime rates, premium rates, and/or holiday rates and only the highest applicable rate shall apply.

SECTION 8. SCHEDULE OF WAGES

8.1 SCHEDULE B, which sets forth the job classifications, minimum rates of pay, and effective dates, is incorporated herein as if set forth in full.

SECTION 9. CLASSIFICATION OF EMPLOYEES

9.1 An Apprentice Clerk is one who has had less than five (5) years' experience in the retail industry.

Classification of employees currently include: Service Associates, Pharmacy Service Associates, Pharmacy Technicians, Immunizing Pharmacy Technicians, Pharmacy Technicians-In-Training, Lead Service Associates, Price Accuracy Coordinators (PAC), Wellness Ambassadors and Beauty Ambassadors.

9.2 New hires previously employed by the Employer in any area of its Rite Aid Corporation operations shall receive full credit for prior experience with the Employer in the type of work to be performed.

9.3 Prior Industry experience is defined as experience under United Food & Commercial Workers Union Collective Bargaining Agreements, in the State of California, in the drug and discount industry, or general merchandise in the Food Agreement, during the ten (10) year period prior to employment under this Agreement. Full recognition shall be given for experience in the type of work to be performed under such Agreements during the most recent five (5) year period prior to the date of hire. Prior Industry experience, which occurred in more than five (5) years but no more than ten (10) years prior to the date of hire, shall receive credit equal to two (2) brackets below

that for which such experience calls. Only such experience stated on the employee's application and confirmed by the Employer, or acceptable proof provided by the employee shall be credited.

- 9.4 PHARMACY SERVICE ASSOCIATES:** Service Associates who are assigned to assist in clerical and pharmacy-related duties (including the running of the pharmacy register if it is in combination with clerical pharmacy duties) directly connected with the pharmacy, and under the supervision of the Pharmacist, shall receive twenty-five cents (25¢) per hour premium over their current rate of pay when performing such duties. The regularly scheduled Pharmacist shall be consulted regarding the selection of the Pharmacy Service Associate.

It is agreed that the Pharmacy Service Associates premium of twenty-five cents (25¢) shall be eliminated; however, Pharmacy Service Associates hired on or prior to November 17, 1993, shall be grandfathered.

- 9.5 PHARMACY TECHNICIAN:** The duties of a Pharmacy Technician are as defined by state law.

9.5.1 Upon successful completion of the Employer's selection criteria, full consideration will be given to seniority in selection of employees for the position of Pharmacy Technician. Employees who are promoted to a Pharmacy Technician position shall be subject to the probationary period in this Agreement. Should that employee fail to perform as required during such probationary period that employee shall be returned to his/her former position.

- 9.6 PHARMACY TECHNICIAN-IN-TRAINING:** Pharmacy Technicians-in-Training will receive a premium equal to \$.50/hour plus the pharmacy Service Associate premium. This premium will be effective the first full pay period after entering the Pharmacy Technician in training program. Employees hired into the Pharmacy Technician-in-training program will have a minimum starting rate per Schedule B (\$19.50). Employees hired into the Pharmacy Technician in training program may be hired at rates commensurate with their experience.

For all new employees hired into a Technician-in-Training position, if after six (6) months in the position, the employee fails to comply with California State law concerning certification or with completion of the Rite Aid certification process so that Rite Aid cannot employ the employee as a Pharmacy Technician, that employee may be laid off, in accordance with his or her seniority as a clerk.

For all employees promoted into a Technician in Training position, if after six (6) months in the position (excluding any leave of absences), the employee fails to comply with California State law concerning certification or with completion of the Rite Aid certification process so that Rite Aid cannot employ the employee as a Pharmacy Technician, the employee will be moved into a Pharmacy Service Associate or Front End Service Associate position based on seniority and availability.

Technicians in Training who have completed their Rite Aid certification and licensed in the state of California will continue to receive the position premium pending being promoted and will not be permitted to participate in any pharmacy technician duties or responsibilities as per this agreement. Service Associates and Pharmacy Service Associates who are licensed pharmacy technicians and who perform pharmacy technician duties shall be paid at the current rate plus \$3.00 premium or current minimum pharmacy technician, whichever is higher, for all hours worked that day.

Pharmacy Technician minimum rate per Schedule B (currently \$20.50) is \$3.75/hour above minimum RX Service Associate rate which is inclusive of the \$.50/premium previously given as a technician-in-training. Employees must complete the requirements for technician certification, including any company policies and/or screenings (Employer must be in possession of all applicable screening results) and in accordance with California State law licensure. Upon completion of certification and upon a position becoming available a newly promoted pharmacy technician will receive the minimum starting rate per Schedule B (currently \$20.50)

During the calendar year that an Rx Technician completes two (2) years in the position, the Pharmacy Technicians will go to the Experienced rate effective on the date of the annual across the board increase for that year.

Associates that are currently coded as Pharmacy Technicians, but who have not been Rite Aid certified, must complete Rite Aid certification. Each associate will have 6 months to complete the training once the person has been given the training materials to start. Any associate that fails to complete the certification within 6 months will be given two more chances to pass over the next 60 days. Failure will result in the associate being moved into a RX Service Associate position or Front End Service Associate position based on availability and retaining all seniority and the Pharmacy Technician rate of pay. The individual may elect to repeat the training program and/or retake the test one time per two years at Rite Aid's expense.

The Company will post the Pharmacy Technician position on rNation until the position is filled. Associates may sign up to receive email notifications. The posting will include the store number and whether the job is full-time or part-time. Drug or Pharmacy Service Associates with a pharmacy technician license and who have passed Rite Aid's Pharmacy Technician certification who bid on such positions will be promoted based on seniority and availability.

9.7 LEAD SERVICE ASSOCIATES: Lead Service Associate is defined as the person in charge of the store in the absence of a Manager, or performing the job duties in stores where additional Lead Service Associates are needed.

9.7.1 JOB POSTINGS: All open and available jobs will be posted on Rite Aid internal intranet site, currently known as the Hub. Interested applicants should advise the Employer of their desire pursuant to the web-posting.

9.8 Selection of Lead Service Associates and Price Accuracy Coordinators shall be determined by giving such factors as seniority, qualifications, and intent to remain with the Employer full consideration.

9.8.1 PRICE ACCURACY COORDINATOR: Service Associates who are assigned the position of Price Accuracy Coordinator by the Employer shall the minimum starting rate per Schedule B. In the event of the absence of the Price Accuracy Coordinator for more than two (2) regularly scheduled workweeks, another employee in the store shall be designated by the Employer to temporarily fill the PAC responsibilities. If the employee designated is a Service Associate, they shall receive the PAC rate of pay.

9.8.2 No Pharmacy Service Associate or Lead Service Associates shall be demoted from his/her position because of deficient performance without first having received a prior warning notice, in writing, with a copy to the Union specifying the deficiencies.

The determination of whether the Price Accuracy Coordinator position is utilized in any store at any time shall be at the sole discretion of the Employer. Nothing in this Agreement shall require the Employer to utilize this position; and the Employer may eliminate the position (and the corresponding premium pay) at any time in its sole discretion. It is understood that in stores where the Employer eliminates the Price Accuracy Coordinator position, qualified employees will be given consideration to fill open Lead Service Associate positions.

SECTION 10. HOLIDAYS

10.1 For all non-probationary employees and store employees with six (6) or more months of service, the following days shall be observed as paid holidays:

New Year's Day, Thanksgiving Day, Memorial Day, Christmas Day, Fourth of July, and Labor Day.

- 10.1.1** Christmas Day and New Year's Day shall be celebrated on December 25th and January 1st, respectively. If any of the other holidays fall on a Sunday, such holiday shall be observed on the following Monday.
- 10.2 HOLIDAY WEEK:** No deduction shall be made in the weekly pay of any employee by reason of any of the paid holidays specified in this section, provided that the employee has reported for work on his/her scheduled working day immediately preceding and his/her scheduled working day immediately following the holiday, except when permission to be absent has been granted by the Employer or when the absence is due to a bona fide illness or injury of the employee. It is understood that in order to qualify for holiday pay, an employee must work at least one (1) workday during the week in which the holiday falls.
- 10.3** Any employee who is required to work on any of the above holidays shall be paid at the rate set forth in this section and shall not suffer a reduction in the total number of days-or hours currently worked in a normal week.
- 10.4** In the event that a holiday falls on an employee's scheduled day off, the employee shall be granted an additional day off with full pay, provided he/she has otherwise qualified for holiday pay.
- 10.5** Any employee normally scheduled to work five (5) days who is temporarily rescheduled to work on a holiday shall be permitted to work his/her normal number of working days.
- 10.6 HOLIDAY PREMIUM RATE:** In the event that an employee shall be obligated to work on any of the holidays designated in this Agreement, he/she shall be paid at the rate of one and one-half (1^{1/2}) times his/her straight-time hourly rate of pay for all hours worked in addition to any applicable holiday pay.
- 10.6.1** Probationary employees and employees with less than six (6) months of service shall receive one and one-half (1^{1/2}) times for all hours worked on holidays named in Section 10.1 hereof.

- 10.7** Employees (other than Christmas Extras) who are laid off the day before a holiday will receive pay for that holiday.
- 10.8 HOLIDAY EVE:** All employees hired on or prior to February 23, 1998, who work after 7 p.m. on Christmas Eve shall be paid one and one-half (1½) times their straight-time hourly rate for all hours worked after 7 p.m.
- 10.9 GOOD FRIDAY:** No employee will be refused time off between the hours of 12 noon and 3 p.m. on Good Friday for the purpose of attending religious services.

SECTION 11. PAID TIME OFF (PTO) PROVISION

- 11.1 PAID TIME OFF (PTO):** Paid Time Off (PTO) is a flexible benefit that can be used by employees for any purpose. PTO is an earned benefit and is one hundred percent (100%) compensable to the employee. The three (3) California sick leave days are inclusive of the PTO. The statutory provisions of the California Sick Leave cannot be waived and the Employer shall comply for up to the three (3) days when employees request California Sick Leave.
- 11.2 MAXIMUM ACCRUAL:** The balance in an employee's PTO account cannot exceed one-hundred and seventy percent (170%) of the employee's annual benefit. The accrual of one-hundred and seventy percent (170%) times of the annual PTO benefit is to allow employees to accumulate PTO to offset lost wages due to an unexpected absence. The employer will work with employees to provide PTO payments that will offset the difference between California State Disability Insurance or Workers Compensation payments and one hundred percent (100%) of the employees average weekly earnings.
- 11.3 PTO CALCULATION:** The daily amount of PTO pay shall be based on hours worked. This shall include paid holidays, paid PTO, paid bereavement and jury duty. After the first sixty (60) days of employment such employee is entitled to prorated PTO allowance for the period since his/her date of hire.

- 11.4 TERMINATION PTO PAY:** Any employee who resigns or who is released, regardless of reason, shall be paid any accrued PTO pay earned but not taken at the time of his/her removal from the payroll.
- 11.5** It is agreed that if a holiday or holidays named under Section 10 of this Agreement falls within the PTO week of an employee, one (1) additional day shall be added to the PTO period with full pay for each holiday therein.
- 11.6 PTO VACATION SELECTION PERIOD:** PTO selection shall be granted between January 1st and November 1st of each year or at other times if mutually agreeable to the Employer and employees affected. The PTO schedule will be posted January 1st and available for employees to select their PTO schedules by classification by seniority by February 1st. The official schedule will be posted by February 15th; subsequent PTO requests will be considered but will not displace any timely requested PTO; and in all cases, at least two (2) weeks' notice of the date of the PTO will be given to each employee. Employees may select to take PTO in one (1) week blocks or in individual days upon mutual agreement by the employee and the Employer.
- 11.7 PTO SENIORITY:** The Employer shall compile a list of employees entitled to a PTO, such list to be in the order of the employee's seniority, and it shall be circulated among the employees in order, for the purpose of choosing PTO time. Insofar as possible and practicable, preference of PTO time shall be given in accordance with seniority. Each employee shall be entitled to his/her PTO pay prior to leaving for his/her paid PTO
- 11.8 USE OF PTO OUTSIDE VACATION SELECTION PERIOD:** Other than the vacation selection period PTO requests must be submitted in writing at least two weeks in advance. The employer will make every reasonable effort to accommodate PTO requests with a two week advanced notice. Requests submitted less than two weeks in advance may be denied.
- 11.9 UNPLANNED USE OF PTO:** Employees experiencing an unforeseen need for PTO use (i.e., illness, child-care etc.) will give a minimum of (2) hours advanced notice when reasonably possible.

11.10 TRANSFER OR NEW STORES: Employers selling or transferring a store shall comply with the terms of this Agreement by paying all accrued PTO at the time of such sale or transfer. An Employer who takes over or purchases a store, who is or becomes signatory to this Agreement, shall assume the obligations of full PTO seniority of each employee in the store, whom it retains, in the application of such PTO pay as may become due the employee under the terms of this Agreement. Employees transferred from a store outside the jurisdictional area covered by this Agreement to another store of the same Employer within the area covered by this Agreement, shall retain their length of service seniority status for the purposes of PTO benefits specified in this Agreement.

11.11 TRANSITION TO PTO: Transitioning to PTO will be accomplished in the following manner:

1. All current employees will commence accumulating PTO on date to be determined. The Company will provide no less than a 30 days' notice to the Union and Associates. PTO will be calculated as described in this Section.
2. All employee earned vacation and earned personal, birthday, and anniversary holiday entitlements will be converted to PTO days on date to be determined. The Company will provide no less than a 30 days' notice to the Union and Associates, which shall also include pro-rated vacation from their previous anniversary date of employment to the date of transition.
3. In addition to accrued PTO as outlined in Article 11.1, for those-employees with existing accrued sick leave resulting from the dissolution of the UFCW and Rite Aid Trust Fund Health Plan, Rite Aid agrees to continue to administer all accrued sick leave as reported by the Valley Drug Employers Health and Welfare plan as of March 1, 2020, until such sick leave balances reach zero (0). Employees separating their employment with Rite Aid forfeit any sick leave hours at time of separation. The Company agrees to provide an updated list to the Union on the date of ratification.

4. For those Associates who have this separate sick leave bank as outlined in Article 11.10.3, these Rite Aid Associates shall be entitled to short term sick leave benefits under the following terms:
 - a. Employees may be entitled to sick leave benefits if they are unable to perform their usual and customary work because they are wholly and continuously disabled.
 - b. Sick leave benefits will be paid for any scheduled hours not worked during the first day of disability under the following conditions:
 - i. The employee is hospitalized on such day; or
 - ii. The employee has surgery on such day and is disabled as a result of such surgery; or
 - iii. The employee can take paid sick leave for the associate's own or a family member for the diagnosis, care or treatment of an existing health condition or preventive care or for specified purposes for an employee who is a victim of domestic violence, sexual assault or stalking.
 - iv. If a physician does not see the employee and the claim is presented for sick leave benefits based only on the employee's verification of absence from work, the first day of disability is deductible with benefits commencing on the second day. In order to collect benefits during the second and ensuing weeks of disability a physician's certification of disability shall be required.
5. The Company shall conspicuously display all accrued PTO entitlements on an employees paycheck.

ACCURAL RATES FOR PAID TIME OFF (PTO)

Service Years	Vacation Weeks	Personal, Birthday, Anniversary Days	Sick Days	New PTO Total Days/Weeks	Accrual Rate	Max 170% (8 hour day)
0	1 (5 days)	0	3	8 days = 1.6 weeks	3.334%	108.80
1-4	2 (10 days)	3	3	16 days = 3.2 weeks	6.160%	217.60
5-14	3 (15 days)	3	3	21 days = 4.2 weeks	8.100%	284.42
15-19	4 (20 days)	3	3	26 days = 5 weeks	10.000%	353.60
20+	5 (25 days)	3	3	31 days = 6.2 weeks	11.920%	421.49

SECTION 12. LEAVES OF ABSENCE

12.1 UNION BUSINESS: Employees shall be allowed time off without pay for the purpose of attending Agreement negotiations, adjustments, or arbitration board hearings, or for other bona fide Union business, such as attendance at Stewards' meetings. In all such instances, the Employer shall be notified not less than two (2) weeks in advance of such absence, and the number of employees requesting such absences shall be so limited by the Union that it will not interfere unreasonably with the operation of the Employer's business. The Company will allow one (1) day off per year with pay for attendance at a Stewards' meeting, provided that this provision shall be limited to one (1) Steward per every two (2) stores in the bargaining unit.

12.2 OTHER LEAVES: An employee in good standing with the Employer, whose acceptance of employment with the Union takes him/her from his/her employment with the Employer, shall, upon written request to the Employer by the Union, receive a leave of absence for the period of his/her service with the Union, of not less than thirty (30) days nor more than six (6) months. A Union's request for such a leave of absence, and

for the return of an employee to work at the conclusion of such a leave, shall each be served upon the Employer, in writing, a minimum of two (2) calendar weeks immediately preceding the date of the proposed commencement of the requested leave and the proposed return to work respectively. Not more than one (1) employee shall be given such leave of absence during the term of this Agreement, nor shall such a leave of absence be granted the, employee, who, at the time of his/her request for such leave of absence, is on a leave of absence from the Employer for any other reason. Upon his/her return, he/she shall be reemployed at work similar to that in which he/she was engaged immediately prior to this leave of absence. During the period of the authorized leave of absence, the Union shall be obligated to make Trust Fund contributions on behalf of the involved employee. An employee granted a Union business leave shall not engage in any Union activity involving his/her Employer. An employee shall be granted a leave of absence for any reasonable cause without loss of seniority. Approval of such leave shall not be arbitrarily withheld by the Employer. Leaves so granted need not exceed:

- 12.2.1** After six (6) months of employment, thirty (30) days for personal reasons;
 - 12.2.2** After six (6) months of employment, six (6) months for illness or injury;
 - 12.2.3** After twelve (12) months of employment, twelve (12) months for illness or injury.
 - 12.2.4** After sixty (60) days of employment, eighteen (18) months for Industrial injury;
 - 12.2.5** Extensions of the above leaves shall not be withheld arbitrarily by the Employer.
- 12.3** At the end of any period of such leave of absence, an employee shall be restored to employment with the Employer, with full seniority, to a

position comparable to the one (1) held immediately prior to such leave of absence. In restoring the employee to employment with full seniority, no employee who has actually worked a longer period of time for the Employer than the absentee has worked shall be replaced, except as otherwise provided for in Section 12.7 hereof.

12.4 PREGNANCY LEAVE: The Employer agrees to grant leaves of absence for pregnancy in accordance with Federal and State statutes.

12.5 ADA AND FAMILY LEAVE: The parties agree to comply with all Family Leave and ADA state and federal regulations.

12.6 FUNERAL AND BEREAVEMENT LEAVE: All PT and FT associates are eligible for bereavement leave. There is no waiting period. Rite Aid Corporation reserves the right to request written verification of an Associate's familial relationship to the deceased and his/her attendance at the funeral service as a condition of the bereavement pay.

Associates will receive up to three (3) days of bereavement leave with pay for an immediate family member.

Associates are eligible to receive an additional two (2) unpaid days, if requested. Associates may be able to use any PTO available.

Immediate family members are defined as:

Father, Mother, Sister, Brother, Step-Sister/Brother, Step-Parent, Step-Child, Spouse, Same-Sex Domestic Partner, Opposite-Sex Domestic Partner, Son, Daughter, Grandchild, Grandparent, Grandparent-in-law, Father-in-law, Mother-in-law, Brother-in-law, Sister-in-law, Aunt, Uncle, Anyone acting in a parental capacity.

FT associates who are scheduled to work forty-hour work week will have their bereavement pay calculated on that basis and will be eligible to receive not more than twenty-four hours of bereavement pay. FT associates who are scheduled to work more than forty-hour work week (pharmacists) will have

their bereavement pay calculated on that basis and will be eligible to receive not more than thirty-six hours of bereavement pay.

PT associates are eligible for bereavement pay in proportion to the number of hours they normally are scheduled to work for the dates taken as bereavement time. PT associates will be paid for the hours they are scheduled to work for the dates taken as bereavement time. If the schedule is not created for the dates to be taken as bereavement leave, a two week look-back will be utilized and an average of hours worked per day will be utilized to calculate bereavement pay due.

12.7 It is agreed that in the event the Employer has a policy for leaves of absence which is more favorable to the employee than contained herein, said policy shall continue.

12.8 MILITARY SERVICE: The Employer agrees to comply with current federal laws relating to discharged servicemen and women, including, but not limited to, both the "Universal Military Training and Service Act" and "The Uniformed Services Employment and Reemployment Rights Act".

SECTION 13. GROUP INSURANCE - HEALTH AND WELFARE, DENTAL, AND SICK LEAVE

The Company shall provide the same or better health benefit plan design for all employee, both active and prospective (new hires), pursuant to the current Rite Aid Summary Plan Description as designed to mirror (replicate) the Gold Participants Northern California Drug Health & Welfare Plan Trust (NCDHWPT) in 2020. This shall be provided by means of a PPO and Kaiser option. Employee premium sharing for eligible participants will be as outlined below for the life of the Agreement.

The Company will maintain health benefits for three hundred sixty-five (365) days while an Associate is on an approved medical leave. Health benefits will be discontinued on the first of the month following three hundred sixth five (365) days of the approved medical leave.

Eligible Rite Aid Associates shall be entitled to the Rite Aid Short Term Disability Benefit Plan (STD). The STD plan will provide up to six (6) weeks of coverage and will be available on an annual basis.

Employees are also entitled to short term disability benefits if they are unable to perform their usual and customary work because they are wholly and continuously disabled.

MEDICAL COVERAGE – WEEKLY PREMIUM SHARING

Plan Effective 7/1/23	Single	Employee and Children	Employee and Spouse	Family
Highmark PPO	\$0	\$15.00	\$15.00	\$20.00
Kaiser HMO	\$0	\$15.00	\$15.00	\$20.00

- Rite Aid will Add the benefit of “Basic Life Insurance” at no cost to the Associate – 1x your annual income
- Rite Aid will Add supplemental medical plans (Critical Illness, Hospital Indemnity, and Accident Insurance) for associates that are interested in having any or all of these benefits (they do have an associate contribution rate).

SECTION 14. PENSION

The parties agree hourly contributions to the UFCW Pharmacists, Clerks and Drug Employers Pension Plan will increase \$.15 per hour 01/01/2023; an additional \$.15 an hour on 01/01/24; and an additional \$.15 an hour on 01/01/25.

SECTION 15. STORE MEETINGS

15.1 STORE MEETINGS/COMPANY MEETINGS: No store and/or Company meetings shall be held that conflict with the regular meetings of the Union.

Upon three (3) days' notice by the Union to the Employer of a special meeting, the Employer agrees to hold no store meetings in conflict therewith. Employees shall not be required to attend store meetings on their scheduled days off.

Actual time spent at store meetings shall be considered as time worked and paid for in accordance with this Agreement, but shall not constitute hours worked with respect to overtime or any other premium pay and report-in pay provisions. Should the Company have more than one (1) store meeting per quarter, all time spent at store meetings in excess of one (1) per quarter shall be considered as time worked and paid for in accordance with this Agreement, including all premium, overtime and report-in pay.

Attendance at Company meetings (as distinguished from store meetings) shall not be required, but shall be completely voluntary on the part of the employee.

SECTION 16. VISITS TO STORES

- 16.1** It is agreed by both parties hereto that the Union Representatives, or any other person designated by the Union for such purpose, shall have the right and shall be allowed by the Employer to visit any and all stores for the purpose of observing working conditions, making inquiries from employees concerning working conditions, complaints of members of the Union, and/or any violations of this Agreement. The Union agrees there will be no unnecessary visits or interference with the proper performance of the work of employees covered by this Agreement.
- 16.2** The Employer shall provide a bulletin board conveniently located for the posting of notices of official business of the Union. Bulletin boards shall not be used to post notices of a political or adversarial nature.

SECTION 17. STRIKE OR LOCKOUT

- 17.1 Refusal of any employee covered by the terms of this Agreement to pass through any picket line which has been sanctioned by the Central Labor Council of proper jurisdiction and/or the United Food & Commercial Workers International Union shall not constitute a violation of this Agreement.
- 17.2 The Union agrees not to engage in any strike or stoppage of work during the term of this Agreement, and the Employer agrees not to engage in any lockout during the term of this Agreement.

SECTION 18. GRIEVANCES, ADJUSTMENT, AND ARBITRATION

- 18.1 In the event a dispute arises concerning the application or interpretation of the provisions of this Agreement between the Employer and the Union, the nature of the dispute shall be submitted to the Union or the Employer, respectively, in writing, within ten (10) days of knowledge of the occurrence. Grievances relating to discharges shall be filed, in writing, within ten (10) days after receipt by the Union of notice from the Employer, in writing, of said discharge.

Thereafter the Union and the Employer shall each designate two (2) representatives to meet at a Board of Adjustment to settle the controversy within ten (10) days. After the Board of Adjustment meeting, either party has twenty (20) days in which to give written notice to the other party of their desire to arbitrate said issue. The time limits may be extended, in writing, by mutual agreement of the parties.

- 18.2 **ARBITRATION:** The parties may mutually agree to an Arbitrator or shall select the Arbitrator by the method of alternate striking of names from a panel of seven (7) arbitrators furnished by the Federal Mediation and Conciliation Service. The parties shall confer and select an arbitrator from the list of seven (7) within seven (7) days of receipt. In order to be eligible to serve, the selected Arbitrator must be available to hear the dispute within ninety (90) days of his/her selection, unless this limit is

waived by mutual agreement. If the selected arbitrator is unavailable, the last Arbitrator whose name was struck shall be contacted next, and again (for a total of three (3) arbitrators) until an available arbitrator is selected. If none of the three (3) arbitrators contacted can hear the dispute within 90 days, the parties will return to the original arbitrator.

18.2.1 The decision of the Board of Adjustment or of the arbitrator shall be final and binding upon the employee, the Union, and the Employer involved, and they expressly agree to be bound by the decision. The arbitrator shall have no power to add to, subtract, change, or modify any provisions of this Agreement, but shall be authorized only to interpret the existing provisions of this Agreement as they apply to the specific facts of the issue in dispute.

18.3 With the exception of arbitrations involving suspension and/or discharge, the expenses of the arbitration shall be borne equally by the Employer and the Union. All jointly incurred expenses (i.e. transcripts, reporter's cost, arbitrator's fees, and room rental) of arbitrations involving suspension and/or discharge shall be borne by the loser. Unless the grievance which has been submitted to the arbitration is totally sustained or denied, it shall be deemed split and the jointly incurred expenses shall be borne equally between the Employer and the Union.

SECTION 19. SEPARABILITY CLAUSE

The provisions of this Agreement are deemed to be separable to the extent that if and when a court of last resort adjudges any provisions of this Agreement in its application between the Union and the Employer to be in conflict with any law, such decisions shall not affect the validity of the remaining provisions of this Agreement, but such remaining provisions shall continue in full force and effect; provided, further, that in the event any provision or provisions are so declared to be in conflict with a law, both parties shall meet immediately for the purpose of renegotiation and agreement on the provision or provisions so invalidated.

SECTION 20. TERM OF AGREEMENT

- 19.1** The term of this Agreement shall be from July 14, 2022 through July 9, 2025 and shall be considered as renewed from year to year thereafter unless either party hereto gives written notice to the other of its desire to have the same modified or terminated. Such notice shall be given at least sixty (60) days prior to the expiration date of this Agreement during which period negotiations for a new Agreement shall be conducted.
- 19.2** It is agreed by the parties that, if mutually agreeable, this Agreement may be opened during its term for the purpose of integrating medical benefits under Workers' Compensation into the Health and Welfare Trust Plan.
- 19.3** In the event of passage of national health care legislation, the parties agree to open this Agreement for the purpose of renegotiating the Health and Welfare benefits and Employer contribution amounts.
- 19.4** If after opening, as provided herein, the parties fail to reach an agreement within the period so provided, or during the period of any mutually agreed extension of the existing Agreement, then the parties shall be free to exercise their right to strike or lockout.

IN WITNESS WHEREOF, the parties hereto, by their duly constituted representative officers, affixed their signatures this 20th day of October, 2023.

FOR THE EMPLOYER:

**THRIFTY PAYLESS INC.,
dba, Rite Aid Corporation**

FOR THE COMPANY,

FOR THE UNION:

**UNITED FOOD & COMMERCIAL
WORKERS UNION LOCAL 5**

FOR THE UNION,

Gordon Hinkle 10-19-23

Gordon Hinkle
Director, Labor Relations
Thrifty Payless Inc. d.b.a Rite Aid
Corporation

John Frahm 10/20/23

John Frahm
President
UFCW Local 5

Emily H. Edmunds 10-20-2023

Emily Edmunds
GVP, Strategic HR Business Partnerships
Thrifty Payless Inc. d.b.a Rite Aid
Corporation

Chris Weinans 10-19-2023

Chris Weinans
Senior Manager, Labor Relations
Thrifty Payless Inc. d.b.a Rite Aid
Corporation

SCHEDULE A PENSION PLAN

PREAMBLE: Effective January 1, 1988, the Northern California Registered Pharmacists Pension Fund ("Registered Pharmacists Plan") was merged into the Northern California Pharmacists, Clerks and Drug Employers Pension Fund ("Drug Plan"). For purposes of this Appendix B, where the term "Pension Plan" is used, it shall refer to the Drug Plan after January 1, 1988, and both the Drug Plan and the Registered Pharmacists Plan prior to that date.

A.1 EMPLOYER ACCEPTANCE:

- A.1.1 ACCEPTANCE OF TRUST AGREEMENT:** The Employer agrees to accept and be fully bound by the terms of the Pension Plan's Trust Agreement as the same may be applicable to the benefits hereinafter specifically provided, and any amendments thereto. The Employer specifically acknowledges that it is aware of the requirements of Article III of the Trust Agreement which sets forth the consequences of delinquencies and the Employer specifically agrees to be bound by any expedited dispute resolution procedure adopted by the Trustees pursuant to the provisions of the Trust Agreement.

- A.1.2 ACCEPTANCE OF PLAN:** The Employer also agrees to accept and be fully bound by the Pension Plan and its rules and regulations established from time to time by the Trustees under said Trust Agreement.

- A.1.3 TRUSTEES RIGHT TO AMEND:** The Employer and the Union, on behalf of all employees, hereby specifically recognize and acknowledge the right of the Plan's Trustees to amend the Pension Plan, the Pension Plan's Trust Agreement and the Pension Plan's current rules and regulations, including the provisions on eligibility for benefits.

A.2 CONTRIBUTIONS:

A.2.1 SUSPENSION OF CONTRIBUTIONS: Effective with June 2011 hours payable in July 2011, the Employer will be provided a twelve (12) month suspension of the blended fifty-seven cents (\$.57) per hour contribution on behalf of all contributable hours to the Northern California Pharmacist, Clerks and Drug Employers Pension Fund.

The contribution rates of eighty-five and one-half cents (\$.855) per hour for employees covered by the Clerks Agreement and one dollar twenty-three and nine-tenths cents (\$1.239) per hour for employees covered by the Pharmacist Agreement shall continue to be made to the Northern California Pharmacists, Clerks and Drug Employers Pension Fund.

Increase of \$.15 per hour 01/1/23; an additional \$.15 on 01/01/24; and an additional \$.15 on 01/01/25.

A.2.2 RESUMPTION OF CONTRIBUTIONS: Once contributions resume, the Employer shall contribute an amount equal to the ERISA minimum funding but no more than the current contractual rate of \$.555 per hour. Pharmacists supplemental rate is \$.384 per hour.

A.2.3 PAID HOURS: Contributions shall be made on all straight-time hours worked plus hours paid as worked such as, but not limited to, vacations, holidays, jury duty, bereavement leave, unfunded sick leave, termination vacation pay, and severance pay that are compensated but not worked. Contributions shall be paid on all hours worked or paid as worked by all employees covered by this Collective Bargaining Agreement, whether full or part-time, provided that

A.2.3.1 MAXIMUM: The maximum number of hours per week per employee for which contributions are

A.3 PROMPT PAYMENT:

A.3.1 DUE DATE: All contributions shall be required is forty (40) based on contributory hours worked or paid as worked in a particular month and shall be payable on or before the twentieth (20th) day of each month for contributory hours worked or paid as worked during the preceding calendar month.

A.3.2 LIQUIDATED DAMAGES: Because of the difficulty of determining the actual expense and damage to the Pension Plan's Trust resulting when a monthly payment is delinquent, liquidated damages shall be assessed in an amount specified in the Pension Plan's Trust Agreement. Both the delinquent contribution and the liquidated damages shall bear interest at the rate specified in the Trust Agreement. Both the liquidated damages and interest provisions of the Trust Agreement may be amended by the Trustees from time to time. In addition, the Employer shall pay to the Pension Plan's Trust all other reasonable expenses incurred in connection with the delinquency which the Trust may lawfully collect, including, without limitation, attorneys' fees and any collection agency fees.

A.3.3 CUMULATIVE REMEDIES: The rights and remedies against a delinquent Employer are not exclusive, but are cumulative, and nothing in this Appendix shall in any way limit anyone's right to enforce the collection of contributions by any legal means.

A.4 AUDITS: The Employer recognizes that the Pension Plan has the right to audit the Employer's records to ascertain that it is making or did make the proper contributions to the Trust. Costs of such audit will be paid as provided in the Pension Plan's Trust Agreement.

A.5 RESOLUTION OF DIFFERENCES: Differences between the Employer and the Union as to the interpretation or application of the provisions of the Pension Plan or Trust Agreement relating to employee benefits or

eligibility shall not be subject to the grievance and arbitration procedure established in this Collective Bargaining Agreement. All such differences shall be resolved in the manner specified in the Trust Agreement, including any arbitration procedures either set forth or authorized therein from time to time.

A.6 ADEQUACY OF FUNDS:

A.6.1 TRUSTEES RIGHT TO MODIFY BENEFITS: The Employer and Union recognize that the benefits established by the Pension Plan have been adopted by the Trustees based on the best information available to them as to the cost of benefits and the contributions which they anticipate receiving under applicable collective bargaining agreements. Subject to any overriding federal law, the Trustees have the right to modify benefits at any time if such action becomes necessary to maintain the financial soundness of the Plan.

A.6.2 BENEFIT MODIFICATIONS: Trustees shall modify the Plan to remove the thirty (30) year cap on years of benefit service, only for active employees on February 19, 1998.

A.6.3 NEWLY ORGANIZED STORES: Employees working in newly organized stores begin participating in the Pension Plan August 1, 1999. Such employees who already are participants begin earning benefit credit August 1, 1999. Such employees will continue to participate in the existing Employer Pension Plan(s) until July 31, 1999.

A.6.4 Instruct the Trustees to institute the following benefit modifications:

- (a) Effective with retirements on or after August 1, 2001, increase benefit levels to one thousand dollars (\$1,000.00) for thirty (30) years' service at normal retirement age twenty-seven dollars and twenty-eight cents (\$27.28) per year for

the first (1st) ten (10) years of service and thirty-six dollars and thirty-six cents (\$36.36) for each year thereafter).

- (b) Effective with retirements on or after August 1, 2001, institute an unreduced retirement when age plus service equals eighty-five (85) years (so called "Golden 85"). For those Clerks retiring under the "Rule of Golden 85," they will receive retiree Health and Welfare provided they meet all other requirements.
- (c) Effective with retirements on or after August 1, 2001, increase the Joint and Survivor Pension by increasing factor to ninety percent (90%) for non-disabled retirements. Still adjust for spouses more than ten (10) years younger or older.
- (d) Instruct the Trust Fund to develop reciprocity agreements with all other UFCW California-trusteed plans.
- (e) Provide for a thirteenth (13th) check for retirees each year of the Collective Bargaining Agreement. The parties agree the rules for eligibility to receive the thirteenth (13th) check will be the same rules which were applied in the prior Agreement. This provision is only applicable during the term of this Agreement.

A.7 SAVINGS PLAN: The Employer will provide a Savings Plan under IRC 401(k), provided at least twenty-five percent (25%) of those employees in the bargaining unit participate. The Plan will not have any Employer matching contributions.

SCHEDULE B SCHEDULE OF WAGES

- a. The following wage increases are for those employees at the Experienced wage rates or above: Effective 01/01/23, hourly wage increase of \$1.00; effective 01/01/24 wage increase of \$.75; and effective 01/01/25, wage increase of \$.50
- b. Wages increases, retroactive pay and bonuses shall be implemented and/or paid within forty-five (45) days of ratification. All Associates receiving a wage increase shall be eligible for retroactive pay for all hours worked from January 1, 2023 up to the payroll period in which the wage increases are implemented.
- c. In the event that the federal, state or municipal minimum wage increases above a Service Associates Progression Step 1, the Service Associate shall be advanced to the nearest step on the progression chart above the minimum wage. For example, if the minimum wage is changed to \$17.05 per hour the starting progression step will be moved to Step 3, or \$17.50 per hour.
- d. Service Associates paid above the contractual wages for any reason, or advanced in wages due to a governmental minimum wage increase, shall receive their next Step increase on each January 1st of the upcoming year(s) pursuant to Schedule B until reaching Step 5. Once reaching Step 5 such Associate will remain at Step 5 until such time in which they have worked at least four (4) years as the example explains in the below paragraph.

For example, an employee hired at El Cerrito's 2023 minimum wage of \$17.35 (\$17.50 after advancing to the next highest progression step which provides a wage increase) would advance to \$18.00 the following January 1st and work one year at which time they would achieve Step 5 at \$18.50. The Associate would then remain at Step 5 until reaching their four (4) year anniversary date and would then proceed to the Experienced rate of pay the following January 1st.

- e. Associates currently paid above the contractual Experienced minimum wages in the agreement shall also be paid the annual wage increases contained

herein.

- f. Shift Supervisors/PAC's shall be paid one-dollar (\$1.00) above the Service Associate wage rate which shall also include Step progression wage rates.
- g. Pharmacy Service Associates shall be paid \$0.50 above their current Service Associate wage rate.
- h. Wellness Ambassadors shall be paid seventy-five cents (\$0.75) above the Service Associate wage rate.
- i. Associates not receiving a wage increase at the time of ratification shall receive a one-time five-hundred dollar (\$500.00) bonus.
- j. Associates stepping down, or demoted, from a Lead Service Associate, PAC or Wellness Ambassador shall be reduced to the Associates corresponding step as a Service Associate.
- k. Associates on a leave of absence at the time of ratification will receive any bonuses and due within thirty (30) days of returning from such leave,
- l. After an Associate completes progression Step 5, which is more than four (4) years experience but less than five (5), they shall progress to the Experienced rate of pay.

Chart #1	ANNUAL ASSOCIATE INCREASES		
CLASSIFICATION	EFFECTIVE		
Service Associates, Lead Service Associates, PAC, WA, Pharmacy Tech, Pharmacy Tech-in-Training	Pay Period Including January 1, 2023	Pay Period Including January 1, 2024	Pay Period Including January 1, 2025
		<u>\$1.00</u>	<u>\$0.75</u>

SCHEDULE B – WAGES

<u>CLASSIFICATION</u>	<u>Effective Pay Period Including January 1, 2023</u>	<u>Effective Pay Period Including January 1, 2024</u>	<u>Effective Pay Period Including January 1, 2025</u>
<u>Lead Service Associates/PAC's</u>	<u>\$20.50</u>	<u>\$21.25</u>	<u>\$21.75</u>
<u>Wellness Ambassadors / Beauty Ambassadors</u>	<u>\$20.25</u>	<u>\$21.00</u>	<u>\$21.50</u>
<u>Experienced RX Service Associates</u>	<u>\$20.00</u>	<u>\$20.75</u>	<u>\$21.25</u>
<u>Experienced Service Associates</u>	<u>\$19.50</u>	<u>\$20.25</u>	<u>\$20.75</u>
<u>STEP PROGRESSIONS TO EXPERIENCED RATES</u>			
	<u>Service Associates</u>	<u>Pharmacy Service Associate</u>	<u>Lead Service Associates</u>
<u>Step 5 (One full year from January 1st)</u>	<u>\$18.50</u>	<u>\$19.00</u>	<u>\$19.50</u>
<u>Step 4 (One full year from January 1st)</u>	<u>\$18.00</u>	<u>\$18.50</u>	<u>\$19.00</u>
<u>Step 3 (One full year from January 1st)</u>	<u>\$17.50</u>	<u>\$18.00</u>	<u>\$18.50</u>
<u>Step 2 (One full year from January 1st)</u>	<u>\$17.00</u>	<u>\$17.50</u>	<u>\$18.00</u>
<u>Step 1 (Hire Date to December 31st)</u>	<u>\$16.75</u>	<u>\$17.25</u>	<u>\$17.75</u>

* Pay increases are effective the first full pay period including January 1 each year.

Transitioning to New Wage Schedule:

1. The pay period following ratification current Service Associates earning below \$16.75 per hour and all new hires shall be placed at Step 1 at \$16.75 per hour and they shall progress to Step 2 on January 1st of the upcoming year. Step 2 through Step 5 shall require Service Associates to work a full year commencing each January 1st through December 31st before advancing through each Step progression.
2. Service Associates earning \$16.75 per hour, but less than \$18.50 per hour, shall advance to a wage rate in the progression wage schedule immediately above their current wage rate and begin accruing the necessary time to advance to the next higher wage rate on January 1st of the upcoming year. For example, if a Service Associate is currently at \$16.75 per hour at the time of ratification they shall then be placed at Step 3 at \$17.00 per hour on the following payroll period and shall advance to \$17.50 an hour on January 1st of the upcoming year and work the remaining one-year Step progressions.
3. Service Associates earning \$18.50 but less than \$19.50 per hour will be advanced to \$19.50 per hour on the payroll period following ratification.
4. Service Associates hired prior to January 1, 2019 shall be advanced to the Experienced rate of pay.

PHARMACY TECHNICIAN WAGE RATES

CLASSIFICATION	Effective* 01/01/23 \$1.00	Effective* 01/01/24 \$.75	Effective* 01/01/25 \$.50
Experienced Certified Pharmacy Techs	\$24.00	\$24.75	\$25.25
STEP PROGRESSIONS TO EXPERIENCED PHARM TECH WAGE RATE			
Step 2 (One full year from January 1 st)	21.00	21.00	21.00
Step 1 (Hire Date to December 31 st)	20.50	20.50	20.50
Pharmacy Tech-in-Training	19.50	19.50	19.50

* Pay increases are effective the first full pay period including January 1 each year.

Transitioning to New Wage Schedule:

1. The pay period following ratification current Certified Pharmacy Technicians earning below \$20.50 per hour and all newly certified Pharmacy Techs shall be placed at Step 1 at \$20.50 per hour and they shall progress to Step 2 on January 1st of the upcoming year. Step 2 shall require Certified Pharmacy Technicians to work a full year commencing each January 1st through December 31st before advancing to the Experience rate of pay.
2. Certified Pharmacy Techs earning \$20.00 per hour, but less than \$21.00 per hour shall advance to a wage rate in the progression wage schedule immediately above their current wage rate and begin accruing the necessary time to advance to the next higher wage rate on January 1st of the upcoming year. For example, if a Pharmacy Tech is currently at \$20.00 per hour at the time of ratification they shall then be placed at

Step 1 at \$20.50 per hour on the following payroll period and shall advance to \$21.00 an hour on January 1st of the upcoming year and shall work the required one-year period before advancing to the top wage rate.

3. Pharmacy Techs earning \$21.00 per hour but less than \$24.00 shall be advanced to the Experienced Pharm Tech rate of pay on the payroll period following ratification.
4. New hires paid at a step level above the contractual minimum, or current Pharmacy Techs advanced in hourly wages resulting from a minimum wage increase, will advance to the next step level on January 1st of the upcoming year and work the subsequent year(s) to the Experience level of pay. For example, a Pharmacy Tech hired at Step 2 at \$21.00 will stay at Step 2 at \$21.00 on January 1st of the upcoming year and proceed to work the following full year Step level until reaching the Experienced rate of pay the following year (2 years employment).
5. Pharmacy Techs hired prior to January 1, 2021 shall be advanced to the Experienced Pharmacy Tech rate of pay the Sunday following ratification.
6. Pharmacy Technicians becoming certified to provide vaccinations shall be paid an additional hourly wage rate of \$2.00 per hour.

**LETTER OF UNDERSTANDING
BETWEEN
UNITED FOOD AND COMMERCIAL WORKERS LOCAL 5
AND
THRIFTY PAYLESS dba, RITE AID**

This Letter of Understanding (LOU) is entered into between United Food and Commercial Workers Local 5 hereinafter referred to as the Union, and Thrifty Payless dba, Rite Aid, hereinafter referred to as the Employer.

During the Emergency Use Order (EUO), during the COVID-19 Pandemic, the State of California has allowed Pharmacy Technicians to perform COVID- 19 Vaccinations after receiving appropriate training. It will be at the Company's sole discretion as to which store locations will utilize this additional job function. It is understood and agreed that the Company may eliminate the position (and the corresponding premium pay) at any time or at any location in its sole discretion. If the State of California permanently expands a Pharmacy Technicians' ability to provide COVID-19 and/or any additional vaccinations the position will also be expanded to coincide with State and Board of Pharmacy regulations. The State of California may remove the authorization for Pharmacy Technicians to administer COVID-19 vaccinations and/or other vaccinations. If that does occur, the Company would then eliminate this additional job function (position).

Should there be multiple Pharmacy Technicians who are interested in the Immunizing Pharmacy Technician position at one location, and if there is a limited number of positions available, seniority will be the determining factor on who is selected.

Current Full-Time or Part-Time Pharmacy Technicians who become vaccinators must have the following:

Must be able to perform all essential duties and must be compliant with any and all State Registration, certification, or licensure, including being Rite Aid certified as required by the State and Rite Aid.
Have the ability to travel to other store locations and/or off-site clinics as needed. Any mileage will be reimbursed in accordance with the Collective Bargaining Agreement.

Be clear of any performance and/or disciplinary action.

This position will provide a premium rate of \$2.00/hour above the Pharmacy Technician's current hourly rate at the time they become immunizing certified.

Rite Aid will offer immunizing training and certification training once per year, the date(s) to be determined by the company. Any costs associated with the training may be covered by the company at its sole discretion. If a state requires additional education or school (National Certification) all costs will be paid by the individual pursuing the additional certification

**FOR THE EMPLOYER,
THRIFTY PAYLESS dba, RITE AID**

Gordon Hinkle 10-19-23
Gordon Hinkle Date

**FOR THE UNION,
UFCW LOCAL 5**

John Frahm 10/20/23
John Frahm Date

**Memorandum of Agreement
BETWEEN
Thrifty Payless, Inc. d.b.a Rite Aid Corporation
And
UFCW Local 5**

The Parties agree that from the date of this signed Agreement, the parties will combine the previously negotiated Pharmacist Collective Bargaining Agreement with the newly negotiated Clerks / Service Associate Collective Bargaining Agreement. The Parties agree that other than listed below, all other Terms and conditions of Clerks / Service Associate Collective Bargaining Agreement will apply.

All Pharmacists hired after August 26, 2011 shall be excluded from the bargaining unit.

The Following list of Associates are a part of the Union. If the Associate leaves the Company or transfers to another store, except for a transfer due to a layoff or reduction of hours, the Associate will be excluded from the bargaining unit.

Associate Name	Associate Number
Aparna Tarlagadda	1147231
Trang Vu	1142147
Lynn Nguyen	956288
Kavita Patel	801195
Thu Phan	1240949
Sondra Nguyen	805720

CLASSIFICATION OF EMPLOYEES

Classification of Pharmacists shall be as follows:

REGISTERED PHARMACIST: A Registered 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.

INTERN PHARMACIST: An Intern Pharmacist is an employee who qualifies as such under Section 1729 of the Rules and Regulations of the Board of Pharmacy Title 16,

California Administrative Code, as it presently exists or may be amended or modified. The Intern Pharmacist shall be a college student actually enrolled in a college of pharmacy.

HEAD PHARMACIST: Pharmacies doing in excess of a daily average of one hundred twenty-five (125) prescriptions shall have one (1) Head Pharmacist on the 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 in operation. In determining the daily average, the value of the day the department is open shall be as follows: a weekday equals one (1) day, Saturday equals one-half($\frac{1}{2}$) day, and Sunday equals zero (0) days.

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, with copy to the Union, calling attention to his/her deficiencies.

The Head Pharmacist shall receive an additional fifty cents (\$0.50) per hour over the applicable pharmacy rate of pay. The selection of Head Pharmacist shall be solely vested in Management.

TRAVEL PAY: Pharmacists traveling to a location other than their primary work location will be paid for the time traveled in excess of their regular commute each way at a travel time rate of pay of twenty dollars (\$20.00) per hour. Pharmacists without a primary work location traveling to any work location will be paid for the time traveled in excess of thirty (30) minutes each way at a travel time rate of pay of twenty dollars (\$20.00) per hour.

Bargaining Unit Pharmacist 401(k) PLAN

As of January 1, 1991, all non-probationary Pharmacists shall be eligible to participate in a 401(k) Plan. The Employer will contribute a matching fifty percent (50%) of the deferral up to a maximum of one thousand dollars (\$1,000.00) for full-time Pharmacists per calendar year. For Pharmacists working less than one thousand eight hundred (1800) hours per year, matching Employer contributions shall be prorated on the basis of hours worked as compared to two thousand eighty (2080) hours. Contributions will be made at the end of the Plan year. There will be a seven (7) year vesting period for matching contributions with twenty percent (20%)

vesting per year after two (2) years of participation. Pharmacists may defer up to fifteen percent (15%) each year, not to exceed the legal limit allowed.

PHARMACISTS' RESPONSIBILITIES AND INSURANCE

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 Pharmacists pledge full cooperation in such mutual understanding.

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

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:

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

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

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/she shall not be required to do work of a maintenance or cleanup nature.

The Pharmacist shall be expected to keep himself/herself informed of developments in the pharmaceutical field. Therefore, he/she will be expected to participate in necessary interviews during working hours with Employer approved medical sales representatives. He/she 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.

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

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

PROFESSIONAL RIGHTS: A Pharmacist, in his/her 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 factor by having consulted the prescriber if said prescriber is available.

LIABILITY INSURANCE: The Employer shall, at its own expense, cover each Registered Pharmacist in its employ with liability insurance for any damages or claim of damages arising in the course of employment out of the preparation, filling, or dispensing of prescriptions, drugs or medicines, or the giving of directions as to the use or administration thereof. Upon request of the Union, the Employer shall submit evidence of such insurance.

PROFESSIONAL WORK STANDARDS: Both the Union and the Employer recognize that sufficient ancillary staffing is necessary in order to maintain professional work standards, and increase efficiency, productivity, and profits.

The following minimum ancillary hours formula shall be assigned to pharmacies based upon the indicated number of prescriptions filled per week:

WEEKLY AVERAGE	MINIMUM ANCILLARY HOURS
550	16
600	20

For each one hundred (100) additional prescriptions, ten (10) additional ancillary hours shall be scheduled.

It is agreed that pharmacy departments currently utilizing ancillary hours in excess of the minimum stated herein shall not have their hours reduced unless dictated by legitimate business reasons. In making such decisions the Employer will not be arbitrary or capricious.

Although ancillary hours and personnel shall be selected and assigned by Management, the Pharmacist(s) shall be consulted with respect to the needs of the pharmacy. In the selection of new personnel to be assigned as ancillary help the Pharmacist(s) will be given the full opportunity to suggest or recommend the person to be selected prior to the assignment. In the scheduling of assigned ancillary hours to the pharmacy, the Pharmacist, in conjunction with the Store Manager, will determine when and on what days the hours are to be scheduled, provided such schedule meets the needs of the business. In the event a dispute arises between the Pharmacist and the Manager concerning the schedule of ancillary help, the District Supervisor shall make the final decision with respect to the correct schedule.

EMPLOYER DIRECTED TRAINING Employer-directed training outside a store location and not involving actual patient service, in excess of six (6) hours per calendar year, will be paid at the Pharmacist's regular hourly wage. Employer-directed training up to a maximum of six (6) hours per calendar year will be paid at a training wage of twenty dollars (\$20.00) per hour.

Pharmacist Starting Rate of Pay effective the pay period including January 1, 2023: **\$69.00**. Pharmacists will receive either the new rate of \$69/hour retro-active to the first pay period in January 2023 or a \$1.00 per hour increase, whichever is higher, but not both.

Wage increases and retroactive pay will be paid no later than 30 days from ratification.

Pharmacist Annual Increases :

**Increase for 2024: Will be applied the pay period including January 1, 2024:
\$1.00 (\$70.00)**

Increase for 2025: Will be applied the pay period including January 1, 2025:
\$1.00 (\$71.00)

FOR THE EMPLOYER,
THRIFTY PAYLESS dba, RITE AID

FOR THE UNION,
UFCW LOCAL 5

Gordon Hinkle 10-19-23
Gordon Hinkle Date

John Frahm 10/20/23
John Frahm Date