

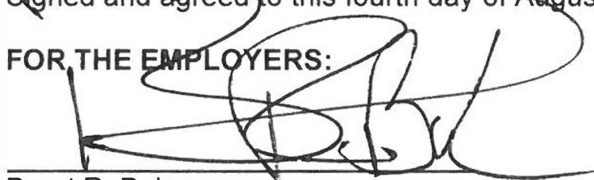
**MEMORANDUM OF AGREEMENT
BETWEEN
ALBERTSONS, RALPHS AND VONS
AND
UFCW LOCAL UNION NOS. 135, 324, 770, 1167, 1428, 1442 and 8-GS
SOUTHERN CALIFORNIA UFCW AGREEMENT**

Albertsons, Ralphs, Vons and UFCW Local Nos. 135, 324, 770, 1167, 1428, 1442 and 8-GS are parties to an expired collective bargaining agreement whose term is March 3, 2014, through March 6, 2016. The parties have met and reached a tentative agreement ("Agreement") for a successor multi-employer/multi-union collective bargaining agreement. Such new Agreement shall contain the provisions of the expired collective bargaining agreement as modified in the attached document entitled, "Tentative Agreements." The new collective bargaining agreement shall have a term of March 7, 2016, through March 3, 2019. The attached document and the current collective bargaining agreement, as modified herein, represent the entire agreement of the parties. Any proposal made, modified or withdrawn by the parties shall not be used as evidence in any arbitration or other legal proceeding.

The Union, its officers and bargaining committee agree to recommend and support the ratification of this Agreement.

Signed and agreed to this fourth day of August, 2016:

FOR THE EMPLOYERS:



Brent R. Bohn
Albertson's LLC and The Vons Companies
VP, Labor Relations and Human Resources



Leroy D. Westmorland
Ralphs Grocery Company
Director of Labor Relations

FOR THE UNION:



Mickey Kasparian
President UFCW Local 135



Greg Conger
President UFCW Local 324



Ricardo Icaza
President UFCW Local 770



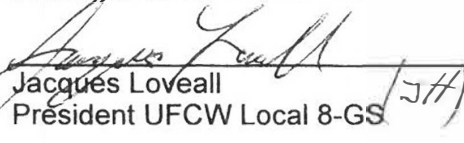
Rick Bruer
President UFCW Local 1167



Mark Ramos
President UFCW Local 1428



Michael Straeter
President UFCW Local 1442



Jacques Loveall
President UFCW Local 8-GS

August 4, 2016

SOUTHERN CALIFORNIA UFCW NEGOTIATIONS

TENTATIVE AGREEMENTS

The following represent the items tentatively agreed to between the parties. All tentatively agreed to items are subject to overall agreement and ratification of a final contract settlement.

1. Term of Agreement: March 7, 2016, through March 3, 2019
2. Article 1 (B)(11) – Replace “Southern California United Food and Commercial Workers Unions and Food Employers Supplementary Unemployment and Supplementary Disability Benefit Fund” with “Southern California United Food and Commercial Workers Unions and Food Employers Benefit Fund.”
3. Article 1 (F) (1) and (2) – Add refrigerated pasta to items that a General Merchandise Clerk can handle. Update Appendix B and C to be consistent.
4. Article 4(J) (1) Modify as follows: All employees, including those hired prior to October 6, 2003, who are promoted to a higher rated classification of employment shall be subject to the wage progression schedule set forth in Appendix A and receive the next immediate higher rate of pay for that classification as set forth in Appendix A until such time as the employee has accumulated sufficient total credited hours of experience equal to ~~two (2X) times the~~ hours required for that step of the new classification rate before proceeding to the next rate in the progression schedule.
5. Article 5 (M)(1) – Modify as follows: The Employer shall post a work schedule in ink for all employees, specifying start and finish of shifts and including surname and first initial, not later than 12:00 noon on ~~Friday~~ Monday ~~preceding the first day of the following~~ for the workweek which begins the following Monday. If the work schedule within any day is changed after ~~Friday~~ posting without reasonable cause, the matter may be subject to the grievance procedure. An employee shall be guaranteed pay for the specific days in a workweek upon which he is scheduled to work, except as set forth in Article 3, Section B. It shall be the responsibility of each employee to check his work schedule. In the event a new schedule is not posted, the previous week's schedule shall apply.
6. Draft Side letter to reflect the following: In the event of the passage of legislation providing for different scheduling requirements the parties will follow the law regardless of contract language requirements, however if the law provides for an opt out, the Unions will agree to opt out and apply only the contractually agreed upon language.
7. Article 5(M) – Add new subsection (6) – The schedule shall not be used for disciplinary or punitive purposes.

8. Article 6 -- Wages
 - a. March 7, 2016: Excluding courtesy clerks, \$.30 hard increase to all Journeypersons and above.
 - b. March 6, 2017: Excluding courtesy clerks, \$.30 hard increase to all Journeypersons and above.
 - c. March 5, 2018: Excluding courtesy clerks, \$.25 hard increase to all Journeypersons and above.

9. Article 6 (D) – Change title: APPRENTICESHIP (CLERK) (PRIOR EXPERIENCE)

10. Article 6 (D)(2) – Modify as follows: Employees will be given credit for prior food, and/or general merchandise / meat clerk experience acquired in a supermarket covered by this collective bargaining Agreement at the time of hire only for the purpose of determining their initial placement under the Wage Schedule established under Appendix A for the classification of employment that they are hired into. Such experience shall be given recognition towards the experienced rate of pay only for the classification of work where the experience obtained was the same.

11. Article 6(D)(2) – Modify bargaining note as follows: For purpose of this section Albertsons, Ralphs and Vons each agree to recognize prior experience earned at the other's Southern California UFCW organized stores.

12. Article 6(I)(1) – Replace last sentence with the following: No Department Head shall be demoted from that position without good cause.

13. Article 6(I)(5) – Modify as follows: An employee ~~not subject to disciplinary action related to job performance as a department head,~~ may request to voluntarily step down from his position. Management will grant the written request within a reasonable period of time.

14. Article 14 – new Section AA (Personnel Files) – Every employee, or his or her representative, has the right to inspect and receive a copy of his or her personnel file at reasonable intervals and at reasonable times. Upon request, the employer will provide a copy of the requested personnel records at a charge not to exceed the actual cost of reproduction.

15. Article 15 – Modify Article 15, A regarding the Benefit Fund to reflect the following:
 - a. The parties agree to reduce the target reserve from 3.4 months to 3.0 months.
 - b. The Employers agree to the following hourly contribution increases to the current rate:
 - i. March 2016 hours: no increase
 - ii. March 2017 hours: no increase
 - iii. March 2018 hours: up to \$.25, if necessary, based on the co-consultants' joint recommendation of the rate needed to ensure a target reserve of at least 3.0 months on March 1, 2019.
 - iv. February 2019 hours: Any unused portion of the March 2018 contribution amount may, if necessary, be used to address the amount the co-consultants

agree that total expenses exceed total income for Plan A as of February 28, 2019.

- c. Implement at the Southern California UFCW Unions and Food Employers Benefit Fund, the issues set forth in Exhibit "A."

16. Article 15 – Modify Article 15, B regarding the Pension Fund to reflect the following:

- a. Enter into the attached side letter confirming the Parties' collective commitments to devise and agree to a long-term funding solution to the pension issue.
- b. To the extent not rendered moot by the long-term funding solution created by the Parties, the Employers agree to pay – for the term of this Agreement only – the following increases to the rehab plan:
 - i. Beginning with October 2016 Hours: \$.207
 - ii. Beginning with October 2017 Hours: \$.207
 - iii. Beginning with October 2018 Hours: \$.207