

LUND FOOD HOLDINGS, INC. PROPOSALS

UFCW LOCAL 663 CONTRACT NEGOTIATION

COUNTER PROPOSAL 06/12/2023 - 7:15PM

LEGEND:	
A=AMENDED	NEW PROPOSED LANGUAGE
TA=TENTATIVE AGREEMENT	CURRENT LANGUAGE
D=DROPPED	CURRENT LANGUAGE STRIKED

COMPREHENSIVE PROPOSAL

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#	STATUS	CBA LOCATION	PROPOSED CHANGE(S)
1	TA	Entire Agreement	Remove any and all language pertaining to Pharmacy in the CBA - Lund Food Holdings, Inc. no longer operates pharmacies and it divested this business in 2019
3	AMENDED (06/12/23)	Article 2 Section 2.2	<p>MODIFICATION TO EXISTING CBA LANGUAGE: The Employer and the employee by mutual agreement can authorize work beyond the employee's scheduled eight (8) or ten (10) hour shift but less than nine (9) or eleven (11) hours in exchange for reducing a future shift in the same week by the same amount of minutes worked in excess of their prior shift withing incurring incidental overtime.</p> <p>The above is offered in exchange for the Union repudiating any past practice related to the application of Article 2, Section 2.2, and agrees to waive rights to file grievances that occurred prior to ratification.</p>
6	TA	Article 3 Section 3.2 Paragraph 2	<p>MODIFICATION TO EXISTING CBA LANGUAGE: All part-time employees who qualify with the meet the qualification requirements in Section 3.3 and are regularly scheduled to work anytime from Monday through Friday shall receive pay for the above-listed holidays as follows:</p>
7	TA	Article 9 Paragraph 3	<p>MODIFICATION TO EXISTING CBA LANGUAGE: Paid leave for days lost from work for bereavement shall, except in the case of leaves of a spouse, parent or child, be the day of memorial service burial and the day or days preceding such memorial service burial.</p> <p>Bereaved employees may take part of their paid bereavement leave for travel time for out of town memorial services burials.</p>
11	AMENDED (05/17/23)	New Letter of Agreement	Refer to draft letter of agreement RE: CSO Holiday Help & Special Assistance
12	TA	Article 3 Section 3.1	<p>NEW CBA LANGUAGE: Should any of the defined holidays fall on a Sunday, the holiday shall be observed on the following Monday.</p>
13	DROP (06/12/23)	Article 3 Section 3.1	<p>NEW CBA LANGUAGE: During the week of an observed holiday and when the store is closed for said holiday, modified part-time employees shall not be limited to working a maximum of 31.50 hours of work between Monday-Saturday and shall be able to work up to the maximum 39.75 hours across any combination of days within the Company's defined payroll week and without incurring the penalty of paying a full-time health and welfare contribution.</p>
14	AMENDED (03/06/23)	Article 4	<p>NEW CBA LANGUAGE: The Employer is proposing that ARTICLE 4 as currently written would be replaced in its entirety by the Employer's proposal as written in APPENDIX: ARTICLE 4 REPLACEMENT</p>

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#	STATUS	CBA LOCATION	PROPOSED CHANGE(S)
15	HOLD	Article 6	<p>MODIFICATION TO EXISTING CBA LANGUAGE: No employee shall be discharged without good and sufficient cause. Dishonesty, drunkenness, gross inefficiency, physical violence, intentional damage to and/or destruction of company property, and use of illegal controlled substance(s) (drugs) such that it impairs an employee to safely perform their job duties will be considered as causes for dismissal. Individuals dismissed for use of controlled substance(s) drug offenders who provide the Employer with a certificate of rehabilitation will be reinstated.</p> <p>The Employer agrees that in case of suspension or termination of an employee, a Union representative will be present be provided 24 hours notice or as soon as practically possible before such action is taken.</p>
16	HOLD	Article 15	<p>Refer to Employer Revised Health & Welfare Letter of Agreement dated 06/12/2023</p>
17	AMENDED (06/12/23)	Article 17 Section 17.2	<p>MODIFICATION TO EXISTING CBA LANGUAGE: It is the intention of the parties that the number of part-time employees (excluding Courtesy and Custodial) shall not exceed three (3) part-time of such employees to one (1) full-time or Classified Assistant employee. Any Company as of March 2, 1980, who has a ratio of one (1) full-time or Classified Assistant employee (including grocery and pharmacy; excluding Courtesy and Custodial) to less than three (3) part-time employees (including grocery, pharmacy; excluding Courtesy and Custodial) may reach the one (1) full-time to the three (3) part-time ratio only through store closing, normal attrition, or a combination of both: Former Group 3 employees who become Regular part-time employees effective March 4, 2018 shall not count towards this ratio. However, all part-time employees hired after March 4, 2018 shall count towards this ratio. The Employer shall reach a ratio of at least 30% full-time staffing by the end of this Agreement.</p> <p>OPTION #1: FT Ratio of 40% and PT Modified Ratio of 20% OPTION #2: FT ratio of 30% and PT Modified ratio of 30% less any credit applied for the Employer being over on its FT ratio.</p>
18	AMENDED (06/12/23)	Article 25	<p>REMOVE ARTICLE 25 FROM THE CBA ENTIRELY, which states the following: The Employer agrees not to subcontract any currently existing operations. If the Employer establishes a new operation where workers perform jobs that are substantially different from those the bargaining unit performs, before subcontracting out the new operation, the Employer will notify and bargain with the Union over (1) whether this Agreement should cover the new operation, (2) and whether the Employer should recognize the Union as the collective bargaining representative of the employees working in the new operation.</p> <p>Renew Vendor Partner LOAs set to sunset at the end of the new CBA: Sushi, Online Shopping</p> <p>The Company shall reserve the right to implement one (1) new vendor partnership relationship in the future that shall not pertain to Article 25 Subcontracting provided no existing team member is laid off, demoted, or experiences a reduction in hours as a direct result of such vendor partnership being implemented.</p>

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19	AMENDED (06/07/23)	Entire Agreement	NEW CBA LANGUAGE OUTLINE: - By mutual agreement between the employee and employer, an employee can request to be on a PT Flex Waiver. Such request must be executed in writing. - When on a PT Flex Waiver, an employee must work a minimum of 20 hours per month. There shall be no minimum weekly hours. - PT Flex Waiver shall have the same compensation and benefits as regular part-time. - If mutual agreement is reached, the effective date shall also be set by mutual agreement. - The employer or employee can end the waiver assignment with two weeks notice. - After revoking this agreement, they shall be scheduled no less than the minimum hours on the next published schedule. - Employees who have waived their minimum hours shall not count for purposes of calculating part-time or full-time ratios. - The Employer can only suggest the use of this waiver in instances when an employee has submitted notice, or is considering submitting notice, of resignation or retirement. - Employer shall not exceed 10 PT Flex Waivers per store.
20	AMENDED (06/12/23)	Appendix B Appendix C Appendix D	Refer to Employer Proposal APPENDIX: WAGE PROGRESSIONS
21	TA	Article 29	Length of Contract Term - 2 years
22	AMENDED (06/12/23)	Section 5.10	The following shall be added into the CBA and no longer be a LOA: Courtesy & Custodial staff shall be able to stock non-perishable products during down time in their shift. The above will be dropped in exchange for the Union dropping its Courtesy / Custodial transitioning to the regular / modified part-time wage scale.

Union Proposals for Tentative Agreement

- 1 Wages and Benefits #1 - replaced with Employer Counter Proposal - see attached
- 2 Wages and Benefits #4.C - Increase PT Top 24% --> 30%, and
- 3 Wages and Benefits #3 provided that the Employer remits no payments to the Fund immediately following contract ratification for the time period necessary to retain \$1,787,170.90.
 Employer will reimburse premiums paid by employees beginning March 6, 2023 through date of contract ratification.
 The Employer shall reconcile its remittance with Wilson-McShane to account for how the funds retained by the Employer were applied.
- 4 Wages and Benefits #5 modified so any time a department manager is scheduled to work less than 5 days in their designated work week, a replacement be identified and assigned department manager duties as defined by L&B's Department Manager Replacement Form in order to receive department head pay for each shift replacing a department head, and
- 5 Wages and Benefits #6 as written in union comprehensive counterproposal dated 06/07/23 in addition to Sunday being apart of the work week, and
- 6 Wages and Benefits #7 as written in union comprehensive counterproposal dated 06/07/23, and
- 7 Paid Time Off #1 as written in the latest union comprehensive counterproposal dated 06/07/23, and
- 8 Paid Time Off #2 as written in the latest union comprehensive counterproposal dated 06/07/23, and
- 9 Classification #1 as written in the latest union comprehensive counterproposal dated 06/07/23, and
- 10 Classification #2 as written in the latest union comprehensive counterproposal dated 06/07/23, and
- 11 Working Conditions #1 as written in the latest union comprehensive counterproposal dated 06/07/23, and
- 12 Working Conditions #2 as modified by the employer - refer below, and

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13			Union Employer Cooperation #1 with modification to include FMCS furnishing a list of seven (7) arbitrators to select from, and
14			All other Union Worker Protections Proposals not already modified above but as modified by the Employer counter proposal issued on 03/27/23, and
15			Language Clean Up #1 as written in union comprehensive counter proposal date 06/07/23, and
16			Language Clean Up #2 as written in union comprehensive counter proposal date 06/07/23, and
17			Language Clean Up #3 as written in union comprehensive counter proposal date 06/07/23

TA modified H&W Letter of Agreement as counter proposed by Employer 06/12/23

As part of this total agreement, the **parties** agrees, upon ratification of the Agreement, to (1) withdraw any and all Unfair Labor Practices filed with the National Labor Relations Board, (2) not file any additional Unfair Labor Practices related to these negotiations, and (3) withdraw any outstanding information requests relating to bargaining.

EMPLOYER REVISED - UNION WORKING CONDITIONS #2

There shall be a minimum of two (2) employees per store from the bargaining unit that serve on the safety committee. Twice per year, safety committees shall collectively meet on paid time (during a regularly scheduled safety committee meeting) with representatives of management to discuss health, safety and security conditions in the stores to ensure employee well-being. Union representative(s) shall be allowed to attend and virtual meeting options will be provided by the Employer as appropriate. The safety committees will review information, engage in discussion, and make recommendations in the areas of safety, health and security. The committee members shall assist with identifying training and/or experts helpful to the committee to address specific topics. The Employer shall keep a log of all health, safety, security reports and all other relevant information, which will be reviewed during each store's specific safety committee meeting. Meeting dates and outcomes will be posted in-store for all store employees to review and provide feedback.

**APPENDIX: WAGE PROGRESSIONS
EMPLOYER WAGE PROPOSAL**

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	YEAR 1				YEAR 2				CBA TERM	
	Effective 3/6/2023	Effective 9/4/2023	TOTAL	% Inc.	Effective 3/4/2024	Effective 9/2/2024	TOTAL	% Inc.	TOTAL	% Inc.
TOP / OVERSCALE INCREASES										
Head Meat Cutter	\$1.00	\$1.00	\$2.00	6.40%	\$1.00	\$1.00	\$2.00	6.02%	\$4.00	12.80%
All Other Department Managers	\$1.50	\$1.00	\$2.50	8.30%	\$1.00	\$1.00	\$2.00	6.13%	\$4.50	14.94%
Full-time	\$1.00	\$1.00	\$2.00	7.96%	\$0.75	\$0.75	\$1.50	5.53%	\$3.50	13.93%
Part-time (≥ \$18.00)	\$0.75	\$0.50	\$1.25	5.56%	\$0.50	\$0.50	\$1.00	5.26%	\$2.25	12.50%
Courtesy / Custodial	\$0.50	\$0.50	\$1.00	7.73%	\$0.50	\$0.50	\$1.00	7.69%	\$2.00	15.47%

* % Incr based on Top of Scale Classified Assistant

APPENDIX B: Hourly Minimum Meat & Seafood Rates

	3/7/2022	YEAR 1		YEAR 2	
		Effective 3/6/2023	Effective 9/4/2023	Effective 3/4/2024	Effective 9/2/2024
Head Meat Cutter	\$31.24	\$32.24	\$33.24	\$34.24	\$35.24
Journeyman	\$28.24	\$29.50	\$30.50	\$31.25	\$32.00
Service Employee	3/7/2022	Effective 3/6/2023	Effective 9/4/2023	Effective 3/4/2024	Effective 9/2/2024
Grade 4	\$24.35	\$28.13	\$29.13	\$29.88	\$30.63
Grade 3	\$19.50	\$21.00	\$21.00	\$21.00	\$21.00
Grade 2	\$18.00	\$19.50	\$19.50	\$19.50	\$19.50
Grade 1	\$16.00	\$17.50	\$17.50	\$17.50	\$17.50

APPENDIX C: Hourly Minimum Grocery Rates

	3/7/2022	YEAR 1		YEAR 2	
		Effective 3/6/2023	Effective 9/4/2023	Effective 3/4/2024	Effective 9/2/2024
Assistant Manager	\$30.13	\$31.63	\$32.63	\$33.63	\$34.63
Produce Department Head	\$30.13	\$31.63	\$32.63	\$33.63	\$34.63
Frozen Food Department Head	\$30.13	\$31.63	\$32.63	\$33.63	\$34.63
Bookkeeper or Head Cashier	\$30.13	\$31.63	\$32.63	\$33.63	\$34.63
Delicatessen Department Head	\$30.13	\$31.63	\$32.63	\$33.63	\$34.63
Company Designated (up to three per store)	\$30.13	\$31.63	\$32.63	\$33.63	\$34.63

	3/7/2022	YEAR 1		YEAR 2	
		Effective 3/6/2023	Effective 9/4/2023	Effective 3/4/2024	Effective 9/2/2024
Full-Time Food Handlers	3/7/2022	Effective 3/6/2023	Effective 9/4/2023	Effective 3/4/2024	Effective 9/2/2024
Grade 3	\$27.13	\$28.13	\$29.13	\$29.88	\$30.63
Grade 2	\$24.00	\$26.50	\$26.50	\$26.50	\$26.50
Grade 1	\$23.50	\$25.00	\$25.00	\$25.00	\$25.00

	3/7/2022	YEAR 1		YEAR 2	
		Effective 3/6/2023	Effective 9/4/2023	Effective 3/4/2024	Effective 9/2/2024
Classified Assistant	3/7/2022	Effective 3/6/2023	Effective 9/4/2023	Effective 3/4/2024	Effective 9/2/2024
Grade 7	\$25.13	\$26.13	\$27.13	\$27.88	\$28.63
Grade 6 Hired or promoted into classification post-ratification	-	-	\$25.50	\$26.25	\$26.25
Grade 5 Hired or promoted into classification post-ratification	-	\$24.50	\$24.50	\$24.50	\$24.50
Grade 4 Hired or promoted into classification post-ratification	-	\$23.50	\$23.50	\$23.50	\$23.50
Grade 3 Hired or promoted into classification post-ratification	-	\$22.50	\$22.50	\$22.50	\$22.50
Grade 2	\$21.50	\$21.50	\$21.50	\$21.50	\$21.50

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Grade	1		\$20.50	\$20.50	\$20.50	\$20.50	\$20.50
Grade	3	Progression eliminated	\$19.50	\$19.50	\$19.50	\$19.50	\$19.50
Grade	2	Progression eliminated	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
Grade	4	Progression eliminated	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00

			YEAR 1		YEAR 2		
			Effective	Effective	Effective	Effective	
Part-Time Food Handlers			3/7/2022	3/6/2023	9/4/2023	3/4/2024	9/2/2024
Grade	26		-	\$20.25	\$20.25	\$20.25	\$20.25
Grade	25		-	\$20.00	\$20.00	\$20.00	\$20.00
Grade	24		-	\$19.75	\$19.75	\$19.75	\$19.75
Grade	23		-	\$19.50	\$19.50	\$19.50	\$19.50
Grade	22		-	\$19.25	\$19.25	\$19.25	\$19.25
Grade	21		-	\$19.00	\$19.00	\$19.00	\$19.00
Grade	20		-	\$18.75	\$18.75	\$18.75	\$18.75
Grade	19		-	\$18.50	\$18.50	\$18.50	\$18.50
Grade	18		-	\$18.25	\$18.25	\$18.25	\$18.25
Grade	17		-	\$18.00	\$18.00	\$18.00	\$18.00
Grade	16	Hired or promoted into classification post-ratification	-	\$17.75	\$17.75	\$17.75	\$17.75
Grade	15	Hired or promoted into classification post-ratification	-	\$17.50	\$17.50	\$17.50	\$17.50
Grade	14	Hired or promoted into classification post-ratification	-	\$17.25	\$17.25	\$17.25	\$17.25
Grade	13	Hired or promoted into classification post-ratification	-	\$17.00	\$17.00	\$17.00	\$17.00
Grade	12	Hired or promoted into classification post-ratification	-	\$16.75	\$16.75	\$16.75	\$16.75
Grade	11		\$18.00	\$16.50	\$16.50	\$16.50	\$16.50
Grade	10		\$16.25	\$16.25	\$16.25	\$16.25	\$16.25
Grade	9		\$16.00	\$16.00	\$16.00	\$16.00	\$16.00
Grade	8		\$15.75	\$15.75	\$15.75	\$15.75	\$15.75
Grade	7		\$15.50	\$15.50	\$15.50	\$15.50	\$15.50
Grade	6		\$15.25	\$15.25	\$15.25	\$15.25	\$15.25
Grade	5		\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Grade	4		\$14.75	\$14.75	\$14.75	\$14.75	\$14.75
Grade	3		\$14.50	\$14.50	\$14.50	\$14.50	\$14.50
Grade	2		\$14.25	\$14.25	\$14.25	\$14.25	\$14.25
Grade	1		\$14.00	\$14.00	\$14.00	\$14.00	\$14.00
Grade	10	Progression eliminated	\$13.75	\$13.75	\$13.75	\$13.75	\$13.75
Grade	9	Progression eliminated	\$13.50	\$13.50	\$13.50	\$13.50	\$13.50
Grade	8	Progression eliminated	\$13.25	\$13.25	\$13.25	\$13.25	\$13.25
Grade	7	Progression eliminated	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Grade	6	Progression eliminated	\$12.75	\$12.75	\$12.75	\$12.75	\$12.75
Grade	5	Progression eliminated	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50
Grade	4	Progression eliminated	\$12.25	\$12.25	\$12.25	\$12.25	\$12.25
Grade	3	Progression eliminated	\$12.00	\$12.00	\$12.00	\$12.00	\$12.00
Grade	2	Progression eliminated	\$11.75	\$11.75	\$11.75	\$11.75	\$11.75
Grade	4	Progression eliminated	\$11.50	\$11.50	\$11.50	\$11.50	\$11.50

Starting September 4, 2023, part-time employees will go up two progressions every six months (or \$0.50 increase if at top/overscale)
Supervisors classified as part-time and who are assigned to the Front-End or Online Shopping shall receive a \$1.00 per hour shift differential for each hour worked in a supervisory position.

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EMPLOYER WAGE PROPOSAL**

The following is a package "supposal" that the Employer offers to the Union. This package "supposal" would need to be accepted as a complete package and may only be accepted as a package in its entirety. Rejecting this package "supposal" shall revert to the Employer's previous bargaining position. All previously agreed to Tentative Agreements that have been reached between the parties shall be part of the total Tentative Agreement. With agreement of this package, all other proposals by either the Employer or the Union shall be deemed withdrawn by the parties. This package shall represent a total agreement of the parties. Additional supposals as part of this package that will be supplied at a later date for Union Committee consideration includes all CBA language and economic matters not addressed in this wage proposal.

These proposals are offered in a good faith effort to reach negotiated agreements for our collective bargaining agreement with UFCW Local 663. We reserve the right to add to, subtract from or modify the terms of our proposals throughout the course of negotiations. Any proposals that are withdrawn by Lund Food Holdings, Inc. during the course of negotiations shall not be introduced as evidence or have any effect in any future bargaining, grievances, or arbitration hearings. Any proposal or any withdrawal or modification of a proposal does not constitute a waiver of any of our present rights. We reserve the right to add to, modify or delete proposals at any time. Any agreement as to a specific proposal is considered to be a tentative agreement subject to final agreement between Lund Food Holdings, Inc. and the Union concerning all matters related to these negotiations.

Courtesy / Custodial		3/7/2022	YEAR 1		YEAR 2	
			Effective 3/6/2023	Effective 9/4/2023	Effective 3/4/2024	Effective 9/2/2024
Grade	5	-	\$14.00	\$14.00	\$14.00	\$14.00
Grade	4	-	\$13.50	\$13.50	\$13.50	\$13.50
Grade	3	-	\$13.00	\$13.00	\$13.00	\$13.00
Grade	2	-	\$12.50	\$12.50	\$12.50	\$12.50
Grade	1	-	\$12.00	\$12.00	\$12.00	\$12.00

~~DRAFT Employer Counter Proposal - Letter of Agreement re: Pay Equity~~
~~June 12, 2023 – 7:15PM@ 3pm~~

The Union and the Employer agree to work towards addressing pay equity. Acknowledging and rewarding active employees' years of service experience, knowledge, skills, and abilities with Lunds & Byerlys and their relevant experience is critical for hiring and retention-retainingef workers.

The Union and the Employer will form a joint labor management committee of five (at least 5) workers-team members in the bargaining unit and five (5) management representatives to meet collectively on paid time to reach mutual agreement on the initial parameters of a pay equity program. Union representative(s) will also join this committee. The initial parameters of this program will be implemented by October 1, 2023.

This committee will meet to:

- Identify what is the relevant service and experience and capabilities to be considered for when assessing pay equity wage adjustments for new hires-team members compared to and internal store transferstenured staff
- Systematize how to track and audit workers' relevant service and experience and capabilities
- Determine when and the remedies* and procedures for how to implementmake- pay equity wage adjustments
- Plan communications and education of workers-Team members and management will be informed of the initial, agreed upon pay equity program and any successive improvements on an ongoing basis to ensure achieve successful long-term pay equity outcomes

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~~*For example – existing employees will receive an increase when new employees are hired at a higher or equal rate, comparable experience shall be taken into account~~

- ~~Employees with more than 1 year of experience will receive \$0.50 above the new hire~~
- ~~Employees with more than 2 years of experience will receive \$0.75 above the new hire~~
- ~~Employees with more than 3 years of experience will receive \$1.00 above the new hire~~
- ~~Employees with more than 4 years of experience will receive \$1.25 above the new hire~~
- ~~Employees with more than 5 years of experience will receive \$1.50 above the new hire~~
- ~~Employees with more than 6 years of experience will receive \$2.00 above the new hire~~

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LETTER OF AGREEMENT: HEALTH & WELFARE BENEFIT MODERNIZATION

This letter of agreement shall be included in the new retail collective bargaining agreement with UFCW Local 663.

This counter proposal is only offered as part of a package supposal and may not be agreed to independently of the total package. This letter of agreement shall only apply to the new CBA and shall sunset at the expiration of this Agreement.

Background

- Lunds & Byerlys and UFCW Local 663 share an interest in improving the Health & Welfare benefits offered to Lunds & Byerlys employees with membership to UFCW Local 663.
- Attempts have been made to modernize the MRMC Health & Welfare plan since 2017, but no improvements have been implemented to date.
- Both parties remain committed to this effort and seek to renew their partnership to improve H&W benefits.

Benefit Modernization and Minimum Thresholds for Improvements

Guiding principles for H&W benefit modernization and enrichment:

1. Current benefits will not be reduced
2. Waiting periods will be shortened to attract and retain employees
3. Financial integrity and sustainability of H&W benefits will be maintained
4. New benefit plan design will become effective no later than January 1, 2025

Benefit design improvements shall include:

- Transition to monthly coverage and eliminating grace weeks
- Coverage termination to coincide with employment termination, not extended with accrued paid time off benefits
- Eliminate “tunnel contributions” which are made today prior to benefit coverage taking effect
- Benefit waiting periods need only be satisfied once by an employee – no “re-waiting” due to qualified life events
- Offer tiered coverage for Full-time employees (*i.e.*, *Employee*, *Employee + Spouse*, *Employee + Child(ren)*, *Family*)

Benefit design improvements are based on the understanding that (1) there may be increased costs on a per Employer basis associated with plan design changes and (2) the implementation of changes depends on all stakeholders willingness to accept these changes.

Both parties commit to being objective and open minded when evaluating how to provide the best possible benefit coverage to Lunds & Byerlys employees who are members of UFCW Local 663 in advance of negotiations on a successor Agreement. To achieve this, the following actions will be taken:

Evaluation of MRMC Health & Welfare Plan Actions & Timeline:

- The Chair for the MRMC Health & Welfare Board of Trustee has – or will – recommend that the trustees of the MRMC H&W Fund to evaluate options for modernizing the current benefit plan design.
- Trustees from UFCW Local 663 and Lunds & Byerlys will actively engage fellow Trustees in the modernization process and be advocates for benefit design changes that are fiscally responsible and sustainable.
- The next special H&W Trust meeting is scheduled for July 13, 2023. MRMC H&W plan

professionals have been instructed to update the model created in 2017-2019 by Trustee subcommittee with current and additional data from all participating Employers relating to eligibility and costs. This instruction will be renewed to ensure provision of this information by July 13, 2023.

- The Company will comply with any data requests that the MRMC H&W Fund consultants need to fully evaluate options for modernizing the current plan design and eligibility.
- Modernization to the MRMC H&W benefit design and eligibility rules must be approved by the Board of Trustees no later than May 31, 2024. Both parties will ensure that their representatives on the Trust Fund will act in good faith to achieve modernization and support modernization consistent with guiding principles for H&W benefit modernization and enrichment and benefit design improvements set forth herein.

Evaluation of Company-Sponsored Health & Welfare Plan Actions & Timeline:

- No sooner than May 31, 2024, the Company may make a formal request of the MRMC Health & Welfare Plan third-party administrator to provide a full, thorough, and complete demographic and claims experience report of its employees per the reporting requirements set by the Company's benefit consultant for a time period as defined by the benefit consultant. Such data shall be de-identified to safeguard employees' Protected Health Information (PHI) in accordance with HIPAA and shall comply with any data security requirements of the Plan Trust and as required by law. The Company, LFHI, and any potential benefit consultants shall enter into a Business Associate Agreement allowing for the release of PHI.
- The Chair for the MRMC Health & Welfare Board of Trustees and the trustee representative of Lunds & Byerlys will recommend that the trustees of the MRMC H&W Plan to approve such a request. All trustees shall be encouraged to vote in favor of the data request being provided to the Company's benefit consultant.
- No sooner than May 31, 2024, the Company will inform the Union and its bargaining committee of its intent to bring forth a proposal of an alternative company-sponsored health and welfare plan.

Failure to Adopt H&W Benefit Modernization

With the understanding that both parties seek to provide the best possible benefit coverage to Lunds & Byerlys employees with membership to UFCW Local 663, should Plan Trustees fail to approve **all** measures to modernize the MRMC plan by May 31, 2024, the parties shall begin the following process. Should Plan Trustees approve all modernization measures no later than May 31, 2024, the provisions of this section shall be deemed null and void.

1. A **contract reopener** for the exclusive purpose of evaluating, in good faith, health and welfare plan options between the MRMC Health & Welfare plan and any other Lunds & Byerlys-sponsored Health & Welfare plan will occur starting no later June 5, 2024.
2. Lunds & Byerlys employees with membership to UFCW Local 663 that are selected to serve on the Union's healthcare committee will be determined as follows:
 - UFCW Local 663 at its sole discretion shall select no more than fifteen (15) individuals that are employed by Lunds & Byerlys and who have membership with their Local.
3. The healthcare committee will meet in good faith with management representatives with regular frequency, but no less than twice per month, unless mutual agreement is reached between the Union and Company to meet at a different frequency.
4. The Company and the Union will conduct joint town hall meetings with employees/members ~~in~~ no earlier than August 2024 for the purposes of explaining the health and welfare options presented to the committee. Such joint town hall meeting(s) will only occur after the Company has provided the Union and the healthcare committee the full details of all health and welfare plans being proposed, discussed and considered, including scope of benefits, eligibility and providers.
5. Town hall meetings will be used to communicate the facts pertaining to the then current Trust plan and the Company proposed plans. Any materials presented will first be provided to all parties involved. Nothing in this agreement shall limit or preclude the Union from any other means of communicating with members.
6. **Lunds & Byerlys employees who are members of UFCW Local 663 shall vote for the Health & Welfare plan they believe best serves them. The plan that receives the majority of votes will be deemed the Health & Welfare benefit plan with coverage beginning January 1, 2025.**
7. **This vote shall occur no later than September 30, 2024.**

Company Commitment to MRMC Health & Welfare Plan

Should the MRMC Plan Trustees adopt all measures to modernize the Plan by the deadlines agreed herein, the Company commits to not propose any alternative company-sponsored health and welfare plan affecting bargaining unit employees during the negotiations of a 2025 successor agreement.

Disputes Over This Agreement

Should any disputes occur over this Letter of Agreement, the parties agree to expedited arbitration. In lieu of Article 16, the parties agree that the following process will be applicable to disputes arising out of this LOA:

- A. A grievance concerning this provision **may be submitted by either party** for expedited arbitration.
- B. A grievance will be filed directly **with the other party**.
- C. The party in which the grievance was served upon will have five (5) days to issue a final decision to the grievance.
- D. The request for expedited arbitration will be made within five (5) calendar days after receipt of the final decision in the grievance procedure. If no final decision has been issued, the request will be made within five (5) calendar days from the date such decision should have been issued.
- E. The parties agree that such matters will be heard by _____ (insert name or process to select). An arbitrator unable to hear an expedited arbitration case within thirty (30) calendar days will be deemed unavailable and the Parties will select another arbitrator.
- F. The hearing will be conducted as soon as possible but in no event later than 30 days from the request to the Arbitrator. The Parties may arrange for a pre-hearing conference with or without the Arbitrator to consider means of expediting the hearing.
- G. The arbitrator will issue a decision as soon as possible, but no later than twenty (20) calendar days after the official closing of the hearing, unless otherwise agreed by the Parties. By mutual agreement, the arbitrator may issue a bench decision.