

Fully Recommended Settlement
Southern California Retail Food, Meat, Bakery, Candy and General
Merchandise Agreements
Stater Bros. Markets
and
UFCW Union Locals 135, 324, 770, 1167, 1428, 1442, and 8GS
August 6, 2025

The parties have met and reached an agreement that the Unions and the Union bargaining committees are fully recommending for ratification. The proposed changes to the labor agreement are set forth below (any item not mentioned shall remain unchanged). The So. California UFCW locals will continue as a single unit for all covered employees within the geographical jurisdiction of UFCW Locals 135, 324, 770, 1442, 1428, 1167 and GS. All ULPs filed by Local Unions in connection with the 2025 negotiations to be withdrawn after ratification. Anything not or identified in this document is both withdrawn by the employer and the union.

TERM: 3 years (March 3, 2025, through March 5, 2028)

Wages:

Thereafter Food Clerk, GM Clerk, and Meat Cutter wage rates increase as follows:

March 3, 2025:	<u>+\$1.00</u>
March 2, 2026:	<u>+\$0.30</u>
August 31, 2026:	<u>+\$0.95</u>
August 2, 2027:	<u>+\$1.20</u>

Apprentice Rates, including Courtesy Clerks: Revise Minimum Wage Letter of Agreement

Top Step Clerks Helper Increase:

Effective first pay period following ratification, Clerks Helpers at the top step working in stores under the California Minimum Wage (\$16.80) will receive a \$0.10 increase. This increase will only temporarily modify the Minimum Wage Letter of Agreement, which will resume in full force and effect on 1/1/26 (This may be paid retroactively but implemented as soon as possible).

Longevity: Upon reaching their 8th anniversary General Merchandise Clerks/Meat Clerks will receive the following:

November 3, 2025:	<u>+\$0.25</u>
November 2, 2026:	<u>+\$0.50</u>
November 1, 2027:	<u>+\$0.50</u>

Premiums: Increase department head rates except for current Service Deli /Bakery department heads that are already receiving the additional \$1.00 pursuant to the Sushi side letter as follows:

December 1, 2025: +\$0.25
November 2, 2026: +\$0.25

Meat Cutter wage progression increases as follows:

See Appendix A

ARTICLE 1 – Recognition Of The Union – Section A, Bargaining Unit Subsections 1-4

1. The Employer recognizes the Union as the sole collective bargaining agent with respect to work, rates of pay, hours, and terms and conditions of employment for the appropriate bargaining unit composed of all employees, except as limited below in section 1.B who perform work within food markets, discount stores, drug stores, ~~and shoe stores~~ presently operated and hereafter established, owned or operated by the Employer within the territorial jurisdiction of the Local Union. The jurisdiction of the local union as referred to in this agreement is defined as set forth in Appendix G. Food markets are defined as Retail, Food, Meat, Bakery, Candy and General Merchandise Agreement March 3, 2025- March 5, 2028

2. All work or services not specifically excluded by this Agreement is hereby recognized as bargaining unit work, **and bargaining unit work shall not be subcontracted except as provided herein.** ~~including work employing skills or functions similar to those that are being or have been used or performed by bargaining unit employees, or work that would replace the work historically performed by such employees.~~

3. Delete and renumber remaining paragraphs

4. In the event that the Employer establishes a new department or creates new **bargaining unit** work in any of the stores or establishments operated by the Employer which are covered by this Agreement, for which wages are not specifically provided in this Agreement, it is agreed that, should the parties be unable to reach agreement upon wages for such work, the parties shall then submit the matter to arbitration in accordance with Article 12 of this Agreement, notwithstanding in this situation any provisions to the contrary contained therein, and shall be bound by the terms of the arbitration award.

Add: Article 1- Recognition of the Union- B. Food Market Exclusions:

15. Sushi Operations- Sushi Side Letter – continue in effect except that Service Deli / Bakery Department Heads hired or promoted after ratification will not receive the additional \$1.00 / hour.

ARTICLE 2 – EMPLOYMENT PROCEDURES

Modify as follows:

1) ARTICLE 2 – EMPLOYMENT PROCEDURES

Modify as follows:

B. NOTICE OF NEW HIRES. The Employer agrees to notify the Union, in writing, within fourteen (14) days from the date of first employment of any employee subject to this Agreement, of the name of such employee, ~~mailing address~~, store number, ~~Social Security number~~, the position for which employed, the date of first employment, ~~and the~~ rate of pay at which the person is employed, **and (if the employee has furnished such**

information) mailing address, social security number, and phone number. The Employer will include terminations, store transfers and changes in job classification in its new hire report.

D. ENFORCEMENT. The parties hereto agree that this Article 2 shall be implemented and enforced as hereinafter set forth.

1. Introductory Letter. This letter will be sent by the Union to the employee's by text and/or email communication. ~~(if the Employer has complied with Article 2-B of this Agreement requiring the Employer to supply such home address to the Union), or to the store where the employee is employed.~~

(a) This letter will quote the language of Article 2-A of this Agreement and advise employees of the Union's office hours and other matters relating to the employee's satisfaction of their obligations under Article 2-A of this Agreement.

2. All employees will be billed for their appropriate initiation fee and/or reinstatement fee and/or periodic dues lawfully applied in accordance with the Bylaws of the respective Local Unions.

3. Delinquency Notice. This notice will be sent to the employee's by text and/or email. ~~home address (if the Employer has furnished the Union with such information); otherwise it will be sent to the store in which the employee works.~~

The delinquency letter is to be sent to the employee specifically advising them that:

- (a) They are delinquent in their financial obligations to the Union;
- (b) Advising them of the specific amount due;
- (c) How the amount is computed;
- (d) The date the sum must be received by the Union;
- (e) The penalty for noncompliance, i.e., discharge if the obligation has not been met; and
- (f) Address and telephone number of the Local Union offices and hours of operation.

4. Termination Notice. The termination notice shall be sent to the Employer involved by email. The copy to be sent to the employee shall be sent to the employee's by text and/or email. ~~home address (if the Employer has furnished the Union with such information). If the Employer has not furnished such information, the copy shall be sent to the employee at the store where the employee works.~~

(a) The termination notice will be sent at such time as the employee has ignored all efforts by the Union to obtain compliance with this Article 2.

ARTICLE 7 – HOLIDAYS

7(I)(1)(G)(NEW) Personal Holiday Effective January 1, 2027, employees, hired after March 1, 2004 and who have been with the Company for more than five (5) years will be eligible for one (1) personal holiday that shall be observed by the employee during the calendar year-in-question. Each employee shall give the Employer no less than two (2) weeks' advance written notice of the date(s) on which they wish to observe their personal holiday. Personal holidays may not be celebrated in the same week as any of the other contractual holidays except by mutual agreement between the employee and the Employer.

ARTICLE 9 – LEAVES OF ABSENCE

Article 9 (A) – Add An employee who provides a full release to return from leave of absence by 12:00 P.M. on Thursday, and who is not offered sufficient hours the following week, will be credited, if necessary, with up to 40 hours for a full-time employee or up to 24/28 hours for a part-time employee (whichever is applicable) by the trust fund for health and welfare purposes.

9(B)(3) Union Business. An employee in good standing with the Employer, whose acceptance of employment with the Union takes them from their employment with the Employer, shall, upon written request to the Employer by the Union, receive a leave of absence for the period of his service with the Union, of not less than thirty (30) days no more than one (1) year. 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 involved 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 a leave from the same store during the same period of time, nor shall more than ~~three (3)~~ **eight (8)** employees in the company be on such a leave at one time. An eligible employee shall not be granted more than ~~one (1)~~ **two (2)** such leaves of absence during the term of this Agreement, nor shall such a leave of absence be granted to an employee who, at the time of his request for such leave of absence, is on a leave of absence from the Employer for any other reason. Upon his return, they shall be reemployed at work similar to that in which they are engaged immediately prior to his leave of absence in accordance with Article 9, Section D. 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.

Article 9(B)(2) - BEREAVEMENT LEAVE.

1) ARTICLE 9 – LEAVES OF ABSENCE

B. OTHER PURPOSES

2. Bereavement Leave. Leave for all employees shall be provided because of the death of a member of the employee's immediate family. Pay for such leave shall be at the straight-time rate of pay for up to a maximum of three (3) calendar days within a period of forty-five (45) calendar days. Full-time employees shall receive eight (8) hours of pay for each day and part-time employees shall receive four (4) hours of pay for each day.

Additionally, the Company will provide up to two (2) additional unpaid days for bereavement leave. Verification of time required for such paid bereavement leave shall be

supplied to the Employer by the employee if requested. ~~Immediate family shall be defined as the employee's spouse, registered domestic partners, child, mother, father, brother, sister, mother and father of the current spouse, grandparent, grandchildren;~~ **Qualifying family members include spouse, child, parent, sibling, grandparent, grandchildren, domestic partner, or parent-in-law,** or other relative living in the employee's home.

ARTICLE 12 – GRIEVANCE AND ARBITRATION – Such meeting may be accomplished virtually at the request of either party.

ARTICLE 15 – TRUST FUNDS – Bargaining Note or Side Letter

After ratification of this Agreement (March 3, 2025 – March 5, 2028), implement the following modifications:

Eliminate Silver Plan

Eliminate the Silver Plan and substitute the Gold Plan in its place with eligibility after 3 months with all other rules remaining the same.

6-month initial open enrollment window

Individuals have 6 months from the day on which they obtain eligibility to enroll. Failure to enroll within that timeframe will result in denial of enrollment until the next open enrollment.

Example, an employee meets their eligibility requirement on October 10. They have until the following April 10 to enroll.

Allow a 1 in 5 change for dental plans outside of Open Enrollment

Allow individuals to change their dental plan outside Open Enrollment, for any reason, one time within a five-year period.

Foster Care Eligibility

Change to the rules for Dependent Eligibility related to foster children.

Dependents eligible for the Fund's health care coverage are;

- 1) A foster child under age 26, who is placed with you by a government agency or court order.
- 2) An unmarried foster child whose status established by a Natural Parents' Certification is less than 19 years of age or is a full-time student in an accredited educational institution, age 19-24 is totally dependent upon you for support and maintenance and resides with you on a permanent basis.

Once eligibility is established, annual future verification will be established by the following methods:

- 1) A Natural Parent Signature; or

- 2) An annual declaration under penalty of perjury that all information provided for coverage is true as represented.

All other requirements, including but not limited to annual federal tax returns showing the child is covered as a dependent and student certification, will continue to apply.

Bargaining Committee Health and Welfare

For employees on the Union Bargaining Committee during the 2025 negotiations, if the parties reach a settlement without a labor dispute, each of these employees will be credited for up to eight (8) hours per day for each negotiation session attended for health and welfare eligibility. It shall be the obligation of the union to provide the information to credit these hours.

Move Self-Injectable medication to the Pharmacy Plan

Currently self-injectable medication is blocked/excluded under the pharmacy benefit through the PBM (CVS). Effective July 1, 2025, CVS will remove the exclusion under the pharmacy benefit and add a block/exclusion to the applicable medical benefit.

MAPD for All Non-Kaiser Medicare Retirees

Effective January 1, 2026, move non-Kaiser Medicare retirees to a single Anthem MAPD plan that most closely mirrors the Anthem Medicare Preferred PPO (25P).

Utilize the Dependent Audit language in the current CBA

No later than September 1, 2025, start a dependent audit as set forth in the current Collective Bargaining Agreement. If a participant's dependent is disqualified solely for failure to respond timely, the dependent will be added immediately upon receipt of documentation with retroactive coverage for up to four months. The trustees will work out a reasonable methodology for the audit with the goal of only disqualifying those not eligible. An audit committee will be established for the purposes of hearing appeals related strictly to the audit.

15(A)(5) Employer Contributions. The Employer agrees to the following hourly contribution increase to the Current Plan A and New Hire Plan contribution rate of \$4.788 to the Benefit Fund:

15(A)(5)(i) July 2025 hours payable in August 2025: \$0.10 increase

15(A)(5)(ii) (NEW) March 2026 hours payable in April 2026: \$0.10 increase

15(A)(5)(iii) (NEW) March 2027 hours payable in April 2027: up to \$0.10 if necessary, based on the co-consultants' joint recommendation of the rate needed to ensure a reserve of three (3) months on March 1, 2028.

15(B) - Make suspension rules more lenient - increase allowable hours to 80 hours worked in a 4-week month and 100 hours worked in 5-week month and eliminate non-worked hours (ie. vacation, holidays, jury duty etc.) from the allowable hours calculation.

15(C)-Southern California Variable Annuity Plan (VAPP) (add new section and renumber current C-I

15(C) (NEW) In addition to the current Employer contribution of \$2.85 per hour to the Legacy Pension Plan, effective with hours worked on March 2, 2026, the Employers will contribute an additional \$.25 per hour to a newly created Southern California Variable Annuity Pension Plan.

15(C) (NEW) The Plan will be administered by the Southern California UFCW & Food Employers Trust Fund.

15(C) (NEW) The Plan will be designed by plan professionals with input and final approval from the trustees. This will include, but not be limited to, such things as hurdle rate, participation of new employers, etc.

15(C) (NEW) The goal is to have the Plan operational by January 1, 2027, and begin to pay benefits as soon as administratively practical. Trustees and plan professionals will meet on a monthly basis (virtual meetings acceptable) to develop and implement the plan.

15(C) (NEW) Contributions will be in the amount of \$0.25 cents per hour for all hours worked. All other terms and conditions regarding contributions will be the same as the existing Legacy plan.

15(C) (NEW) Employees will receive vesting credits for all years worked.

15(C) (NEW) The Plan will be open to all current Southern California UFCW Grocery employers, including union and trust fund staff.

ARTICLE 20 - SAFETY COMMITTEE

Section 1. The Employer agrees that it will continue to provide a safe and healthy workplace and agrees to appropriately address any unsafe condition or safety or health hazard to the extent reasonably possible. This includes the Employer's commitment to comply with all federal, state and local laws and regulations. The Employer agrees to promptly investigate all hazards, unsafe conditions and accidents properly brought to its attention and to the extent reasonably possible to promptly remedy all hazards and unsafe conditions its investigation reveals. The Employer will furnish, at its expense, all safety and protective equipment required by applicable laws and agency regulations.

Section 2. Each store shall have a Safety Committee. The Committees shall include at least two (2) bargaining unit representatives, a shop steward at least one of whom shall be chosen by the union from that store for a term of two (2) years and who shall be included in meetings and/or other activities of the Committee. Committee members shall be paid by the Employer for time spent at monthly Safety meetings. The Employer may limit the time to two (2) hours per month. The committee will include company representatives as well.

Section 3. Committee members shall inspect facility conditions and bring any hazards or unsafe conditions to the Company's attention but at no time should the inspection interfere or serve as an excuse for not performing the duties of their position, unless the safety of an employee is imminently at risk. Review and monitoring of the Employer's Disaster and Evacuation plan will be considered a function of the Committee. The Company agrees to appropriately address hazards and unsafe conditions that Committee members bring to its attention promptly and to the extent reasonably possible.

Section 4. In the event an employee encounters an unsafe situation, the employee should first contact the Store Manager or the Assistant Store Manager to make them aware of the situation. If no action is taken, or the supervisor's response is unacceptable to the employee, the employee may address their concern with the Committee.

NEW ARTICLE 21 -- IMMIGRATION

The parties have a mutual interest in issues of immigration, citizenship, and work authorization as they impact bargaining unit members. Beyond these interests is the safety of employees and customers. Moreover, to the extent possible, when confronted by any peace officer at any company location, each employee will comply with any lawful request of law enforcement.

1. If a law enforcement officer requests entry into any non-public areas of the worksite, the lead bargaining employee ("person-in-charge") if no non-bargaining employee is present at the time, will ask the law enforcement officer the reason for their request and contact the Company's security department for guidance prior to the law enforcement officer entering the area. If the law enforcement officer continues into the non-public area of the worksite, the employee in charge will document the incident in the company's system of record and to the supervisor of the employee in charge. No employee will obstruct or interfere in any law enforcement officer in the execution of the officer's duties. The primary duty of the employee is to comply with the direction of any law enforcement officer and then be a good witness, at a safe distance of any incident that law enforcement is investigating.
2. The Employer, in the Employer's sole discretion will determine whether the employer will waive the current 3-day period to produce I-9 related documents in response to a Notice of Inspection, as may be modified from time to time. The Employer, in the instance of choosing not to waive the current three day period, will notify the union, unless there is a lawful reason not to notify the union.

Corrections to Records: An employee may notify the Employer of a lawful change in name or Social Security number and the Employer will modify its records to reflect such changes, without prejudice to seniority or any other term or condition of employment.

Expiration of Documents and Leave of Absence: Employees who need a leave to deal with immigration issues will have access to the current leave benefits under the CBA and/or the Employer's policies. As each employee's situation/case has facts specific to that employee, each case will be handled based on the underlying situation/facts.

NEW ARTICLE 22 -- STAFFING

General Staffing.

Pursuant to the terms of this Agreement, the Employer agrees that staffing decisions will be made in good faith and consistent with the considerations set forth herein. The Employer agrees to maintain reasonable staffing levels at all times to ensure the efficient operation of the store, the health and safety of employees, and the quality of customer service. Staffing decisions shall take into account the store's operational needs, customer volume, and other factors affecting store performance, including but not limited to peak hours, seasonal fluctuations, and special promotions.

Shift Filling.

The parties recognize that staffing needs may vary due to unforeseen circumstances, such as employee absences, emergencies, or changes in business conditions. When scheduled employees call out, management will make reasonable efforts to call in qualified employees in that classification to fill those shifts.

Additionally, within four (4) months of ratification, the Employer agrees to define a shift filling process.

NEW ARTICLE 23 - Self-Checkout

The Employer may have at its discretion multi-unit self-checkout check stands in its stores. During the hours of 8:00 am – 7:00 pm, if any self-checkout lane is available for use by customers, the Employer will schedule at least one (1) full-service checkout lane to be open and available for use by customers. For all other hours a full-service check stand will be available upon customer request. A dedicated employee must be assigned to monitor a self-checkout bank when it is open for use for customers. This employee may be assigned to perform incidental work in the general vicinity of that self-check out bank or operate a full-service check stand to respond to a customer's request when no more than one customer is using that self-check out bank.

All stores with traditional self-check will have signage that states that self-check should be limited to orders of about fifteen (15) items.

If multiple self-check banks are operating in different areas of the store, there will be at least one employee assigned to each bank.

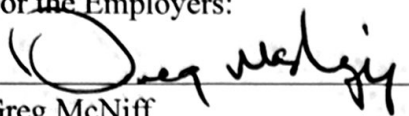
In the event the State or any municipality passes legislation impacting a store covered by this Agreement, this Article will be null and void within that jurisdiction unless the law allows for a CBA exemption from the law.

Letter of Agreement

In the event the State, Federal or any municipality minimum wage increases during the term of this Agreement (2025 - 2028) to a rate greater than sixteen dollars and fifty cents (\$16.50), each rate will be at least forty cents (\$0.40) above the minimum wage for Food Clerks; ten cents (\$0.10) above the minimum wage for Courtesy Clerks; and twenty cents (\$0.20) above the minimum wage for all others. Further, each rate will be at least ten cents (\$0.10) higher than the previous rate in the progression schedule. For both GM & Food Clerks, there will be a minimum of \$0.15 between each step, not to exceed the top (thereafter) rate. Moreover, if an employee working in a municipality with a higher minimum wage is involuntarily transferred to a store in another municipality, they will not be reduced in wage; the exception to this would be a transfer due to store closure. This letter of Agreement expires March 5th, 2028.

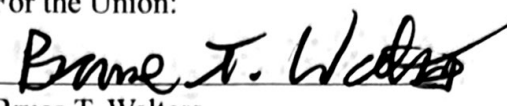
Executed this 6th day of August, 2025.

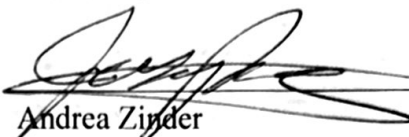
For the Employers:

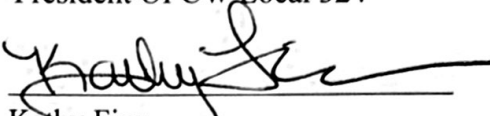

Greg McNiff
President, Stater Bros. Markets

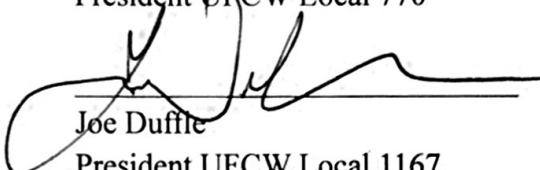

Sonia Muñoz
Stater Bros. Markets
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