

TRANSITION AGREEMENT – ARCADE

This Transition Agreement (“Agreement”) is made by and between Cub Foods (the “Company”) and United Food & Commercial Workers Local 1189, including its affiliate the United Food & Commercial Workers International Union (the “Union”), collectively the “Parties”.

WHEREAS, the Company has discussed with the Union its interest in acquiring the assets of certain Rainbow Foods stores;

WHEREAS, the employees of those Rainbow Food stores are represented by the Union pursuant to a collective bargaining agreement (“Rainbow CBA”);

WHEREAS, employees of the Company’s Cub Foods banner are also represented by the Union pursuant to a collective bargaining agreement (“Cub CBA”);

WHEREAS, following the asset purchase, the Company will continue to operate the following Rainbow Foods store as a Cub Foods (the “Store”):

- Rainbow Foods – Arcade

WHEREAS, the Parties have a mutual interest in ensuring a smooth transition and labor peace following the acquisition, including minimizing the risk of any grievances, litigation or other disputes regarding their contractual rights and obligations in connection with and following the acquisition;

NOW THEREFORE, the Parties agree as follows:

1. Following the execution of an Asset Purchase Agreement (“APA”), the Company will begin the hiring process.
2. While the Company is not required to interview or hire Rainbow employees, the Company will consider current Rainbow employees for employment at the Store using a similar application and hiring process as it uses for other interested applicants.
3. All applicants will be required to pass the Company’s screening procedures for applicants, including but not limited to background checks and post-offer, pre-employment drug tests.
4. The Company will not assume the Rainbow CBA. Instead, the Company will unilaterally set the initial terms and conditions of employment to be included and communicated in its offers of employment. The initial terms and conditions of employment will include, but not be limited to, the following:
 - a. Current Rainbow employees hired at the Store prior to or within ninety (90) days following the date on which the transaction is closed will be offered the same job classification (i.e., full-time or part-time) and rate of pay the individual had immediately prior to the closing of the transaction. Other designations, however, such as Department Head or Assistant Manager, may or may not be maintained.
 - b. All applicants who are hired will be required to pass a probationary period that will run from the date the person is hired to the later of ninety (90) days following the date on which the transaction is closed or thirty (30) days after the date the person is hired. The Company may

extend the probationary period an additional 30 days if it deems necessary. If the Union is entitled to recognition as set forth in Paragraph 5 below, the 30-day probationary period extension shall be upon mutual agreement only.

- c. All applicants hired will be treated as a new hires. Rainbow employees hired prior to or within ninety (90) days following the date on which the transaction is closed at the same store in which the individual worked immediately prior to the date on which the transaction is closed shall have as their seniority date the date on which the Asset Purchase Agreement was signed provided they remain employed past their probationary period. For purposes of determining store seniority between former Rainbow employees who have a seniority date on which the Asset Purchase Agreement was signed, the former Rainbow employees will be slotted amongst themselves according to their previous Rainbow seniority date.
- d. New hires from Rainbow Foods will not have any paid vacation or personal/floating holidays during their first year of employment but may take unpaid vacations and personal/floating holidays. Credit for prior service with Rainbow Foods may be granted only for purposes of determining eligibility for unpaid vacation during the first year of employment and for paid vacation in subsequent years.

5. If the Union is entitled to recognition as the collective bargaining representative of the employees at the Store pursuant to the National Labor Relations Act ("NLRA"), the terms of the Cub CBA will apply to such Store except as follows:

- a. The Cub CBA will be amended and modified wherever and to the extent necessary to continue in full force and effect the initial terms set forth in Paragraph 4 above.
- b. The Cub CBA will be amended and modified wherever and to the extent necessary to reflect the fact that employees hired at the Store shall have no seniority rights outside of the Store nor shall they have the right to transfer or "bump" out of the Store.
- c. The Cub CBA will be amended and modified wherever and to the extent necessary to remove and discontinue any obligation on the part of the Company to make any contributions to the Milwaukee Area Retail Food Clerks Pension Fund. In addition:
 - i. Clerks. For former Rainbow clerks hired at the Store prior to or within ninety (90) days following the date on which the transaction is closed and for whom contributions were being made to the Milwaukee Area Retail Food Clerks Pension Fund, contributions will be made to the Local 1189 Defined Contribution Fund starting with the first week of the former Rainbow clerk's employment with SUPERVALU in an amount equal to the sum of the amount Rainbow contributed immediately prior to the sale on the clerk's behalf to (A) the Milwaukee Area Retail Food Clerks Pension Fund plus (B) the Local 1189 Defined Contribution Fund.
 - ii. Meat. The Company will make contributions to the UFCW International Union-Industry Pension Fund and the 1189 Defined Contribution Fund for former Rainbow meat employees starting with the first week of employment.
- d. For former Rainbow employees hired by SUPERVALU at the Store prior to or within ninety (90) days following the date on which the transaction is closed, the Company will make contributions

to the health plan starting with the employee's first week of employment if such contributions were made on the person's behalf by Rainbow prior to the transaction closing and if the person works sufficient hours for the Company to require a contribution.

- e. The inside/outside hiring provisions of the Cub CBA will be waived by the Union prior to and within the first ninety (90) days following the date on which the transaction is closed.
- 6. With respect to former Rainbow employees hired at a current Cub Foods store that was not acquired from Rainbow Foods, the Company will have the option, in its sole discretion, to either (a) maintain the person's rate of pay and job classification, in which case the provisions of Paragraphs 4 and 5(d) above will apply (to clarify, the Company would make contributions to the Milwaukee Pension Fund according to the current Cub contract), or (b) treat the person as a new hire for all purposes. The Company will notify the Union within thirty (30) days following the person's hire date whether it will apply option (a) or (b) from above.
- 7. This is a complete statement of the Parties' Agreement.

Cub Foods [COMPANY]

Signed: W. Reef

Date: 6-26-14

Name: William R. Seetha

Title: VP, Labor Relations & Benefits

UNITED FOOD AND COMMERCIAL WORKERS
LOCAL 1189

[Signature]
Don Seaquist
President

Date: [Signature]