

KOWALSKI'S CENTRAL FACILITY
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KOWALSKI'S WHOLESALE BAKERY CONTRACT
COVERING WORKING CONDITIONS AND SCALE OF WAGES IN THE
HANDCRAFT AND SEMI-MACHINE BAKERIES
UNDER THE JURISDICTION OF
UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL NO. 1189
SAINT PAUL, MINNESOTA AND VICINITY

THIS AGREEMENT made and entered into this **May 4, 2026** by KOWALSKI'S CENTRAL FACILITY, A DIVISION OF KOWALSKI'S COMPANIES, INC., hereinafter referred to as the "Employer" and UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL NO. 1189 St Paul, Minnesota and vicinity, by its duly authorized representatives thereof; hereinafter referred to as the "Union".

LENGTH OF AGREEMENT: Through **May 5, 2029**

WITNESSETH:

WHEREAS, the employees herein have elected to bargain collectively with the Employer, and for said purpose have affiliated themselves as members of said Union, and have chosen the duly authorized members of said Union to bargain collectively with the Employer for wages, hours and working conditions.

NOW THEREFORE, for the purpose of carrying out the intention of the parties, it is mutually agreed as follows:

ARTICLE 1
UNION SECURITY - CHECKOFF - MANAGER'S CLAUSE

A. UNION SECURITY: All present employees who are members of the Union shall remain members of the Union as a condition of employment, and all present employees who are not members of the Union shall become and remain members of the Union on the 61st day after the execution of this Agreement as a condition of employment, and all new employees shall become and remain members in good standing of the Union on the 61st day after date of hire as a condition of employment for the duration of the Contract.

B. CHECKOFF: The Employer agrees to deduct from an employee's check once each pay period, initiation fees and Union dues owed to the Local Union for each employee, provided that the Union or individual employee files individual/authorization cards with the Company expressly granting the right to the Company to deduct said amounts.

C. MANAGER'S CLAUSE: It shall be at the Employer's discretion to determine whether the bakery manager will be a part of the bargaining unit.

ARTICLE 2
DEFINITION OF EMPLOYEES

A. FULL TIME: Regular full-time employees shall be those employees who are regularly scheduled to work forty (40) hours or more. Part-time employees may work more than thirty-two (32) hours without penalty to the Employer.

B. VACATION RELIEF/SUMMER WAIVER EMPLOYEES, EMERGENCY WAIVER:

1. The Employer will be allowed to hire part-time employees for up to eight (8) weeks per year. These employees will be scheduled to work less than thirty-two (32) hours per week. Regularly scheduled employees shall not have their hours reduced while utilizing these temporary employees. **Employees working less than forty (40) hours per week will be offered additional hours up to forty (40) hours before waiver employees shall be allowed.** These employees shall not be eligible for any benefits under this agreement; however Appendix A (Wages) shall apply.

ARTICLE 3
WORK WEEK - HOURS – OVERTIME

A. WORK WEEK: The basic workweek for full-time employees shall be forty (40) hours to be worked in any five (5) days, Sunday through Saturday. Work performed by any employee in excess of forty (40) hours per week shall be paid at the rate of one and one-half (1 1/2) times the employee's rate of pay except as otherwise provided in this agreement.

B. GUARANTEED HOURS: All regular full-time employees shall be guaranteed a minimum of thirty-two (32) hours' work or thirty-two (32) hours' pay. Any regular full-time employee shall be guaranteed eight (8) hours' work, or eight (8) hours' pay on their regular work day, All employees other than full-time shall be guaranteed three (3) hours' work, or three (3) hours' pay when reporting for work.

In the event of an emergency, Section A and Section B of ARTICLE II, shall not apply. Emergency to be defined as an Act of God beyond the control of the Employer.

C. OVERTIME:

1. Employees who work unscheduled hours beyond the eight (8) hours will waive the daily overtime provision for hours worked up to nine (9) hours in a day. The Employer may adjust schedules later in the workweek to avoid weekly overtime. Such adjustments will be initiated by the Employer. The Employer will have the ability to send employees home to avoid weekly overtime. After nine (9) hours, the ability to waive incidental overtime becomes void and overtime will be paid on all time worked after eight (8) hours.
2. Time worked on the sixth or seventh day will be rotated among all employees as evenly as possible, provided the employee is qualified to perform the duties of the

job. Should the Employer find it necessary to change the employee's regularly scheduled workday, he shall give the employee one week's notice with reference to such change.

3. Cake decorators will be paid a minimum of one (1) hour pay for being on call from 8am-9am on Sundays. Employees called in to work for a "cake emergency" will be paid time and one-half for all hours worked including travel time to and from the workplace. Sunday on-call assignments will be rotated equally among all cake decorators.
4. In the event that a cake decorator is called to work for a "cake emergency," that employee's posted schedule will not be modified, except by mutual agreement.

D. EMPLOYEE BREAK TIME: All employees shall receive a paid rest period of fifteen (15) minutes for any three (3) hours worked not to exceed thirty (30) minutes in any workday. Employees entitled to two (2) fifteen (15)-minute paid break periods will continue to be allowed to take their breaks consecutively where the practice exists. No rest period shall be provided in any four (4)-hour period that is broken by a paid supper period.

E. SCHEDULES: Schedules for all employees will be posted by Friday noon for the following one (1) work week. The Employer will respond to time-off requests in a timely fashion.

ARTICLE 4 WAGES

WAGES: The following schedule of minimum hourly wages shall be paid to employees in the following classifications: (See attached Wage Schedule – Appendix A).

ARTICLE 5 SENIORITY, LAYOFF AND RECALL

A. SENIORITY DEFINED:

Bargaining unit seniority is the length of continuous employment of an employee while working under the jurisdiction of this Agreement. Departmental Seniority shall be defined as the employee's length of continuous service in the following categories:

- 1) Bakery Department
- 2) Production Kitchen
- 3) Smokehouse

2. The Employer may assign work in another department. This work assignment has no impact on the employees' seniority.

B. Probationary PERIOD: All regular full-time and part-time employees who are original hires, or rehires following separation, shall serve a probationary period of sixty (60) days.

At any time during the probationary period, an employee may be discharged by the Employer without such discharge being a violation of this Agreement or being grievable as provided by the Grievance Procedure, Article 20.

Any employee selected from the bargaining unit to fill a posted position shall have a sixty (60)-day probationary period to achieve proficiency. An additional thirty (30) days may be added when **their** abilities are in question. Should the employee fail to make the transition, **the employee** shall have the right to move back to **their** previous position and hours. In either case an employee will retain **their** original date of hire as his/her seniority date.

C. LAYOFFS:

1. Employees may be laid off to meet the needs of the Employer. In the event a layoff is necessary the work force will be reduced based on reverse departmental seniority; with the exception of an employee with a suspension in their classification within their previous six (6) months would be laid off first, regardless of seniority.
2. Employees designated as Department Heads shall have super seniority after serving twelve (12) months in the position.
3. Should a layoff occur in one department and hours of work remain available in another department, an employee affected by the layoff may elect to accept hours as available, provided the employee is qualified to perform the duties. The employee will be paid according to the appropriate scale based on their hours of service. Employees accepting work in other departments will maintain their original departmental seniority date for the purposes of recall.

D. RECALLS: In the event of a layoff, employees will retain recall rights for six (6) months. Employees who are laid off and subsequently recalled to work within one (1) year shall retain their seniority. Employees shall be recalled in the reverse order of the layoff within the department(s) affected.

E. NOTICE OF LAYOFF: No employee shall be laid off, or put on a part-time basis after working sixty-one (61) calendar days without being given one (1) week's previous notice, or pay for same. No employee shall quit their position after working sixty-one (61) calendar days without giving the Employer one (1) week's notice.

F. TERMINATION OF SENIORITY:

An employee's seniority and employment shall be terminated if the employee;

- a) Quits;
- b) Is discharged for cause;
- c) Fails to return from any of the leaves of absence referenced in ARTICLE 11 of this Agreement, within the time limits;

- d) Fails to respond within ten (10) calendar days of the date notice to return is registered with the U.S. Postal Service, or;
- e) Is absent from the job for any reason, other than sickness or injury, for a period in excess of one (1) year.

ARTICLE 6 PROMOTIONS

A. MANAGEMENTS RIGHTS: No worker shall be promoted solely on the basis of seniority. Promotions will be based on skills and qualifications, which are credited to the position in question.

B. QUALIFICATIONS: Promotions and considerations of applicants will also be based on historical time and attendance records and an overall display of superior job responsibility. When two (2) candidates are qualified, seniority will be the deciding factor.

C. PROMOTIONS: The Employer shall post all open full-time positions. Internal candidates will be considered before hiring **outside and/or non-bargaining unit applicants**.

ARTICLE 7 DISCHARGE

A. No employee shall be discharged, suspended, disciplined or demoted except for just cause. Serious offenses or misconduct will result in immediate termination. Serious offenses include (but are not limited to) theft and other criminal activity, falsifying attendance records, sexual, racial, physical or verbal harassment of another employee or customer, and the use of alcohol, drugs or illegal substances consumed or possessed on company property or prior to reporting to work. All serious offenses will be clearly stated and posted wherein the employee can read and fully understand the offenses and subsequent circumstances. Issues, such as poor job performance, punctuality, attendance or personal conduct, termination shall be handled according to company policy. A regular member who is discharged shall within three (3) days from date of discharge receive in writing reason for such discharge.

B. Any objection to any discharge must be registered in writing with the Employer within seven (7) calendar days after reason for discharge is supplied.

ARTICLE 8
PERSONAL DAYS

- A. All full-time employees, after completing one (1) full year as a full-time employee, anniversary date of full-time will be used to determine eligibility rather than anniversary date of hire), are granted four (4) personal days a year, All personal day requests must be made at least two weeks prior to the day you want to take off. Part-time employees who averaged thirty-five (35) or more hours per week in the previous year will receive eight (8) hour personal days.
- B. One (1) six (6) hours personal day after one (1) year of employment.
- C. Two (2) six (6) hour personal days after two (2) years of employment.
- D. Three (3) six (6) hour personal days after three (3) years of employment.
- E. Personal days will be scheduled by mutual agreement.
- F. Unused personal days do not accrue into the next year.
- G. Unused personal days will not be paid in lieu of actual time off.

ARTICLE 9
HOLIDAYS

- A. Holidays under this Agreement shall be:

New Year's Day - Memorial Day - Fourth of July
Labor Day - Thanksgiving Day - Christmas Day

B. HOLIDAY WORK WEEK: Regular full-time employees covered by this Agreement shall be guaranteed a full weeks pay of forty (40) hours for thirty-two (32) hours of work in weeks the above holidays appear and time and one-half (1 1/2) for hours worked in excess of forty (40) hours.

C. EMPLOYEE ABSENCES: Regular employees shall receive holiday pay in the event of vacation during the holiday week. Otherwise, employees that do not work during the holiday week shall not receive holiday pay.

D. PART-TIME EMPLOYEE HOLIDAYS: All part-time employees who have been regularly employed for one hundred eighty (180) calendar days will receive four (4) hours' holiday pay for holidays as defined in paragraph A of this Article. Part-time employees who averaged twenty-four (24) or more hours per week in the previous anniversary year will receive six (6) hours holiday pay; Part-time employees who averaged thirty-five (35) or more hours per week in the previous anniversary year will receive eight (8) hours of

holiday pay for the holidays defined in paragraph A of this Article.

E. Employees on vacation when a holiday as defined in Paragraph A of this Article is celebrated will receive an additional day's pay or an additional day of vacation.

F. In addition to any holiday pay an employee might be entitled to receive, employees who work on the Fourth of July and New Year's Day will be paid at time and one-half for all hours worked on the holiday.

ARTICLE 10
PAID TIME OFF (PTO)

A. PTO ALLOWANCE:

1. Full-time and part-time employees will accrue PTO according to the chart below for all hours worked up to 40 hours per week.
2. The Employer will continue to award PTO overtime hours under the existing practice.
3. New employees will begin accruing PTO immediately and PTO can be used immediately.
4. PTO hours may be used under the same terms and conditions as the St. Paul Earned Sick and Safe Time Ordinance (ESST).

PTO Accrual Chart:

<u>Years of service</u>	<u>Annual PTO</u>	<u>Weekly Rate</u>
between 0-1st anniversary	1 hour per 30 hours worked capped at 48 hours/year	0.03333/hour worked
between 1st - 4th anniversary	Up to 88 hours/year	0.04231/hour worked
between 4th - 12th anniversary	Up to 128 hours/year	0.06154/hour worked
between 12th - 18th anniversary	Up to 168 hours/year	0.08077/hour worked
beginning 18th anniversary	Up to 208 hours/year	0.10000/hour worked

B. SCHEDULING PTO:

1. Employees shall have their choice of PTO according to seniority in each department, but will have only one first choice.
2. Employees must take PTO. Hours earned in a particular year are not accruable into the next year with the exception of the carryover hour limits set forth in the City of St. Paul's Earned Sick and Safe Time Ordinance.
3. PTO may be taken year around, but only with mutual agreement between the

Employer and the employee for holiday weeks.

4. Employer will post the PTO schedule January 15th - February 28th for employees to post and date requests. The Employer shall award PTO requests and the PTO Schedule shall be reposted by March 15 and remain posted throughout the year. A minimum of one (1) employee per department will be allowed to go per week.
5. After the initial awarding of PTO, requests will be granted on a first come basis. This granting will be automatic for the first request per department. The Employer will, within five (5) days of the request, confirm the employee's request on the posted PTO schedule.
6. All regular employees may take their PTO by individual days, up to one (1) week (5 days) per year. The Employer may allow employees to take an additional week as individual days based on the needs of the employee and subject to management approval. Such request should be made in writing and will not be arbitrarily denied.

C. PTO PAY:

1. PTO pay shall be based on the employee's current rate of pay at the time PTO is taken. The Employer's method must be consistent for all employees from year to year. All vacation pay will be paid at straight time rates.

Unless terminated for theft of any kind and for any amount, an employee who has completed one (1) year of service and who has accrued PTO hours in their PTO bank will receive payment for those PTO hours at their rate of pay at the time of their termination from employment.

D. PTO CASH OUT: For employees who fully accrue three (3) weeks of PTO or more, up to one (1) week per anniversary year of unused PTO time may be cashed out.

ARTICLE 11
LEAVES OF ABSENCE

A. PERSONAL LEAVE:

1. An employee may apply for a non-medical leave of absence. Application for leave does not guarantee that management will grant that request. The Employer will use reasonable and fair judgment in its decision to grant or deny leaves. The Employer may require proof of need when making this decision.
2. Employee requests for leaves and/or extensions must be in writing. Employer's response to such requests must be in writing with a copy to designated Union representative and employee.
3. The employee shall advise their supervisor of their intent to return to work a minimum of two (2) scheduled work weeks prior to their anticipated return.

4. Failure to return from a personal leave of absence shall be considered as a voluntary quit.
5. Employees on leave of absence shall not be eligible for any benefits during such leaves.
6. The employee will be reinstated without loss of seniority.

B. MEDICAL LEAVE OF ABSENCE:

1. After one (1) year of employment, if it is determined by a licensed medical practitioner that an employee as a result of illness, injury, accident or pregnancy is physically unable to perform their normal duties, they will be granted a leave of absence for up to one (1) year.
2. The leave will commence when it is determined the employee physically is unable to perform their normal duties and shall end when the employee is determined physically able to perform their normal duties.
3. The employee must be able to pass a physical examination if requested by the Employer before they return to work. In the case of a request by the Employer, the exam shall be scheduled, at the employee's convenience, and paid for by the Employer.
4. The employee shall advise their supervisor of their intent to return to work a minimum of one (1) scheduled work week prior to their anticipated return.
5. Failure to return from a medical leave of absence shall be considered a voluntary quit.
6. Employees to be eligible for medical leave of absence must have completed their probationary period.
7. Employees who are absent for illness or injury compensable under Workman's Compensation shall be granted a leave for a period of up to one (1) year.
8. Employees will be required to provide Employer with timely medical reports as required.

C. JURY DUTY: The Employer shall grant to full-time employees, who are required to serve on a petit jury, the difference between the employee's regular straight-time weekly earnings not to exceed forty (40) times the employee's straight time hourly rate of pay, and any jury fee paid to the employee. The employee shall notify the Employer, upon receipt of jury service notice, as soon as possible. Time spent on jury duty shall be considered as time worked for all purposes of this Agreement. When an employee is released for a day, or part of a day, during any period of jury service, they are to report for work.

D. BEREAVEMENT LEAVE:

1. After completing the probationary period all employees shall be entitled to a maximum of three (3) days paid leave when it is necessary to be absent on scheduled work days to grieve, arrange for, travel to, or attend the funeral of an immediate family member. Immediate family member is defined as the employee's spouse, parents, step-parents, grandchildren, brothers, sisters, mother-in-law, father-in-law or grandparents. In the event of the death of a spouse, domestic partner or children (child, step-child, adopted child, foster child and legal guardian's child), the employee shall be entitled to a maximum of four (4) days bereavement leave.
2. Employees are responsible for limiting their time away from work to those days that are reasonably required for the particular circumstance.
3. One (1) day leave of absence with pay in the event of death of brother-in-law, sister-in-law, or any other relative living in the employee's home at time of death.
4. Domestic Partner shall be defined to mean a person who: 1) is in a committed and mutually exclusive relationship, jointly responsible for the other domestic partner's welfare and financial obligations; 2) resides with the domestic partner in the same principle residence and intends to do so permanently; 3) is at least eighteen (18) years of age and unmarried; 4) is not a blood relative of the other domestic partner; and 5) has been in a relationship for six (6) continuous months prior to the date on which the person seeks benefits under this Section.
5. Funeral leave pay will only be granted for time actually lost on scheduled work days.
6. Pay will be calculated on wages at the time of leave and average hours worked.

E. EMERGENCY WEATHER SCHOOL/DAYCARE CLOSINGS LEAVE

Employees who miss work due to child care responsibilities because of Emergency and/or Weather situations that cause schools and/or daycare facilities to close will not have such absences counted against them for the purposes of the attendance policy provided the employee provides the Employer with proof of such closure.

F. VETERAN'S RE-EMPLOYMENT:

The Employer agrees to comply with the provisions of the Military Selective Service Act of 1967, and all amendments thereto.

G. INCLEMENT WEATHER: An employee shall not be disciplined for an unforeseen absence that occurs when a "No Travel Advisory" has been issued by the Department of Transportation. Employees may use PTO or sick time to cover the absence. If an employee does not have enough PTO in their bank to cover time off due to inclement weather, the

member shall not be disciplined.

H. MINNESOTA PAID FAMILY LEAVE

The Minnesota Department of Employment and Economic Development (“DEED”) determines eligibility for Minnesota Paid Family and Medical Leave (“PFML”) benefits. Paid leave premiums will be collected starting January 1, 2026, with benefits available to employees that same date. Starting January 1, 2026, the Employer will deduct from employees’ pay, fifty percent (50%) of the premium DEED charges to employers up to any statutory cap on employee premiums. The Employer will pay any remainder of the premium. For example, if the PFML premium is zero point eighty-eight percent (0.88%) of each employee’s eligible wages and the cost may be shared on a 50:50 basis, the Employer and employee will pay the PFML premium as follows:

1) Zero point forty-four percent (0.44%) will be paid by employee (the Employer will withhold this amount from the employee’s paycheck); and

2) Zero point forty-four percent (0.44%) will be paid by the Employer.

Paid time off (PTO) or other paid time off benefits provided for in this Agreement may be taken as “supplemental benefits” for those who qualify for family medical benefits under Minnesota Statute Chapter 268B. The total amount of family or medical leave benefits provided under Minnesota Statute Chapter 268B, plus the “supplemental benefits” paid to the employee by the Employer, shall not exceed one hundred percent (100%) of the regular wage of the employee. Employees may not be required to exhaust accumulated PTO or other forms of paid time off benefits before or while taking family medical leave under Minnesota Statute Chapter 268B. An employee may use PTO or other forms of paid time off or disability insurance payments in lieu of family medical leave program benefits under Chapter 268B, provided the employee is eligible.

Eligible employees may take at least four hundred eighty (480) hours of intermittent leave in a year under Minnesota Statute Chapter 268B; however, any leave needed beyond the 480 hours time must be taken as continuous leave.

PFML will run concurrently with leave taken under the federal Family and Medical Leave Act (FMLA) and the Minnesota Pregnancy and Parenting Leave law, if the employee and the purpose of leave qualifies under each respective law. PFML will also run concurrently with leave taken under any disability plan or an Employer-provided benefit.

The Employer retains the right to implement a private plan substitution should state legislation and commissioner approval be granted. This private plan shall provide no less than the minimum benefits required under any said state law. The Employer shall have the ability to design its private plan however it sees fit, provided it receives commissioner approval. The Employer further reserves the right to discontinue this

benefit in the event that the applicable state legislation is repealed, but the Employer agrees that it will bargaining regarding effects of that decision if the Union requests.

ARTICLE 12 UNION BUSINESS

A. An authorized business agent or other designated representative of the Union shall be permitted to enter a facility covered by this Collective Bargaining Agreement during working hours to attend to the business of the Union, with the right to examine pay checks and timecards of its members providing that such representatives do not interfere with the Company's business or operation. The Union business agent must contact the individual in charge of the facility immediately upon entering the premises.

B. The Union shall have the right to have a bulletin board on the working premises of each Employer and post official notices of the Union thereon.

C. The Employer shall not discriminate against a shop steward or any other member of the Union for any Union activity.

D. Orientation: The Employer will allow a representative of the Union or a steward, who is on duty, ten (10) minutes of paid time with new employees during the Employer's scheduled orientation to reinforce the company-paid employee benefits provided through the Collective Bargaining Agreement (CBA) with the Union, and to review other CBA and Union matters.

ARTICLE 13 MISCELLANEOUS

A. WEEKLY PAY: Employees shall be paid weekly or bi-weekly according to company policy.

B. BREAKAGE: No employee shall be charged for breakage, material damage or products damaged unless caused by willful misconduct.

C. DRUG TESTING:

1. **The Employer may neither administer nor require any employee to submit to a test for drugs or alcohol without reasonable cause. The parties agree that reasonable cause must be based on the first-hand observation of the employee by a supervisor and if at all possible, corroborated by the first-hand observation of a second supervisor.**

2. **Reasonable cause means objective evidence about the employee's workplace conduct that would cause a reasonable person to believe that the employee is demonstrating physical signs of impairment due to drugs or alcohol, such as difficulty in maintaining balance, slurred speech, erratic behavior, and an inability to**

safely perform assigned tasks. The fact that an employee has been involved in an accident or has suffered an injury or illness does not by itself constitute reasonable cause.

3. The Employer agrees that positive test results do not constitute just cause for discharge or discipline on the first occurrence with agreement to a mutually agreeable substance abuse program.

4. The Employer agrees to offer the employee who is tested positive a mutually agreeable substance abuse program. The employee must enroll in a mutually agreed program within one hundred twenty (120) calendar days of it being offered. The Employer agrees that the employee has the right to continue working at the employee's current job while the employee attends the program. If the employee fails to complete the program, their employment may terminate with the Employer.

5. Employees terminated for illegal drug and/or alcohol offenses who file a timely grievance and provide the Employer with certificate of rehabilitation will be reinstated for the first occurrence.

D. PAYROLL DEDUCTIONS: The Employer shall not be allowed to deduct anything from paychecks except deductions required by law unless authorized in writing by the employee.

E. REASONABLE DAY'S WORK: The Employer agrees to carry on its operations without demanding or requiring more than a day's work from any member of the Union.

ARTICLE 14 INJURY ON THE JOB

Where an employee is injured on the job and such accident is compensable under Workers' Compensation, said employee shall be entitled to full pay not to exceed eight (8) hours at his/her regular straight-time hourly rate for a period not to exceed three (3) days. If Workers' Compensation provides compensation from the first day of the injury, then the aforementioned provision will not apply. It is understood that in order to be eligible for compensation, the employee shall report, upon receipt of the injury, to his Supervisor who will refer the employee to the Employer's physician, or a physician of the employee's choice. The physician's decision with respect to the length of time required off from the job shall be the controlling factor in determining loss of time compensation.

ARTICLE 15
HEALTH AND WELFARE

A. COVERED EMPLOYEES:

1. The Employer agrees to pay into the United Food and Commercial Workers Union, Local 1189 and St. Paul Food Employers Health Care Plan contributions on behalf of all its fulltime employees. Such Trust Fund is jointly administered, is a part of this agreement, and is in lieu of all Employer established programs including life insurance, sickness and accident insurance, hospitalization insurance, or any other said forms of insurance now in practice.
2. It is agreed that in the event that net reserves (net of IBNR and all liabilities) of the Fund falls below one and one half (1.5) months as of October 1, 2019 or in a month thereafter for the life of this agreement, then the Trustees will determine the needed plan design changes required to maintain a minimum of one and one half (1.5) months net reserves (net of IBNR and all liabilities) at no additional cost for Employers. Eligible participants will be allowed to vote between either a plan reduction or participant contribution increases to maintain the plan and achieve the net reserves. Trustees will agree to implement the resulting changes.

Weekly Contribution	Employer	Employer %	Employee	Employee %	Total
Full-Time Current	\$243.20	92.40%	\$20	7.60 %	\$263.20
Full-Time 8/30/2026	\$246.36	90.0%	\$27.37	10.0%	\$273.73
Full-Time 5/2/2027	\$251.49	87.5%	\$35.93	12.5%	\$287.42
Full-Time 5/7/2028	\$258.97	85.0%	\$45.70	15.0%	\$304.67

PT employees who averaged 30 hours of compensated time or more **per week** in the period from November of one year to November of the following year will be offered the employer's health plan.

3. No contributions shall be made by the Employer for any employees off the job for any reason other than those absent under federally mandated laws (i.e., FMLA).
4. The program of benefits of this full-time plan are as agreed to between the Employer and the Union trustees and will be maintained for the life of this Labor Agreement at no additional contribution cost to employees. Benefits may be modified by mutual agreement of the board of trustees.
5. The Employer is bound by the existing Trust Agreement covering the aforesaid Trust Fund and any amendments thereto.

ARTICLE 16
RETIREMENT PLAN

A. The Employer will make the following contributions on all hours worked up to 40 hours per week into the Company 401K plan. Employees employed at the time of ratification will have contributions made on their behalf on all regular hours worked retroactive back to 5/8/2022. Part-time Employees hired after ratification will begin receiving the benefit after both completing one (1) year of service and working 1000 hours in either their first full year of employment or in any single calendar year thereafter.

B. Employees who have completed the probationary period will have the option to contribute to this 401K retirement plan or have the option to offer a Roth Plan subject to the conditions and requirements of this plan.

401K Contributions	Rate
Full-Time	\$1.80/hour
Part-Time	\$0.85/hour

ARTICLE 17
GRIEVANCE AND ARBITRATION PROCEDURE

A. GRIEVANCE:

A grievance is any difference or dispute that arises over the interpretation of, application or compliance with the terms and provisions of this Agreement. There shall be an earnest effort on the part of the parties to settle promptly through the following steps:

Step 1

When a grievance arises in a store, the employee (with or without the Union representative) may attempt first to settle the matter with their immediate supervisor.

Step 2

If the grievance is not resolved in Step 1, it shall be reduced to writing and submitted to the Employer within thirty (30) calendar days after the employee has knowledge or reasonably should have had knowledge of the occurrence. A representative of the Employer and a representative of the Union shall, within seven (7) calendar days, schedule a meeting to attempt to reach a settlement. The Employer shall respond to the grievance, in writing within ten (10) calendar days of such meeting. If the Employer fails to respond within ten (10) calendar days it serves as an automatic denial of the grievance on the day the response was due, and the Employer shall lost is right to give a detailed denial at this step.

1. In the case of wage discrepancies, the Employer agrees to submit to the Union upon request from the Union any and all wage data concerning same.

2. In case of unpaid compensation, an arbitrator may award the full back pay to which the arbitrator finds the employee is entitled for a valid grievance, up to over a period of time covering two (2) years.

3. If the grievance is not resolved in Step 2, the Union may refer the matter to arbitration. A demand for mediation or arbitration shall be in writing and must be received by the Employer within fifteen (15) calendar days of the Step 2 grievance meeting.

4. a) **Double Damages:** If an arbitrator awards damages that total less than one thousand dollars (\$1000) and find that the Employer's violations were willful, the arbitrator may require the Employer to pay double (2 times) the amount involved.

b) No such case shall be recognized after sixty (60) calendar days of said violation. However, in case of a dispute, such dispute shall be decided in accordance with the regular arbitration provisions contained in SECTION 15.2 and 15.3.

B. MEDIATION:

Any grievance that cannot be resolved under the provisions of SECTION 15.1 may be referred by mutual agreement to mediation in an attempt to reach an agreement on a resolution. This may be requested at any time after the Step 2 meeting up until the day of arbitration. The fees and expenses of the neutral shall be divided equally between the Employer and the Union.

C. ARBITRATION:

1. If a grievance is not resolved by the provisions of SECTIONS 15.1 and 15.2, the matter may be referred to Arbitration as outlined in SECTION 15.1 (F).

2. Within seven (7) calendar days of notification, the Union must petition the Federal Mediation and Conciliation Service (FMCS) for a list of seven (7) neutral arbitrators. The parties shall alternately strike from this list until one (1) name remains that person shall be the one (1) to hear and decide the grievance.

D. AUTHORITY OF THE ARBITRATOR:

The authority of the arbitrator shall be limited to making an award relating to the interpretation of or adherence to the written provisions of the Agreement and the arbitrator shall have no authority to add to, subtract from, ignore or modify in any way the terms and provisions of this Agreement. The hearing and the award of the arbitrator shall be confined to the issues raised in the grievance and the arbitrator shall render a decision within sixty (60) calendar days after the arbitration hearing,

or within sixty (60) calendar days after the arbitrator's receipt of any post-hearing briefs, whichever is later.

The decision of the arbitrator shall be final and binding upon the Employer, the Union, the grievant (and all other employees, if applicable). There shall be no recourse to any other method of settlement, unless a party fails to accept and comply with the arbitration award, in which case the award may be enforced by further action of the party in whose favor such award has been given.

The decision of the arbitrator shall be final and binding upon the Employer, the Union, the grievant (and all other employees, if applicable). Nothing in this Agreement denies the Employer or Union their right to appeal an arbitrator's award under applicable law.

E. ARBITRATION EXPENSE:

The fees and expenses of the neutral arbitrator shall be borne equally by the Union and the Employer.

F. TIME LIMITS:

The time limits set forth above shall be absolutely mandatory and failure to comply will mean the grievance is void and no consideration will be given to it. The time limits may be extended by mutual agreement.

G. FINAL AUTHORITY:

At any step in this grievance procedure the Executive Committee of the Local Union shall have the final authority in respect to any aggrieved employee covered by this Agreement, to decline to process a grievance, complaint, difficulty or dispute further if in the judgement of the Executive Committee such grievance or dispute lacks merit or has been adjusted or justified under the terms of this Agreement, to the satisfaction of the Union Executive Committee.

ARTICLE 18
NON-DISCRIMINATION

A. DISCRIMINATION: The Employer agrees that it will not discriminate against or treat any employee differently because of Union membership, support or activity; race, national origin, color gender, religion or age; disability, pregnancy, or physical or mental health condition; sexual orientation, or gender identity or expression; marital or veteran status; criminal record; or English proficiency or speaking accent.

B. HARASSMENT: The Employer agrees that it will not permit harassment in the workplace. Harassment means unwelcome comments or conduct. No one at the workplace, including managers, supervisors, employees or third parties such as vendors, consultants and independent contractors, may make comments or engage in conduct that is known to be or should reasonably be known to be unwelcome. Examples of harassment (harassment is not limited to these examples):

- Groping or fondling anyone.
- Showing pornographic or lewd photos or making lewd comments.
- Making racist, sexist or homophobic comments, or negative comments about a religion.
- Making derogatory or offensive comments about someone's appearance or background.
- Asking an employee on a date after the employee indicated that the request invitation was unwelcome.
- Deliberately or repeatedly using a name or pronoun when speaking or referring to a transgender employee other than the name the employee chose and the pronoun the employee identifies with.
- Teasing, picking on, or treating, interacting or communicating with an employee differently because of the employee's race, national origin, color, gender, religion, age, disability, pregnancy, physical or mental health condition, sexual orientation, gender identity or expression, or gender questioning.

ARTICLE 19
MANAGEMENT RIGHTS

The management of this business and the direction of the employees including the right to plan, direct and control operations, hire, suspend or discharge, transfer, relieve, demote or promote employees, to grant merit wage or other compensation increases, the right to study or introduce new or improved production methods or facilities, the right to establish starting and quitting times, work schedules and the right to establish and maintain rules and regulations covering the operation of the business, a violation of which shall be among the causes for discipline or discharge, are vested in the Employer; provided, however, that this right shall be exercised with due regard for the rights of the employees, and provided further that it will not be used for the purpose of discrimination against any employee.

ARTICLE 20
DISASTERS, PANDEMICS AND OTHER EMERGENCIES

A. APPLICATION OF EMERGENCY PROVISION: If a significant event occurs that affects employees, the workplace, or the safety and health of employees and their families, including but not limited to natural or weather disasters, epidemics, pandemics, catastrophes, public health emergencies, or similar events, and a federal, state or local government announces or declares the event a disaster, emergency, or similar event, this emergency provision will control, except to the extent that other Agreement provisions provide greater protections or benefits to employees. These events are referred to as "emergencies." All other sections of this Agreement not in conflict with this emergency provision will remain in effect.

B. LEAVE:

1. During the emergency, any leave this Agreement or the Employer's policies provide, can be used by any employee who self-quarantines, shelters-in-place, stays home, or otherwise does not go to work due to the declared emergency.
2. The Employer will not take any adverse action against an employee who takes leave because of the emergency.
3. All employees who take any leave under this emergency provision will return with the same rate of pay and classification.

C. SAFETY AND HEALTH: The Employer will work with Federal, State and Local recommendations to ensure employees are safe.

D. PERSONAL PROTECTIVE EQUIPMENT (PPE):

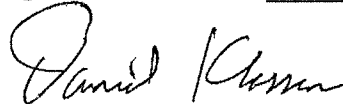
1. The Employer will provide all PPE at its own cost.
2. PPE may include, but not be limited to respirators, face masks, gloves, eye protection and hand sanitizer.
3. The Employer will train employees during paid work time how to properly put on, use, take off and dispose of PPE.
4. The Employer will provide employees adequate paid work time to put on, take off, and dispose of PPE.

E. EXPOSURE/POSITIVE TESTS: When the Employer learns that any employee may have been either exposed to a hazard or an infectious agent related to the emergency at work or away from work, tests positive for an infectious disease related to the emergency, or otherwise is diagnosed for such an infectious disease, the Employer will follow guidelines set forth by Federal, State or Local recommendations.

ARTICLE 21
LENGTH OF AGREEMENT

A. This Agreement shall be effective from **May 4, 2026** through **May 5, 2029** except as provided as follows:

Signed and dated this 19th day of August, 2026



KOWALSKI'S CENTRAL FACILITY
A DIVISION OF
KOWALSKI'S COMPANIES, INC.



UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 1189

Appendix A
Wage Schedule

Effective **May 3, 2026** all full-time and part-time employees that are at top rates or over scale rates will receive the over scale increase indicated below in each classification.

Classification	5/3/2026	5/2/2027	5/7/2028
Full-Time	\$.65	\$.65	\$.65
Part-Time	\$.65	\$.65	\$.65

Classification: 1 Full-Time with benefits

Bakers/Helpers/General Duties/Cake Decorator/Pastry/Deli/Smokehouse

Full-Time Scale	Current	5/3/2026	5/2/2027	5/7/2028
Hire - 1040	\$14.50	\$14.50	\$14.50	\$14.50
Next 1040	\$15.25	\$15.25	\$15.25	\$15.25
Next 1040	\$16.00	\$16.00	\$16.00	\$16.00
Next 1040	\$16.75	\$16.75	\$16.75	\$16.75
Next 1040	\$17.50	\$17.50	\$17.50	\$17.50
Next 1040	\$18.50	\$18.50	\$18.50	\$18.50
Next 1040	\$19.25	\$19.25	\$19.25	\$19.25
Next 1040	\$20.00	\$20.00	\$20.00	\$20.00
Next 1040	\$21.00	\$21.00	\$21.00	\$21.00
Next 1040	\$22.00	\$22.00	\$22.00	\$22.00
Next 1040	\$23.10	\$23.10	\$23.10	\$23.10
Next 1040 (hired/promoted after 8/13/2026)		\$24.00	\$24.00	\$24.00
Next 1040 (hired/promoted after 8/13/2026)		\$25.00	\$25.00	\$25.00
Top of Scale	\$25.00	\$25.65	\$25.65	\$25.65
Top/Overscale		\$.65	\$.65	\$.65
Journeyman (Baker)	\$26.70	\$27.35	\$27.35	\$27.35
Cake Décorator	\$26.70	\$27.35	\$27.35	\$27.35
Top/Overscale		\$.65	\$.65	\$.65

Classification: 2 Part-Time

Packages/General Duties and Maintenance

Part-Time Scale	Current	5/3/2026	5/2/2027	5/7/2028
Hire-830	\$13.00	\$13.00	\$13.00	\$13.00
Next 830	\$13.75	\$13.75	\$13.75	\$13.75
Next 830	\$14.50	\$14.50	\$14.50	\$14.50
Next 830	\$15.00	\$15.00	\$15.00	\$15.00
Next 830	\$15.75	\$15.75	\$15.75	\$15.75
Next 830	\$16.50	\$16.50	\$16.50	\$16.50
Next 830	\$17.00	\$17.00	\$17.00	\$17.00
Next 830	\$17.85	\$17.85	\$17.85	\$17.85
Next 830 (hired/promoted after 8/13/2026)		\$18.00	\$18.00	\$18.00
Next 830 (hired/promoted after 8/13/2026)		\$19.20	\$19.20	\$19.20
Top of Scale	\$19.20	\$19.85	\$19.85	\$19.85
Top/Overscale		\$.65	\$.65	\$.65

Appendix B
Letter of Agreement

The Employer and the Union have agreed to the following:

1) That the Employer, in establishing a Production Deli Kitchen and a Production Pastry Operation at the Central Facility location, will have the right to transfer the following employees, currently covered under the UFCW 1189 Kowalski's Retail Contract, to the Central Facility Location:

a. Laura Fischer

2) That all of the employees listed will be "grand mothered in" and remain covered under all terms and conditions of the UFCW 1189 Kowalski's Retail Grocery Contract and all subsequently negotiated Industry Retail Contracts and maintain all of the rights and benefits specified therein so long as they remain employed by Kowalski's Companies;

3) That it is understood that all subsequent employees hired into the Production Deli Kitchen or Production Pastry Operation will be covered under the Kowalski's Central Facility Agreement;

4) That it is further understood that the employees covered under the Kowalski's Central Facility agreement shall have the right to work in the Production Deli Kitchen and the Production Pastry Operation at the Central Facility.

For the Company:

Name: Dan Klassen

Title: Director of Store Operations

Date: 8/19/2026

For the Union:

Name: Kelly Leary

Title: Union Representative

Date: 8-19-26

Appendix C
Journeyman Baker Qualifications

The ability to perform a full range of baking activities as listed below, (but not limited to this list):

- The mixing of products totally "from scratch"
- The hand forming and/or proofing of products
- Baking of all types of products (i.e. breads, buns, cakes, cookies, etc.)
- The ability to operate all pieces of equipment in order to do the above
- Base icing of cakes

Letter of Agreement
Regarding Receiving

It is understood that the duties of receiving product will be shared between the Central Facility and Kowalski's Retail Store in Shoreview in order to allow for the proper receiving of product for both businesses.

SIGNED AND DATED:

FOR THE EMPLOYER

David Klassen
NAME

Director of Store Operations
TITLE

8/19/2026
DATE

FOR THE UNION

Keller Lizay
NAME

Union Representative
TITLE

8-19-26
DATE

Appendix D
Letter of Agreement

The Employer and the Union have agreed to the following:

1) That the following employee will remain covered under the UFCW 1189 Kowalski's Retail Contract:

Ryan Skeivik

2) That all of the employees listed will be "grandfathered in" and remain covered under all terms and conditions of the UFCW 1189 Kowalski's Retail Grocery Contract and all subsequently negotiated Industry Retail Contracts and maintain all of the rights and benefits specified therein so long as they remain employed by Kowalski's Companies.

For the Company:

Name: David Klousa

Title: Director of Store Operations

Date: 8/19/2026

For the Union:

Name: Kelly Lempay

Title: Union Representative

Date: 8-19-26