

AGREEMENT

Between

IRON RIVER COOPERATIVES, INC.

and

**UNITED FOOD & COMMERCIAL WORKERS
LOCAL #1189**

GROCERY UNIT



January 1st, 2014 through December 31st, 2017

**UFCW Local 1189 Office
1-800-942-3546
FAX 1-218-728-5178
WEB: www.ufcw1189.org**

**WILSON MC SHANE
Pension & Health Care
1-800-570-1012**

INDEX

<u>Article</u>	<u>Title</u>	<u>Page</u>
	Agreement	1
	Union - Management Relationship	1
1	Recognition of Union	1
2	Hours of Labor	2
3	Miscellaneous Provisions	4
4	Laundry	5
5	No Strike or Lockout	5
6	Vacations	6
7	Holidays	8
8	Seniority	9
9	Employment Termination	9
10	Agreement Violations	10
11	Union Market Cards	10
12	Competent Help	10
13	Arbitration	11
14	Pension, Health and Welfare	12
15	Sick Leave	15
16	Jury Duty, Accidents, Leave of Absence Maternity and Funeral Leave	16
17	Severance Pay	17
18	Rates of Pay	17
19	Gender	20
20	Separability and Savings Clause	21
21	Duration	21
	Department Head Replacement SLU	22
	Potential Scheduling SLU	23

AGREEMENT

THIS AGREEMENT is entered into and is effective on this first day of January, 2014 between IRON RIVER COOPERATIVES, INC., hereinafter referred to as the "Employer", and the United Food and Commercial Workers Union, Local 1189 chartered by the United Food and Commercial Workers' International Union, hereinafter referred to as the "Union".

UNION-MANAGEMENT RELATIONSHIP

A. The Employer and the Union, in recognition of the need of continuous service through cooperation, mutually agree to cooperate fully for harmonious relationship, efficient store discipline and maximum service.

B. The Employer recognizes the established rights, responsibilities and values of the union and has no objection to its employees becoming members of the Union, responsible in conjunction with the Employer, and for making and keeping this Agreement.

C. This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an entire operation or any part thereof is sold, leased or transferred, such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof, and will require such purchaser, transferee, lessee, assignee, etc., to assume, as part of the transaction, all of the obligations of this contract. Such notice shall be in writing, with a copy to the Union, no later than seven (7) days prior to the effective date of sale.

D. In consideration of the mutual promises herein contained and for the purpose of creating a working agreement by and between the Employer and its employees and the Union, the parties hereto mutually covenant and agree to and with each other as follows:

ARTICLE 1 RECOGNITION OF UNION

A. Employer recognizes said Union as the sole representative of the employees in the classifications set forth in Article 18 of this Agreement for the purpose of collective bargaining with respect to the hours of labor, rates of pay and working conditions hereinafter specified.

B. It shall be a condition of employment that all employees of the Employer covered by this Agreement, who are members of the Union in good standing on the date of execution of this Agreement, shall remain members in good standing, and those who are not members on the date of execution of this Agreement shall, on or after the ninetieth (90th) day for full-time and on or after the ninetieth (90th) day for part-time following execution of

this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement, hired on or after its date of execution, shall, on the ninetieth (90th) day following the beginning of such employment for full-time and on or after the ninetieth (90th) day for part-time, become and remain members in good standing in the Union.

C. The Employer agrees to deduct Union dues and initiation fees, and/or reinstatement fees, and uniform assessments, from the wages of the employees in the bargaining unit, who provide the Employer with a voluntarily-written authorization, which shall be irrevocable for a period of more than one (1) year or beyond the termination date of this Agreement, whichever occurs sooner.

D. The deduction of the Union dues shall be made on a weekly basis provided the employee works during that week and shall be promptly forwarded to the Union on a monthly basis. In the event wages are not due the employee or if there are insufficient funds to cover the required deduction, the Employer will deduct whatever portion of the required amount that can be deducted. The Employer and the Union during the interim period of the Agreement, shall, by mutual agreement, be authorized to alter or amend the functional procedure of this Section only if necessary.

ARTICLE 2 HOURS OF LABOR

A. Management retains the right to schedule specific workdays. Employees will be given shift preference by seniority on days scheduled providing they have the skill and ability to do the required work in Management's judgment. The number of weekly work hours, whenever possible, will be assigned by seniority, providing the monthly average of part-time hours are up to but do not exceed thirty-four (34) hours per week exclusive of May through Labor Day. No employee shall be scheduled for more than five (5) consecutive days except by mutual agreement between the employee affected and management. The seven (7) day work schedule shall be posted on the Tuesday before the Sunday that the schedule takes affect. During the time when Summer Help is employed, May 1st through Labor Day each year, two (2) employees will be scheduled on duty at all times in Hardware.

B. All work performed in excess of eight (8) hours in any one (1) day or forty (40) hours in any one (1) work week shall be compensated at one and one-half (1½) times the regular hourly rate. In weeks wherein a holiday is celebrated, the workweek shall be thirty-two (32) hours, four (4) days of eight (8) hours each.

Employees who work over thirty-two (32) hours in a holiday week shall receive time and one-half (1½) for all hours worked over thirty-two (32) hours.

C. All time worked shall be consecutive, except one (1) hour shall be allowed for lunch if the employee works six (6) or more hours. The current practice of scheduling lunch breaks shall be continued. Regular employees working a full day shall not be scheduled to start work later than 12:00 noon. Call-ins will be four (4) hours for full-time employees and three (3) hours for part-time employees. No pyramiding of daily and/or weekly overtime or premium pay will be allowed. Employees shall not be sent home before the end of the scheduled shift except in the event of an Act of God, or other event beyond management's control. Should an employee request to leave before the end of their scheduled shift and management approves said request, the employee may opt to have this time as paid vacation or holiday time provided they have unused time available.

D. It is expressly understood and agreed that the Employer shall establish a regular starting time for each employee upon request. A record of such starting time shall be furnished to **Local 1189**. It is further agreed that the Employer shall keep a record of time showing the hours worked per day, the days worked per week and the wages paid each employee. The payroll record for an individual employee shall be available to that employee or a representative of **Local 1189**.

E. Employees that work four (4) hours shall receive a fifteen (15) minute rest period. Employees that work six (6) hours or more without a lunch break shall have two (2) fifteen (15) minute rest periods. Employees that work eight (8) hours shall receive a fifteen (15) minute rest period before lunch and a fifteen (15) minute rest period after lunch.

F. Required attendance at company meetings shall be paid for at the employee's regular hourly wage rate, including premium or overtime rates, if applicable.

G. Employee shall be paid in full for all time spent in the service of the Employer. Any additional available hours are to be offered to existing employees first.

H. In the event inventory is taken on Sunday during the year, the employees in the bargaining unit must be offered this time first, at a basis of time and one-half (1½) for all hours worked.

- I.
 1. Full-time employees shall receive time and one-half (1½) for work performed on Sundays either voluntarily or involuntarily.
 2. Part-time employees (less than thirty-four (34) hours per week) shall receive an add-on to their base rate of fifty cents (\$0.50) per hour for Sunday hours worked.

ARTICLE 3
MISCELLANEOUS PROVISIONS

A. The Employer shall not require employees to perform work coming under the jurisdiction of the Meat Unit Contract.

1. During the period May 15th to September 15th of any year, the Employer is permitted to use grocery employees for clean-up in the Meat Department, subject to the following contingencies:

The regular helper/wrapper will be scheduled their regular hours and workdays, not scheduled a split shift; and be guaranteed not less than nineteen (19) hours per week. It is further agreed that the cleanup responsibilities will be restricted as follows:

Cleaning the slicer will not be done by grocery employees, and further, grocery employees will clean only disassembled machines (i.e., saw, grinder, tenderizer) and shall not reassemble. The cleanup duties may be assigned to the most junior part-time grocery employee on the schedule that day who is 18 years of age or older.

The designated key carrier may be assigned to operate the chicken roaster and package the chickens for sale in the absence of meat department bargaining unit members on Sundays and nationally recognized holidays. The chicken roaster may also be cleaned by Local 1189 members.

B. The temperature of the store shall be maintained at a level to insure the comfort of the employees and the efficient and proper operation of the business, emergencies and acts of God excepted.

C. The Employer agrees to advise all non-union employees covered by this Agreement to report to the Union office, full-time employees within their ninety (90) day grace period and part-time employees within their ninety (90) day grace period. They need to report to establish a record of their starting employment and for membership data such as name, address, date of birth, etc.

D. A duly-authorized representative of the Union shall be admitted to the Employer's premises, during the hours Grocery Department employees are working, for the purpose of ascertaining whether or not this Agreement is being observed, and for the collection of dues. Such activities shall be conducted in such a manner as not to interfere with the orderly operation of the Employer's business.

E. The Employer shall have the right to adjust wages of his employee without Union interference provided such adjustments are made over the contract wage rate range, and provided, further, that such adjustments are made within the contract period.

F. Tools shall be furnished by the Employer and maintenance of tools shall be on the Employer's time.

G. All employees shall present themselves on time, ready for work, clean and neat in appearance, and shall not, at any time, conduct themselves in a way that will reflect unfavorably upon the shop, Employer or the Union.

H. No employee shall be required to make any written or verbal agreement that will conflict with this Agreement.

I. Any employee, at the date of entering into this Agreement, receiving a higher rate of pay or enjoying better working conditions than those herein specified, shall suffer no loss as a result of this Agreement.

ARTICLE 4 LAUNDRY

A. In the event the employer requires its employees to wear smocks, aprons, jackets, caps, uniforms or insignia the employer shall furnish and maintain same. In the event the employer furnishes drip-dry uniforms the employee shall launder the uniforms. Produce Department aprons and jackets shall continue to be furnished and maintained by the employer. In the event of any change in uniforms or uniform policy, the employer will give the Union thirty (30) days notice prior to any change. During that thirty (30) day period, the Union will be permitted to comment on uniform or policy changes.

ARTICLE 5 NO STRIKE OR LOCKOUT

A. The Employer agrees that he will not engage in any lockout of employees; and the Union agrees that they will not engage in any strikes during the life of this Agreement. Participation in any strike, slowdown, sit down or stoppage of work brought about either by action of the Union, in violation of this Agreement, or by action of an individual or group, without Union authority, shall be just cause for dismissal or discipline by the Employer of any and all employees participating therein.

B. Except as provided above, nothing herein shall affect the right of the Union to call assist or support a strike officially authorized by the Union, nor shall it be deemed a violation of this Agreement for an employee to refuse to cross an established picket line. If a picket line is established, the Employer reserves the right to close its place of business and the same shall not be considered a breach of this Agreement. Employees choosing not to cross a bona fide picket line shall not be deemed to be striking this Employer

ARTICLE 6 VACATIONS

A. Full-time employees hired prior to March 31, 2006, shall receive an annual vacation with full pay as follows:

- After one (1) year of employment, one (1) week;
- After two (2) years of employment, two (2) weeks;
- After six (6) years of employment, three (3) weeks;
- After fifteen (15) years of employment, four (4) weeks.

Full-time employees, who have worked 1,730 hours or more in their anniversary year, shall be entitled to a full vacation period. If an employee works less than 1,730 hours in the anniversary year, shall receive 1/10 of full vacation for each 173 hours worked.

Employees, who have earned three (3) weeks of vacation, said third week of vacation shall be taken between October 1st and May 1st.

Full-time employees who are eligible for three (3) weeks of vacation shall take at least one (1) week in a one (1) week block of time and may use any other remaining vacation, or personal days, one (1) day at a time. Employees with four (4) weeks of vacation shall use two (2) weeks of vacation in blocks of one (1) week or a two (2) week block together and may use any other remaining vacation, or personal days, one (1) day at a time.

B. Full-time employees hired after March 31, 2006, shall receive the following annual vacation with full pay:

- After one (1) year of employment, full-time employees receive one (1) week.
- After two (2) years of employment, part-time employees receive one (1) week.
- After two (2) years of employment, full-time employees receive two (2) weeks.
- After five (5) years of employment, part-time employees receive two (2) weeks.
- After ten (10) years of employment, employees receive three (3) weeks.

These employees shall accrue no vacation and there shall be no pro-ration of vacation paid out during the first two (2) years of employment.

Under this change the two (2) full time employees, Penny Nelson and Cindy Gregg, would each receive their second week allocation of vacation earlier than currently provided for in the Agreement, and would each receive their third week of vacation at eight (8) years seniority, not ten (10); as currently provided for; and all other current employees will be exempt from this change. In effect, no current employee will be adversely affected by this change.

C. A full-time employee hired prior to March 31st, 2006, with six (6) months or more of continuous service with an Employer, who quits, is laid-off or dismissed, except dismissed for cause, shall be entitled to prorated vacation. Such prorated vacation is to be based on

the length of time an employee served from the date of employment during the first year and, thereafter, the length of time an employee served since his last anniversary date of employment, pro-rated monthly:

First year, 1/10 for each 173 hours worked;
Second year, 2/10 for each 173 hours worked;
Sixth year, 3/10 for each 173 hours worked; and
Fifteenth year, 4/10 for each 173 hours worked.

D. Employee's hired after March 31st, 2006, with at least two (2) years continuous service with the Employer, who quits, is laid-off or dismissed, except dismissed for cause, shall be entitled to prorated vacation.

Such prorated vacation is to be based on length of time an employee served from the date of his/her two (2) year anniversary and, thereafter, the length of time an employee served since his/her last anniversary date of employment, pro-rated monthly:

Second year 1/10 for each 173 hours worked;
Fifth year 2/10 for each 173 hours worked; and
Eighth year 3/10 for each 173 hours worked.

E. A part-time employee shall be allowed a vacation with pay at his straight-time, classified, hourly rate, pro-rated as follows: The total number of straight-time hours worked between the anniversary dates of employment the previous year, shall be divided by fifty-two (52) to determine the amount of paid vacation due for each week as provided in Paragraphs A or B, above. Part-time employee's vacation shall not be maximized at thirty-four (34) hours.

F. An employee hired prior to March 31st, 2006 who, on the date selected for his vacation, has less than one (1) year, but six (6) months or more of continuous service with the same employer, shall be entitled to a part of one (1) week of vacation pay equivalent to the part of the preceding twelve (12) months that such employee has been employed.

G. Full-time employees, taking their vacations in holiday weeks, shall be given one (1) extra day of eight (8) hours of vacation or pay in lieu thereof.

H. Vacation pay for a full-time employee shall be forty (40) hours at the employee's straight-time rate for each week of vacation to which the employee is entitled.

I. A vacation sign-up schedule shall be posted by January 15th of each year. Vacations shall be scheduled on a calendar year basis and shall be scheduled on the basis of seniority, provided the more senior employee notifies the employer of his/her requested dates in writing prior to March 1st of each year. After March 1st of each year, employees may request vacation on a first come first served basis without regard to seniority. Vacation, as far as possible, shall be granted for the period preferred by the employee; but should the vacation time requested by the employee interfere with the operation of the

business, the employer and the employee will mutually arrange a vacation time as near as possible to the time desired by the employee that will not interfere with operation of the business. Each employee will be notified of his or her vacation period as far in advance as practicable. The company reserves the right to make changes in vacation periods when considered advisable for efficient operation. Vacations for each year must be taken during the year or be forfeited. Vacation pay will be paid at the beginning of the vacation period, if requested.

J. After ninety (90) days of absence, a vacation shall be pro-rated according to the time worked during the vacation calculation period (from anniversary to anniversary); provided the employee has worked six (6) months or more since his last anniversary date, and has a minimum of one (1) year of seniority if hired prior to March 31st, 2006 or if hired after March 31st, 2006 has at least two (2) years seniority.

ARTICLE 7 HOLIDAYS

A. Full-time employees shall receive the following holidays:

Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, New Years Day, and Good Friday after 3:00 P.M. In addition to the above holidays, one (1) additional day off with pay, to be scheduled by mutual agreement between the employee and Employer, and the employee's birthday, shall be granted. The birthday may be converted, by mutual agreement between the employee and Employer, to a personal holiday. The store shall be closed for the Easter, Christmas and Thanksgiving holidays and if open for any other holiday shall be staffed first by volunteers and then assigned by reverse seniority. Employees who work a holiday shall be paid time and one-half (1½) for hours worked in addition to holiday pay.

B. Full-time employees shall receive eight (8) hours of straight-time pay for any of the above-mentioned days, if the employees have worked during the holiday week and the scheduled day before or the scheduled day after the holiday.

C. Part-time employees who work the following holidays; Memorial Day, Fourth of July, Labor Day, Good Friday after 3:00 pm and New Years Day shall be paid time and one-half (1½) for hours worked in addition to holiday pay in the amount of hours worked that day.

In addition, part-time employees shall receive six (6) hours straight time pay for their birthday or a day mutually agreed upon between the employee and the employer. The store shall be closed for the Easter, Christmas and Thanksgiving holidays and if open for any other holiday shall be staffed first by volunteers and then assigned by reverse seniority.

D. It is agreed that no employee shall work after 4:00 p.m. on December 24th, Christmas Eve. All hours worked after 1:00 p.m. on Christmas Eve day shall be on a

voluntary basis or assigned by reverse seniority, and hours worked by an employee after 1:00 p.m. shall be paid at the rate of one and one-half (1½) times the employee's regular rate of pay plus straight time holiday pay. No deduction shall be made for time not worked after 1:00 p.m. on December 24th, Christmas Eve.

ARTICLE 8 SENIORITY

A. Seniority shall prevail in regard to laying off and rehiring, provided the employee is qualified to do the work available.

B. Separate seniority lists of all employees covered by this labor agreement shall be maintained for the grocery store and the hardware store kept current and posted in a conspicuous place. There shall be no interchange of employees between the grocery store and the hardware.

C. When a full-time employee can be hired in the place of two (2) part-time employees, this shall be done.

D. An employee shall cease to have seniority if the employee:

1. quits;
2. is discharged for cause;
3. fails to return to employment after layoff and reasonable notice of recall; or
4. is absent for any reason except military service for a period of one (1) year or more.

E. New full-time employees shall obtain seniority after ninety (90) days from their date of employment and new part-time employees shall obtain seniority after ninety (90) days from their date of employment, at which time their seniority shall take effect and date to their original date of employment. Employees shall join the Union upon successful completion of their probationary period. No employee shall lose seniority because of sickness, accident or for any reason beyond the control of the employee. Part-time employees, who become available for permanent, full-time employment, will be given consideration in filling permanent positions. Part-time employees will not accrue seniority over full-time employees, but will have seniority as far as other part-time employees are concerned for the purpose of lay-off and rehire only.

ARTICLE 9 EMPLOYMENT TERMINATION

A. The Employer shall be entitled to two (2) weeks of notice of an employee's intention to terminate. Such notice shall be in writing. Failure to give proper notice may result in the loss of severance pay to the employee. The employee shall be entitled to two (2) weeks notice, in writing, of the intent by the Employer to lay-off or terminate the employee, unless

such termination is for cause. Employees, who are entitled to one (1) week of severance pay, may receive one (1) week of pay or one (1) week notice in lieu thereof. Any new employee shall be subject to discharge, at the option of the Employer, during the first ninety (90) days of employment. No employee shall be suspended, demoted or dismissed without sufficient cause. If, after proper investigation, it is found that an employee has been disciplined unjustly, he or she shall be reinstated with full rights and compensated in full for time lost. Provided, however, that no claim for compensation for time lost shall be paid unless the claim is presented to the Employer, in writing, within ten (10) days after the suspension, demotion or dismissal in question.

In case of a dismissal, the employee affected may request and shall receive from the Employer, in writing, the reason for said dismissal. Employees discharged for cause shall forfeit all accrued vacation not taken at date of discharge. (This means that employees who have passed their anniversary of employment date and have earned vacation they have not taken would be paid for that vacation but not for any pro-rata vacation accrued since the last anniversary but not earned till the next anniversary.)

- B. Reasons for discharge shall include, but not be limited to:
1. dishonesty;
 2. incompetence;
 3. racial intolerance;
 4. failure to obey reasonable instructions not in conflict herewith;
 5. reporting to work intoxicated; or
 6. failure to notify employer or manager to be excused from work.

ARTICLE 10 AGREEMENT VIOLATIONS

A. All claims for back pay or loss of wages, arising from this Agreement on account of any violations of the terms hereof, must be made in writing within thirty (30) days from the payday following the accrual of the claim, and if not made within such period, the claim shall be barred.

ARTICLE 11 UNION MARKET CARDS

A. The Union Shop Card is the property of the Local Union 1189 at all times and is loaned to the Employer while this contract is in effect.

ARTICLE 12 COMPETENT HELP

A. The Union at all times shall endeavor to furnish reliable, competent help at the employer's request, and shall do everything possible to further the good will and interest of the Employer.

ARTICLE 13 ARBITRATION

A. Should a difference arise between the employer and the Union or employees as to the meaning and application of the provisions of this agreement, as to the compliance of either party with any of its obligations under this agreement or should there be any complaint or grievance by an employee, the Union or Employer, any of the above which has been filed by the employee, Union or Employer within thirty (30) calendar days of the date when the employee knew or should have known of the alleged violation, an earnest effort shall be made to settle such difference immediately under the following procedure by negotiations:

1. Between the employee affected and his department head or between the employee affected, a committeeman and the department head.
2. By the committee and a representative of the Union and an executive of the Employer, at which time either party may call in an outside representative.
3. By mutual agreement between the Parties, a Mediator from the Federal Mediation and Conciliation Service may be requested to assist the Parties in resolution of any grievance. Participation in mediation under these provisions shall not preclude either party from proceeding to Step 4 in the event the issue remains unresolved any settlement discussions may not be used by one party against the other in any subsequent arbitration.
4. Any dispute, difference or grievance, relative to the interpretation of or adherence to the terms of this Agreement, which has not been concluded through the above procedure within three (3) days after reduction to writing in the manner hereinabove provided, the matter may be referred by either party, within three (3) days, to a board of arbitration, composed of three (3) members, one (1) designated by the Employer, one (1) designated by the Union, and the third to be mutually agreed upon by the representatives of the parties. Should the representatives of the Union and the Employer fail to agree upon the third party within three (3) additional days, the parties shall jointly request the Federal Mediation and Conciliation Service to supply a list of seven (7) names. The neutral arbitrator shall be selected from the list submitted. The selection shall be made by alternately striking six (6) names, the party to make the first strike to be determined by drawing lots. The remaining name shall be the neutral arbitrator.

B. The entire matter, in controversy as aforesaid, shall be referred to this Arbitration Board for disposition; and, whatever disposition is made, shall be binding upon the Union, employee, and Employer. However, such Board shall not have the power to add to or modify any of the terms or conditions of this Agreement.

C. The decision of the majority of the Board of Arbitration shall constitute the decision of the Board of Arbitration and be final. Should any expense be involved for the service of the above-mentioned, third member of the Board of Arbitration, such expense shall be borne equally by the Employer and the Union.

D. At any step in this Grievance Procedure, the Executive Committee of the Local Union shall have 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 judgment of the Executive committee such grievance or dispute lacks merit or justification under the terms of this Agreement or has been adjusted or justified under the terms of this Agreement to the satisfaction of the Union Executive Committee.

ARTICLE 14 PENSION, HEALTH AND WELFARE

A. All Employers, who are or become signatory or bound by this Agreement, agree to be bound by the Agreement and Declaration of trust, as amended, establishing the Northern Minnesota-Wisconsin Retail Clerks and the Northern Minnesota-Wisconsin Area Retail Food Health and Welfare Fund, copies of which all parties agree have been furnished and read by all employers bound hereby prior to the execution of this Agreement. It is mutually agreed that the provisions of said Agreement and Declaration of Trust and any rules, regulations or plan adopted by the Trustees pursuant thereto shall become a part of this Agreement as though fully written herein. All employers bound hereby irrevocably designate the employer Trustees of said Fund, and their successors as their representatives for the purpose set forth in said Agreement and Declaration of Trust.

B. PENSION: Effective January 1st, 2014, the Employer agrees to continue its present one dollar (\$1.00) contribution to said Pension Fund for each hour worked by each full-time and part-time Union employees, exclusive of temporary summer Union employees, after the Employee has completed their probationary period. For the purpose of this Section, "hours worked" shall mean all hours worked, not in excess of forty (40) hours in any one (1) week by any full-time or part-time **Union** employee, and shall include, pursuant to said forty (40) hour limitation, any holiday or vacation time for which any said **Union** employee of the Employer is entitled to straight time pay under the terms of this Agreement. It is understood and agreed that the said Pension Trust and benefits to be provided from the pension trust shall conform in all respects to the requirements of the Treasury Department, Bureau of Internal Revenue, and to any other applicable State and Federal laws and regulations.

Effective January 1, 2012, the Employer will contribute to the Plan in accordance with the Preferred Schedule. Specifically, the Employer's contribution rate will be modified as follows:

1. On January 1, 2012, the Employer will permanently cease paying the PPA required surcharge it is currently paying to the Plan and its contribution rate will decrease by that amount.
2. Also on January 1, 2012, the Employer's hourly contribution rate paid to the Plan – as set forth in the Parties' 2008 – 2011 Collective Bargaining Agreement, will increase by \$0.17 per hour on all hours requiring a Pension contribution. The newly increased portion of the Employer contributions will not serve as the basis for any benefit accruals under the Plan.

C. 1. **HEALTH AND WELFARE:** The Employer agrees to pay up to **one thousand and ninety dollars (\$1,090.00)** per month for each employee who is on the payroll the first day of any month, in accordance with the following rules:

- a. The Employer agrees to make a monthly contribution for all employees who average thirty-four (34) hours or more per week exclusive of temporary and/or part-time summer employees even though they may work more than thirty-four (34) hours per week during the summer period.
- b. Employees hired shall have payments made on their behalf by the Employer, commencing the first day of the month following ninety (90) calendar days of employment.
- c. Payment to the Fund on behalf of the employees who are terminated due to discharge or voluntary termination of employment, shall not be required, commencing the first of the month following the date of their termination.
- d. Employees returning to work or reinstated following an absence from work when their seniority has not been interrupted, shall have payments made in their behalf on the first of the month following their return to work.

C. 2. In the event of absence of an employee from work because of injury, illness or sickness, the Employer shall continue to make the required contributions for a period of three (3) months from the date on which the employee leaves active employment due to illness or injury. In the event of a leave of absence or military leave, or in the event employees are laid off or are off because of illness, sickness or injury beyond said three (3) months period, they shall be permitted to continue coverage as a member of the group by paying, in advance, the regular monthly contribution, as paid by the Employer, after the respective date that contributions by the Employer cease, pursuant to the provisions

hereof, provided such coverage may be continued only to the maximum period allowed under the rules established by the Trustees.

C. 3. During times that the employees, covered hereunder, are on vacation, the Employer shall continue to pay the necessary contributions to secure coverage for the employees.

C. 4. SPOUSE BENEFITS: The surviving spouse of an active participant may continue eligibility for benefits following the death of the participant, in accordance with applicable rules and regulations, by paying an amount equal to the contribution rate established by the Trustees.

C. 5. If the Employer elects, at some time, to provide alternate insurance coverage than Northern Minnesota-Wisconsin Area Retail Food Health and Welfare Fund, it is agreed by and between the parties that the Employer shall provide insurance coverage commensurate as presently provided under the Trust Agreement referred to in Section A, relative to health and welfare (hospital, medical, surgical, etc.), provided the provisions do not constitute a loss to the employees in existing benefits and provided further that the insurance program is submitted for the Union's approval before it is instituted; and there shall be no changes in said insurance program without the participation of the Union. Should any of the provisions above be violated, the Employer shall be held accountable and liable for any non-approved variance; and should any violation occur, the Employer agrees, at the direction of the Union, to institute compliance under the Northern Minnesota-Wisconsin Area Retail Food Health and Welfare Fund within sixty (60) days from the date of direction, at the submission rate in existence at that time; and further agrees to assume any increase in submission rate provided for or arising as a result of negotiations between United Food and Commercial Workers Union Local 1189 and the Area Grocers.

D. Contributions to the Trust Funds shall be due and payable fifteen (15) days following the end of the preceding month for all employees covered under the collective bargaining agreement or for whom contributions are required. The failure of an employer to pay all amounts due within thirty (30) days following the due date, whether willful or otherwise, shall subject the delinquent employer to a payment of liquidated damages of an additional ten percent (10%) of the amount due, plus all costs and reasonable attorney's fees incurred in connection therewith. Payments and liquidated damages, unpaid by the first day of the following month, shall be subject to an interest charge of eight percent (8%) per annum on the payments and liquidated damages. If legal action is taken to recover the amount due the Trust Fund, the delinquent employer shall also be required to pay all court costs including reasonable attorneys' fees. In addition to the other provisions, as herein set forth, any employer who is delinquent in his payments to the Trust Fund shall make such employer primarily liable and responsible to his employees or employees' estates for any claim for benefits accruing to such employees or employees' estates under the administration of this Trust Fund. The payment of any and all claims shall not operate to relieve such employer from his liability to make the payments due the Trust Fund, including the liquidated damage payment.

Any Employer, who on more than one occasion during any one year, becomes delinquent in his payment to the Trust Fund, shall be required to post bond with the Trustees, in an amount equivalent to the total contributions which he was obligated to make during the preceding calendar year.

Non-payment, by any employer of any contribution or other moneys owed to the Fund, shall not relieve any other employer from his or its obligation to make required payments to the Trust Fund.

E. In no event shall the provisions relating to Pension or Health and Welfare set forth herein, be subject to or suitable for grievance and arbitration under the terms of this Agreement.

The above paragraphs shall not be applicable when, in the judgment of the Trustees, the delinquency results from a clerical error or a bona fide difference or dispute concerning eligibility. The Employer agrees that applicable payroll records shall be made available for audit to employees of the Health and Welfare fund and/or Pension Fund, as directed by action of the Board of Trustees of these funds.

F. If the Employer fails to make prompt and timely payments of monthly contributions required by this Article, and such delinquency results in an employee or beneficiary or dependent being denied or being rendered ineligible for benefits otherwise payable under the Plans provided by the Trustees, then in such event, the Employer shall be fully and personally responsible to (and hereby agrees to pay) such employee or beneficiary or dependent for all such losses or benefits.

ARTICLE 15 SICK LEAVE

A. All permanent full-time employees will accrue sick leave at the rate of three (3) days per year from the date of their hire, to a maximum of nine (9) days. Current employees, as of the effective date of this Agreement, who have accrued sick leave days in excess of the maximum nine (9) days may keep the existing sick leave over nine (9) days until it is used down to the point is less than a total of nine (9) days. No current employee shall accrue new sick leave until his/her accrual is less than nine (9) days.

B. No employee shall be allowed to draw against future Sick Leave. No employee shall receive cash payment in lieu of accumulated Sick Leave.

C. Employees may utilize accrued unused sick leave for doctor and dental appointments.

ARTICLE 16
JURY DUTY, ACCIDENT, LEAVE OF ABSENCE,
MATERNITY AND FUNERAL LEAVE

A. **JURY DUTY** A full-time employee, who is called to serve on jury duty, shall be paid for actual hours worked for the Company. If this pay, with his jury duty pay, does not equal his regular weekly pay, the Employer will make up the difference for a maximum period of two (2) weeks; providing the employee works such hours as he is available during the hours when court is not in session. The above shall apply to petit jury duty only.

An employee receiving full pay from his Employer while serving on a jury, will be required to turn in to his Employer, the jury duty pay for the period he served on the jury, not to exceed two (2) weeks.

B. **ACCIDENTS:** Employees, injured on the job, shall not be docked for any part of the day in which the injury occurs, providing a call to the Employer is made from the doctor's office by the doctor's personnel, notifying them of the extent of the injury. If the injury is not serious, the employee must return to work at once upon leaving the doctor's office. In no instance will the Employer be obligated to pay an employee for more than eight (8) hours.

C. **LEAVE OF ABSENCE:** An employee may be granted a leave of absence, not to exceed ninety (90) days, upon written permission from the Employer and the Union. Failure to comply with this provision or to return on time shall result in loss of seniority rights.

D. **MATERNITY LEAVE:**

1. Such leave shall be granted in compliance with all state and federal rules and regulations.
2. The employee shall retain all seniority rights while on Maternity Leave, but shall not accrue additional vacation credits during this time.
3. An Employee, wishing to return from Maternity Leave, shall provide the Employer with her request for reinstatement and an attending physician's statement of satisfactory, good health.

E. **FUNERAL LEAVE:** Employees shall be allowed paid time off at regular straight-time rates up to but not to exceed three (3) working days (five (5) days in the case of spouse) as normally scheduled for the employee's parent, child, brothers, sisters, parents-in-law, grandparents, grandchildren or any relative residing with the employee or with whom the employee resides. It is understood that step-parents, step-children, and step-brothers/sisters are included herein. Further, it is understood that payment for such time off may include but not extend beyond the day after burial, if such day is a workday. Moreover, if the employee is notified of such death while at work he shall be excused from further work on that day, without loss of pay and time off provided for above shall begin the following day.

**ARTICLE 17
SEVERANCE PAY**

- A. Full-time employees, who quit or whose service with the Employer is terminated, shall receive severance pay based on the following schedule: employees who have been with the employer one (1) year, but less than five (5) years, one (1) week of pay at their regular rate for forty (40) hours; employees who have been with the Employer at least five (5) years, but less than ten (10) years, two (2) weeks of pay at their regular rate for forty (40) hours; and, employees who have been with the Employer ten (10) years or longer, three (3) weeks of pay at their regular rate for forty (40) hours.
- B. Severance pay shall be only for those full-time employees hired before October 6th, 1978.
- C. Employees shall not receive severance pay when their services are terminated for dishonesty.

**ARTICLE 18
RATES OF PAY**

- A. All employees of said Employer who are not cashiers or managers, and who work in any of the departments of the store of said Employer, except the meat department, shall be defined as clerks.
- B. Night stockers, working during hours when the store is closed, shall receive a thirty cent (\$.30) per hour premium, over and above the regular hourly rate of pay.
- C. All part-time employees shall be scheduled to work a minimum of no less than twelve (12) hours per week (any seven (7) consecutive days), and shall be paid for a minimum of twelve (12) hours per week if twelve (12) hours of work are not provided in any week in which they are scheduled to work.
- D. For the purpose of computing wage rates, part-time employees who work thirty-four (34) hours or more in any one (1) week, and who have six (6) months or more of service, shall receive an add on of thirty cents (\$.30) per hour for all hours worked that week.
- E. One employee per department working in a department during the absence of the Hardware Store Manager or Department Head(s) shall receive a premium in addition to their regular hourly rate of pay. The designated employee receiving the manager/department head replacement premium must perform all of the responsibilities that come up during the day. Designated employees as of December 31, 2001 shall receive the differential they would have received as of that date for all such hours. All remaining employees shall receive a one-dollar (\$1.00) per hour premium in addition to their regular hourly rate of pay. This time will include sick leave, vacation, jury duty, funeral

leave and leaves of absence. Management reserves the right to replace the hardware Store Manager or Department Head(s) with Management. If the Union raises a concern about the replacement by Management, the Cooperative agrees to meet with a representative of the Union to clarify the need. A Hardware Store Manager or Department Head replacement may be split between several employees so that the department can run smoothly.

F. The following schedule of wages shall apply to all employees.

WAGE SCHEDULE

All employees as of the effective date of this Agreement shall be paid according to the following wage scales.

SCHEDULE A:

Grocery & Hardware Employees hired before 1/1/2014

Department Heads & Full Time Employees:

1/1/2014	+\$0.35/hour
1/1/2015	+\$0.35/hour
1/1/2016	+\$0.35/hour
1/1/2017	+\$0.35/hour

Part Time Employees:

1/1/2014	+\$0.25/hour
1/1/2015	+\$0.25/hour
1/1/2016	+\$0.25/hour
1/1/2017	+\$0.25/hour

SCHEDULE B:

Starting Wages Grocery & Hardware Employees Hired after 1/1/2014.

Full-time

Start	<u>2013</u>	
	\$9.60	
	1/1/2014	+\$0.25/hour
	1/1/2015	+\$0.25/hour
	1/1/2016	+\$0.25/hour
	1/1/2017	+\$0.25/hour

Part-time

Start	<u>2013</u>	
	\$8.10	
	1/1/2014	+\$0.15/hour
	1/1/2015	+\$0.15/hour
	1/1/2016	+\$0.15/hour
	1/1/2017	+\$0.15/hour

Department Head Grocery

Start	<u>2014</u>	
	\$11.30	
	1/1/2014	+\$0.25/hour
	1/1/2015	+\$0.25/hour
	1/1/2016	+\$0.25/hour
	1/1/2017	+\$0.25/hour

Employer-designated, Assistant Manager shall receive twenty dollars (\$20.00) per week add-on to base rate of pay.

Key Carrier

Non-Department Head employees designated by Management as Key Carriers shall be paid seven dollars (\$7.00) per night or Sunday for performing such assigned duty.

G. The "summer period" shall extend from May 1st through Labor Day.

H. Employees hired for summer months shall receive no benefits under the terms of the contract, including pension payments, health and welfare payments, holidays, vacations, or seniority. Summer help employees shall be limited to less than thirty-four (34) hours of work per week. If the employee is retained after Labor Day, seniority shall be such employee's original date of hire.

I. The Employer may work those part-time employees by seniority that voluntarily sign up, thirty-four (34) hours or more per week during the period May 1st through Labor Day. Those employees with six (6) or more months of seniority shall receive a thirty-cent (\$0.30) per hour premium, in addition to their regular hourly rate of pay for each hour worked during a week they work thirty-four (34) or more hours. These employees shall not receive any full-time employee benefits, except that all hours worked shall count toward vacation accrual and pension contributions.

ARTICLE 19 GENDER

Wherever words are used in this Agreement in the masculine gender, they shall also be construed to include the feminine or neuter gender in all situations where they would apply; wherever words are used in the singular, they shall also be construed to include the plural in all situations where they would so apply; and wherever any words are used in the plural, they shall also be construed to include the singular.

ARTICLE 20 SEPARABILITY AND SAVINGS CLAUSE

Should any part hereof or any provisions herein contained, be rendered or declared illegal by reason of any existing or subsequently enacted legislation, by a decree of a court of competent jurisdiction or an unfair labor practice by a final decision of a Labor Relations Board of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof. Nothing herein shall be construed to replace or abridge the right of either party to appeal courts or administrative decrees or decision.

In the event that any part or portion of this Agreement is declared illegal, the parties shall enter into immediate collective bargaining negotiations, upon the request of either party, for the purpose of arriving at a mutually satisfactory replacement for such part or portion declared illegal.

If the parties do not agree on a mutually satisfactory replacement, within sixty (60) days from the date of the notice of the parties requesting the commencement of collective bargaining negotiations, either party shall be permitted all legal or economic recourse in support of its demands, notwithstanding any provision of this Agreement to the contrary.

**ARTICLE 21
DURATION**

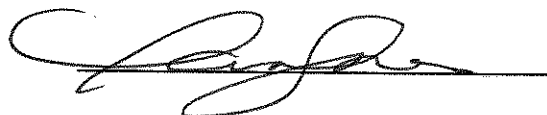
This Agreement shall take effect the first day of January, **2014**, and shall continue in full force and effect through December 31st, **2017** and thereafter, from year to year, unless written notice of desire to change or modify the Agreement is given by either party to the other party, sixty (60) days prior to the annual date of expiration; at which time, either party desiring a change shall notify the other party, in writing, of the specific paragraphs or articles they are desirous of changing so that negotiations may be started as early as possible during the sixty (60) day notice period.

Dated this 26th day of November, ~~2014~~ 13

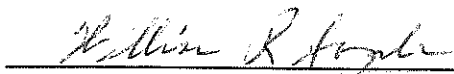
IRON RIVER COOPERATIVES, INC.



UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 1189



*Labor Relations Consultants, Inc.



*The parties agree and understand that LABOR RELATIONS CONSULTANTS, INC. does not become a party to this Agreement through negotiations or by signature of its representative.

Side Letter of Understanding
By and between
Iron River Cooperatives, Inc.
And

United Food and Commercial Workers Union, Local 1189

WHEREAS, the Parties have revised the current Labor Agreement wage scales in such a way that current employees who replace Department Heads will lose the premium pay amount they formerly received, and

WHEREAS, the Parties wish to provide a method whereby those designated current employees who replace Department Heads continue to receive the premium pay they received as of December 31st, 2001.

NOW, THEREFORE, the parties agree as follows:

1. The following designated employees shall receive the premium listed herein for time spent replacing a Department Head as provided for in Article 18, Section E of the Current Labor Agreement.

Karen Chaney

\$2.10 per hour premium

2. Should one of the designated employees listed in this letter of understanding refuse to replace a department head for no good reason, that employee thereafter shall be paid the same as other employees who replace department heads as stated in Article 18, Section E of the collective bargaining agreement.

Dated this 26th day of NOVEMBER, 2014¹³.

IRON RIVER COOPERATIVES, INC.

UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 1189

*Labor Relations Consultants, Inc.

William B. Saylor

[Signature]

*The Parties agree and understand that Labor Relations Consultants, Inc. does not become a party to this Agreement through negotiations or by signature of its representative.

**SIDE LETTER OF UNDERSTANDING
BY AND BETWEEN
IRON RIVER COOPERATIVES, INC.
AND
UF&CW LOCAL 1189**

WHEREAS, the Parties are signatory to a Labor Agreement covering the terms and conditions of employment of certain employees of the Cooperative's Grocery and Hardware store; and

WHEREAS, full-time employees have expressed a concern regarding access to information about potential scheduled Saturday Closings and Sunday work beyond the schedules described in Article 2, Hours of Labor, Section A of the current Labor Agreement; and

WHEREAS, the Parties understand that the first sentence of Article 2, Hours of Labor provides that "Management retains the right to schedule specific workdays." and

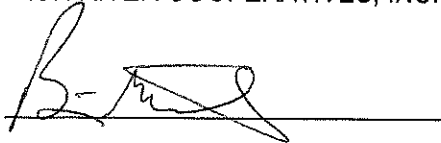
WHEREAS, the Parties have agreed to a procedure whereby employees may view a calendar which identifies the potential Saturday Closings and Sunday's that employees are scheduled to work beyond the period identified in Article 2, Hours of Labor, Section A of the current Labor Agreement;

NOW THEREFORE, the Parties agree as follows:

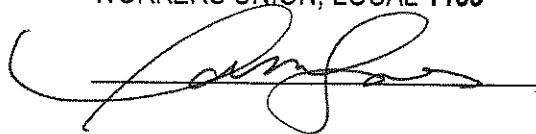
1. On or before the fifteenth of the each month, the Cooperative will post the next month's potential schedule showing the potential Saturday Closings and potential Sundays to be worked by full-time employees. The potential schedule will be posted in the Office, at both locations by the Vacation Schedule.
2. The potential schedule may be changed, without notice, due to employee absences because of illness, accident, vacation and other reasons acceptable to the Cooperative.
3. In the event of a change in the potential schedule the Cooperative will notify effected employees as soon as possible.

Signed this 26th day of ^{Nov 13} ~~April~~, 2014.

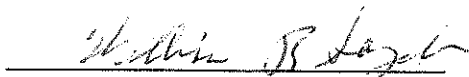
IRON RIVER COOPERATIVES, INC.



UNITED FOOD AND COMMERCIAL
WORKERS UNION, LOCAL 1189



*Labor Relations Consultants, Inc.



*The Parties agree and understand that Labor Relations Consultants, Inc. does not become a party to this Agreement through negotiations of by signature of its representative.