

EMPLOYER PACKAGE OFFER

**BETWEEN: SOBEYS CAPITAL INCORPORATED - SAFEWAY
OPERATIONS: ALBERTA PROVINCE WIDE AGREEMENTS**

RETAIL;

SOUTHERN MEATS & DELI; AND

NORTHERN MEATS & DELI

**AND: UNITED FOOD COMMERCIAL WORKERS UNION LOCAL NO.
401**

The following offer is without prejudice to any past, current, or future application or interpretation of the Collective Agreement.

The Employer reserves the right to add to, delete or modify this offer should it not be ratified.

Employer Proposal #1: Memorandum of Agreement

This Memorandum of Agreement forms the full and complete resolve to all outstanding issues and claims between the parties, and between the Company and the employees, with respect to:

- (1) the renewal of the Province Wide Collective Agreements expiring on August 9, 2025;
- (2) the 2023 Final Offer Selection arbitration process outlined in these collective agreements;
- (3) the Final Offer Selection Award of Arbitrator Mia Norrie dated November 19, 2023;
- (4) the Union's application to the Alberta Court of King's Bench for Judicial Review of the summary dismissal decision of the Alberta Labour Relations Board dated January 10, 2024;
- (5) the Union's Omnibus Group and Union grievance against the Company dated July 1, 2023;
- (6) the Judicial Review Decision of the Alberta Court of King's Bench dated October 18, 2024;
- (7) the Union's appeal to the Alberta Court of Appeal commenced on November 8, 2024;
- (8) the Union's right to apply for a stay of the Judicial Review Decision described in point (6) above, pending the outcome of the Appeal described in point (7) above;

- (9) the Union's Bad Faith Bargaining and Unfair Labour Practice Complaint to the Alberta Labour Relations Board dated November 18, 2024
- (10) the Union's application to the Alberta Court of King's Bench for Judicial Review of the FreshCo Final Offer Selection Award of Arbitrator Mia Norrie dated February 1, 2021;
- (11) Union Grievances designated as GR-20230614-3802, 3806, and 3807;
- (12) Union Grievances designated as GR-20230704-3892, 3894, 3895 and GR-20230706-3903; and
- (13) Union Grievances designated as GR-20221125-2377, 2378, 2379, and 2380.
- (14) Company defamation grievance

The parties have agreed to take this Memorandum of Agreement to their respective principals with a unanimous recommendation for ratification.

This Memorandum of Agreement when ratified, in conjunction with the previously mentioned Province Wide Collective Agreements, will form a new set of Province Wide Collective Agreements between the parties and will fully extinguish the parties' rights to serve notice to bargain in relation to the Province Wide Collective Agreements in 2025.

The parties agree that all items in the existing Province Wide Collective Agreements including Letters of Understandings will remain in force in accordance with the Province Wide Collective Agreements or only as modified in this Memorandum of Agreement dated (Insert Date).

All changes noted in the Memorandum of Agreement are effective August 10, 2025, and not retroactive unless otherwise stated.

Any legitimate errors in this Memorandum of Agreement shall be subject to correction by the parties.

Employer Proposal #2: (Add New)

LETTER OF UNDERSTANDING

Between

SOBEYS CAPITAL INCORPORATED (SAFEWAY OPERATIONS)

And

UNITED FOOD AND COMMERCIAL WORKERS CANADA UNION, LOCAL NO. 401

The Company and the Union will meet in good faith to discuss cross-functional opportunities and potential management structure changes.

Employer Proposal #3: Letter of Understanding # 27 – Walking Stewards

Delete effective August 9, 2025, and replace with the following:

“The Employer will make four (4) lump sum contributions to the UFCW Local 401 of \$375,000 on the first pay period of August 2025, 2026, 2027 and 2028. The Employer will maintain its current practice regarding requests for union leave of absences.”

Employer Proposal #4: Wages

Top Rated and Over Scale Wage Rates:

Notwithstanding the Judicial Review Decision of the Alberta Court of King’s Bench dated October 18, 2024, the top rated and overscale wage rates awarded by Arbitrator Mia Norrie in the Final Offer Selection Award dated November 19, 2023, shall be deemed to have been incorporated into the Province Wide Collective Agreements effective as of August 7, 2023. Consequently, no wage overpayments will result from the Company’s decision to implement these wage rates prior to the release of the Judicial Review Decision.

Wages:

All active top-rate and over-scale employees on the payroll of the Employer on the following effective dates, shall receive:

Effective August 8, 2027

2% wage increase

Effective August 13, 2028

2% wage increase

All active in-scale employees on the payroll of the Employer on the following effective dates, shall receive:

Effective August 10, 2025

Five-hundred-dollar (\$500.00) lump sum payment, less statutory deductions.

Effective August 9, 2026

Five-hundred-dollar (\$500.00) lump sum payment, less statutory deductions.

Effective August 8, 2027

Five-hundred-dollar (\$500.00) lump sum payment, less statutory deductions.

Effective August 13, 2028

Five-hundred-dollar (\$500.00) lump sum payment, less statutory deductions.

The lump sum payments shall be paid within thirty (30) calendar days from the effective dates set out above.

The words "on the payroll of the Employer" shall include all employees who are currently on vacation, authorized leave of absence, sick leave, injury leave, Short Term Disability, Long Term Disability, Workers' Compensation, maternity leave, or parental leave. Employees on a bona fide leave shall receive their lump sums upon their return from leave.

Employer Proposal # 5: Article 22 – Expiration and Renewal

Add the following:

The parties agree to a four (4) year extension of the current Province Wide Collective Agreements between Sobeys Capital Incorporated (Safeway Operations) and UFCW Local No. 401 which will all have expiry dates of August 11, 2029.

BP 4 -B- Amend the language in the Retail Article 7.1, Northern Meats Article 8.1, and Southern Meats 7.1

Funeral/Bereavement Leave

In the event of death in the immediate family of an employee, the employee will be granted leave of absence with pay, with consideration given to travel time for the purpose of attending the funeral. The length of such absence shall be at the discretion of the Employer. The term "immediate family" shall mean: spouse, parent/step parent, child, brother, sister, mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, daughter-in-law, grandmother, grandmother-in-law, grandfather, grandfather-in-law, and grandchildren, or any relative living in the household of the employee. In the event of the demise of an aunt or uncle, nephew or niece, an employee will be granted one (1) day leave of absence with pay to attend the funeral.

Notwithstanding the foregoing, if the death is a case of a spouse, father, mother, **sibling**, or child, the employee shall be entitled to, up to one (1) week's leave of absence with pay at the time of bereavement.

It is understood that in the case of a part-time employee, the time off, with pay, shall be determined on the basis of the hours that the employee was originally scheduled to work during the leave.

Common law, adult interdependent partner, and same sex spouses are to be recognized by the Employer for the provisions of this article.

An employee's day off will not be used to circumvent funeral/bereavement leave.

In addition to the foregoing, an employee shall be entitled to any unpaid leave they are eligible for under Employment Standards legislation including bereavement leave for a person the employee is not related to but considers to be like a close relative.

BP3 -B- Dental Funds:

The Company agrees to increase the dental contributions listed in Article 8.10 of the Retail CBA, Article 20 of the Northern Meats CBA, and Article 8.15 of the Southern Meats CBA by one (\$0.01) cent each year of the contract. Effective August 10, 2025, contributions will increase to forty-four (\$0.44) cents per hour, effective August 9, 2026, contributions will increase to forty-five (\$0.45) cents per hour, effective August 8, 2027, contributions will increase to forty-six (\$0.46) cents per hour, and effective August 13, 2028, contributions will increase to forty-seven (\$0.47) cents per hour.

BP3-D- Retirement Allowance

Add New Letter of Understanding: Retirement Allowance

LETTER OF UNDERSTANDING

Between

SOBEYS CAPITAL INCORPORATED (SAFEWAY OPERATIONS)

And

UNITED FOOD AND COMMERCIAL WORKERS CANADA UNION, LOCAL NO. 401

At the Employer's discretion, employees in certain stores may be offered a retirement allowance once during the life of the Collective Agreement, expiring August 11, 2029.

The features of the retirement allowance will include:

- 1) The retirement allowance may be offered to Full-Time and Part-Time employees (excluding Pharmacy Assistants, Registered Pharmacy Technicians, Bakers, Cake Decorators, and Cutters).

- 2) The Company reserves the right to make the final determination as to the number of employees who may participate in the program and their departure dates. Where the Company approves a number of applications in a particular store and a particular classification, those approvals will be granted based on seniority.
- 3) The retirement allowance will be calculated as follows:
 - a) One-thousand (\$1000.00) dollars for each full year of continuous service, less statutory deductions.
 - b) In the event an employee is absent on an approved leave of absence, they shall receive their retirement allowance, upon their full return to work, provided they return within twenty-four (24) months of their retirement allowance being approved.
 - c) Employees who receive the retirement allowance will not be eligible for any credit for previous experience, if rehired at a later date.

THE EMPLOYER RESERVES THE RIGHT TO ADD TO, DELETE OR MODIFY ANY OF THE FOREGOING PROPOSALS.

RESPECTFULLY SUBMITTED ON BEHALF OF SOBEYS CAPITAL INCORPORATED - SAFEWAY OPERATIONS – ALBERTA.