

OCTOBER 1, 2022- SEPTEMBER 30, 2025 AGREEMENTFERGUSON ENTERPRISES, LLC. - SAN DIEGOINDEX OF CONTENTS

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FERGUSON ENTERPRISES, INC. SAN DIEGO FACILITY

2022-2025 AGREEMENT

This Agreement, made and entered into as of the 1st day of October, 2022, by and between Ferguson Enterprises, LLC, located in San Diego County, herein referred to as the Employer, and Teamsters Local 481, chartered by the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, hereinafter referred to as the Union. This Agreement shall cover all Associates working in bargaining units represented by Teamsters Local 481, performing covered work pursuant to Section 24 hereof. This Agreement shall also apply to Associates performing non-covered work except as otherwise provided in this Agreement.

SECTION 1

PURPOSE OF AGREEMENT

That for the purpose of promoting the interest of the parties hereto, this Agreement as to wages, hours, and working conditions is entered into and shall be binding on the parties hereto from the date hereof until hereinafter provided.

SECTION 2

UNION SECURITY

As a condition of employment, every Associate included in the occupations, as set forth in the classification and wage rate schedule, shall on the 31st day after hiring become and remain a member of the Union. There shall be no other limitation on the Employer as to whom he shall employ, continue in employment, or discharge.

SECTION 3

NOTIFICATION OF NEW HIRES

Within seven (7) working days from the date of hire of any new Associate not reporting direct from the Union, the Employer shall notify the Union in writing of the Associate's name and address, his date of hire, social security number, and classification.

SECTION 4

HOURS OF WORK

- (A) Eight (8) or ten (10) hours of work shall constitute a day's work and forty (40) hours of work shall constitute a week's work, which shall be performed Monday through Saturday, inclusive. Overtime shall be paid at one and one-half (1 ½) times the Associate's base rate for each hour of work performed in excess of eight (8) or ten (10) hours in any one (1) day or forty (40) hours in any one (1) week. Double time the Associate's rate of pay shall be paid after twelve (12) hours in any one day.
- (B) Starting time shall be designated by the Employer, except that starting time shall be 5:00 a.m. or after, and quitting time no later than 8:00 p.m. Associate shall receive not less than seven (7) days' notice of any permanent change in regular starting time, unless an Associate agrees to an earlier effective time.
- (C) Work performed on the 6th or 7th consecutive work day will be paid at one and one-half (1 ½) times the base hourly rate, providing the Associate has worked all scheduled hours on the previously scheduled five (5) or six (6) days.
- (D) Associates late reporting or early leaving shall be paid only for actual time worked provided, however, that any such early leaving is of the Associate's own volition.
- (E) The Employer may establish a regular swing shift consisting of eight (8) consecutive hours (exclusive of a meal period of one-half (1/2 hour)), starting between 1:00 p.m. and 5:00 p.m., Monday through Friday. Straight time rates of pay for work on such swing shift shall be fifteen cents (\$0.15) an hour higher than the rates provided in the attached wage schedule.

The Employer may establish a regular graveyard shift consisting of eight (8) consecutive hours (exclusive of a meal period of one-half (1/2) hour) starting between 9:00 p.m. and 5:00 a.m., Monday through Friday. Straight time rates of pay for work on such graveyard shifts shall be thirty cents (\$0.30) per hour higher than the rates provided in the attached wage schedule.

Work performed after midnight on Saturday as part of a regular swing or graveyard shift shall not be considered as work on Sunday requiring overtime pay.

- (F) Each eight (8) or ten (10) hour day shall be interrupted for an unpaid lunch period that must start before the end of the fifth (5th) hour of work, unless the Associate works six (6) hours or less in a work day, in which case the lunch period can be waived. Such lunch period shall not be less than one half (1/2) hour nor more than one (1) hour. Employees working more than ten (10) hours in a work day shall be entitled to a second lunch period of one half (1/2) hour, which may be waived by the Associate if their work day is twelve (12) hours or less. A fifteen (15) minute paid rest break shall be permitted during the first four (4) hours of an Associate's shift and during the second four (4) hours of an Associate's

shift, and a third fifteen (15) minute break after ten (10) hours. Drivers may waive their lunch break pursuant to law. Warehouse Associates will continue not less than one half (1/2) hour nor more than one (1) hour lunch periods.

- (G) Any associate reporting for work who has not been instructed to lay off prior to the start of the shift by close of the Associate's previously worked shift shall be guaranteed eight (8) or ten (10) hours of work, or in lieu, pay therefore, providing that the Associate is reporting for a normally or regularly worked shift. An Associate called in for work outside of his or her regular shift shall be guaranteed four (4) hours of work. If an Associate quits or is discharged, the Associate shall be paid only for time worked.
- (H) It is agreed and understood that Associates who are assigned to work on Saturday will be designated on the basis of seniority. Associates will be asked on the basis of the most senior Associate to work on Saturday. If no Associate volunteers, then (whenever practicable) the most junior Associates will be assigned. It is agreed and understood that such assignment shall not be subject to the grievance and arbitration procedures, Section 21.
- (I) Time shall be kept on the Employer's time management system and all time shall be recorded.
- (J) The Employer shall pay for all physical examinations which are required by them, and in the case of Associates with one (1) or more years of service, the Employer shall pay for all physical examinations which are required by the Department of Motor Vehicles.
- (K) Scheduled overtime shall be first offered as equally as is economically feasible to those Associates who normally perform the work.
- (L) Associates shall be provided advance notice if mandatory overtime is required, as well as the expected duration of overtime, at least two (2) hours prior to the scheduled end of their shift.

SECTION 5

SEASONAL ASSOCIATES

UTILIZATION

- (A) Notwithstanding any other provision of this Agreement, the Employer shall have the right to utilize Associates for seasonal peak periods not to exceed sixty (60) calendar days, on the basis set forth in this section, to a maximum of 15% of all Associates' work force. Said Associates shall be referred to as seasonal Associates.

SEPARATE SENIORITY ROSTER

- (B) Seasonal Associates seniority shall be maintained separate and apart from the seniority list of regular, full-time Associates.

UNION MEMBERSHIP

- (C) Seasonal Associates shall be required to comply with the Union security clause after thirty-one (31) days.

SCHEDULING

- (D) Regular scheduled work days will be designated. The Employer retains the option of changing the designated work days and/or increasing or decreasing the number of days to be worked by seasonal Associates.

- (1) Additional hours and/or work days will be offered on a seniority basis.
- (2) In the event a night shift is established, seniority will prevail for day shift openings.

BIDDING

- (E) Seasonal Associates will not be allowed to bid on posted job vacancies in competition with full-time Associates.

SENIORITY

- (F) If an Associate is not transferred from seasonal to full-time employment, seniority will thereafter be computed from the original day the individual was hired as a Seasonal Associate for that current year. Refusal of a full-time job will not jeopardize the Associate's seniority on the seasonal seniority roster. The Employer shall not use seasonal Associates to displace the full-time Associate.

BENEFITS

- (G) A seasonal Associate will not be entitled to jury duty pay, funeral leave pay, sick leave pay, holiday pay, vacation pay, or health and welfare benefits.

LIMITATION OF SEASONAL EMPLOYMENT

- (H) In no event shall the Employer employ a seasonal Associate for more than sixty (60) calendar days. After sixty (60) days, the Seasonal Associate shall either be terminated or transferred to a full-time or part-time status.

APPLICABILITY OF PROVISIONS

- (I) Except as provided in this section, all provisions of this Agreement applicable to regular full-time Associates shall be applicable to seasonal Associates.

OVERTIME

- (J) Seasonal Associates shall be offered overtime after all eligible regular Associates have been offered overtime.

SERVICE FEE

- (K) Seasonal Associates shall pay a monthly service fee which shall be established by the Union.

SECTION 6

MANAGEMENT TRAINEE

Nothing in this Agreement shall prevent the Employer from assigning manager trainees to perform work covered by this Agreement, provided that such assignments do not result in the displacement of any bargaining unit associate at the location where the trainee is located, and further provided that:

- (A) There shall be a maximum of four (4) trainees in any twelve (12) month period at each location.
- (B) Individual trainee assignments may be for a maximum of four (4) months.
- (C) The Employer will notify the local union of trainee assignments.
- (D) Management trainees may only perform work covered by this Agreement during such time as bargaining unit associates are also at the facility performing such work.

SECTION 7

HOLIDAYS

The following days will be classified as paid holidays, regardless of the day of the week upon which they fall:

New Year's Day
Five (5) Floating Holidays
Memorial Day
Fourth of July

Labor Day
Thanksgiving Day
Christmas Day

All regular Associates covered by this Agreement shall receive eight (8) hours pay at their straight time hourly rate for the above-named holidays, if not worked. When the above-named holidays fall on a Sunday, the following Monday or previous Friday may be considered the holiday. When the above-named holidays fall on a Saturday, the day before or the following Monday will be the holiday. All work performed on holidays will be compensated at the applicable straight time or overtime hourly rate, in addition to the holiday pay allowance. The floating holidays shall be selected each year by mutual agreement between the Associate and the Employer. Wherever practicable, Associates will be selected to work on the day before or day after Christmas, based on seniority.

SECTION 8

JURY DUTY

If an Associate serves on jury duty, the Company agrees to pay the Associate the difference between the jury duty pay and their regular rate of pay for all hours lost from their regular work schedule, not to exceed thirty (30) calendar days. The Associate will present proof of service and of the amount of money received therefrom.

SECTION 9

UNIFORMS AND PROTECTIVE CLOTHING

Whenever the Company requires or demands a bargaining unit associate to wear safety work shoes, work gloves, and uniforms, those items shall be provided by the Company in adequate quantities. In the case of work shoes, one pair will be provided to an Associate no more than once every twelve (12) months of employment, to a maximum of \$85.00, payable by a voucher which will be provided by the Company to the Associate. Employees shall have the right to wear Union insignia pins.

SECTION 10

SENIORITY

- (A) Plant-wide seniority shall mean length of continuous service with the Employer. Continuity of service for vacations or holidays shall continue to accrue during a leave of absence which is due to illness or accident, provided such leave of absence does not exceed six (6) months. For Associates with less than one (1) year of continuous service with the Employer, however, such accrual of seniority shall not exceed thirty (30) days.
- (B) The Employer may, by mutual agreement with the Union, grant a leave of absence to any Associate for a period of time, not to exceed one (1) year, provided such leave of absence is in writing.

- (C) Layoffs by the Employer for a period of time in excess of six (6) months or the period of time equal to the Associate's length of continuous service with the Employer, whichever is the lesser, shall automatically terminate employment. It is understood that any Associate who is on layoff or absent on voluntary leave of absence shall accumulate seniority for thirty (30) days only.
- (D) No Associate shall acquire any seniority until the Associate has completed his or her probationary period, which shall consist of the Associate's first sixty (60) calendar days of employment. When the Associate has completed his or her probationary period, the Associate's seniority shall date from date of hire. The Employer shall have the right, at its discretion, to lay off or discharge any probationary Associate.
- (E) All layoffs and recalls after layoff shall be by plant-wide seniority, provided the senior Associate has the ability to perform the work required.
- (F) The above provision, as outlined in Subsection (D) shall also apply to promotions and demotions, provided the relevant skills and abilities of the Associates are relatively equal.
- (G) This section shall not apply to the promotion of any Associate to supervisor or lead position, as that work is defined by the Labor Management Relations Act, as amended.
- (H) In recalling Associates from layoff, the Employer shall notify the most senior laid off Associate by email or courier to the Associate's last known address and the Associate shall report to work within three (3) working days after the day of the sending of such notice. In the event the Associate fails to report for work within the three (3) day period, he or she shall lose all seniority rights.
- (I) When a job vacancy, other than a temporary vacancy, occurs within classifications covered by this Agreement, notice of such vacancy shall be posted on the plant bulletin board for seventy-two (72) hours, excluding Sundays and holidays, prior to its being filled on a regular basis, in order to afford Associates who desire to be considered therefore, an opportunity to signify their interest in the job designated. The Employer will have the right to temporarily fill the posted job until final selection is made.
- (J) In selecting which of said bargaining unit associates will fill the vacancy, seniority will govern, provided the relevant skills and abilities of the Associate being considered are relatively equal.
- (K) When bargaining unit personnel who can perform the required work are not readily available and present, the Employer may allow persons other than the Associate in the bargaining unit here involved to perform work covered by this Agreement. No bargaining unit associate will be displaced as a result of the application of this section.

SECTION 11

JOINT SAFETY & HEALTH COMMITTEE

The Company and Union agree that in order to further promote safety in the work place, a joint Labor/Management Safety Committee be established consisting of one (1) Union member and one (1) member from management. A safety inspection shall be allowed for at least thirty (30) minutes once per month without the loss of pay by the Union member. The management member shall be a part of the warehouse operations and the Union member shall be an Associate of the company. No associate shall be required to drive or use equipment that poses a safety hazard to the employee, in accordance with OSHA standards.

SECTION 12

FUNERAL LEAVE

Associates shall be allowed time off work for up to three (3) days for funeral leave with full pay for a death in the immediate family. Associates may take an additional two (2) days of funeral leave that will be unpaid, unless at the Associate's option, accrued personal days or vacation is utilized for the additional days of funeral leave. Immediate family shall be defined as the Associate's parents, spouse, registered domestic partner, children, brother, sister, father-in-law, mother-in-law, grandparents, grandparents of spouse/registered domestic partner, grandchildren and stepchildren, a stepfather and a stepmother. Verification of death may be required.

SECTION 13

NO STRIKE – NO LOCKOUT

The Union agrees to cooperate with the Employer in achieving maximum efficiency and productivity

During the life of this Agreement no strikes, slow-downs, or work stoppages shall be caused or sanctioned by the Union, and no lockouts shall be entered upon by the Company. Any action of the company in closing its facility during a general strike, riot, or civil commotion, or for the protection of the facility and property, shall not be deemed a lockout.

SECTION 14

VACATIONS

- (A) Vacations shall be pursuant to Ferguson's vacation plan with Article 3 – Vacations, Section A being revised to reflect a fifth week of vacation after 25 years of service and

provide for the accrual rate to be based on a per-hour-worked basis. As such, Section A shall be revised to read as follows:

Associates covered by this Agreement shall be entitled to annual vacations pursuant to Ferguson's vacation plan as follows:

Length of Service	Accrual Rate (Per Hour)	Accrual Cap
0-90 days	0	0
4 - 11 months	.026	51 hrs
12 months- 6 yrs	.039	101 hrs
7 yrs- 11 yrs	.058	151 hrs
12 yrs- 24 yrs	.077	200 hrs
25 + yrs	.097	252 hrs

The vacation accrual for Associates will be based on actual hours worked the previous month including leave time (floating holidays, holidays, personal, sick and vacation days).

Associates will begin to earn vacation in the month the Associate reaches his/her 90-day anniversary based on the chart above. This earned vacation will be stored in the Associate's vacation "account" until used. Once the Associate has reached his or her Accrual Cap, the Associate will stop earning vacation. As the Associate uses some of the vacation in his or her account, the Associate will begin to earn it again up to the Accrual Cap. The Associate will also be able to use the vacation as soon as earned. Information about the current status of each Associate's vacation account is available within the time management system that the Associate uses to record his or her time, or upon inquiry of the Employer's associate in charge of employment matters at the location covered by this Agreement.

Associates shall have the option to receive vacation pay from their accrued, unused vacation equivalent to their average weekly work hours for the previous month.

- (B) In case of severance of employment after four (4) months' service, the Associate shall be paid for vacation earned under this plan. Payment of each week of vacation shall be forty (40) hours at the applicable base hourly rate in effect at the time of vacation, and payment of vacation less than one (1) week shall be at the number of hours earned at the applicable base hourly rate in effect at the time of vacation. Vacations shall be taken at a time mutually agreed to between the Employer and the Associate. Should an Associate not be able to take his or her requested vacation or schedule an alternate vacation before the end of a vacation year due to a request of the Employer, then in such a case the Associate shall be paid for such vacation not taken.
- (C) On a rolling basis, the Employer will post a vacation schedule on which each Associate entitled to a vacation may designate the time when the Associate wishes to take his or her vacation. In case two or more Associates designate the same period and interference with production will result, the senior Associate shall be given preference.

SECTION 15

NO WAGE REDUCTION

Any person receiving wages in excess of the minimum set forth, shall not have such wages reduced because of the signing and execution of this Agreement.

SECTION 16

PERIODIC LIST OF ASSOCIATES

The Employer agrees to periodically, but not more often than once every three (3) months, furnish to the Union by classification, a complete list of all Associates working in classifications coming under the jurisdiction of the Union.

SECTION 17

STEWARD

The Union shall be permitted to appoint one Union steward for drivers and one Union steward for the warehouse.

SECTION 18

INVESTIGATIVE INTERVIEWS

During investigative interviews by the Employer, any Associate covered by this Agreement may request the presence of the shop steward or business agent if the Associate reasonably feels that the interview will result in disciplinary action against him.

SECTION 19

UNION ACCESS TO PLANTS

The business representative of the Union shall be permitted to visit the plant by applying to the office of the owner or authorized representative for permission. To the maximum extent possible, such visit shall not interrupt or otherwise interfere with the Employer's business activities.

SECTION 20

DISCHARGE OF ASSOCIATES

Members may be discharged for just cause, but in the case of a dismissal, the reason shall be given therefore by the Employer to the Associate at the time of such dismissal, and the Union shall be notified the day the discharge occurs.

SECTION 21

GRIEVANCE AND ARBITRATION

- (A) Should any controversy, dispute, or disagreement arise during the period of this Agreement out of the interpretation or application of the provisions of the Agreement, such differences shall be adjusted as follows:
- (B) The Associate shall first attempt to resolve the issue with his or her immediate supervisor, or other representative designated by the Employer, requesting the cooperation of the Union steward if the Associate so desires. If called upon at this step of the grievance procedure, a Union representative and supervisor designated by the Employer may also attempt a settlement.
- (C) If the issue is still unresolved under Paragraph (B) above, upon receipt of a written notice from the Union to the Employer setting forth the nature of the dispute, designated representatives of the Employer and the Union shall, within a calendar week from receipt of such written notice, attempt to reach a settlement.
- (D) If the matter is not settled within two (2) calendar weeks from the receipt of the written notice described in Paragraph (C) above, the Union may request from the Federal Mediation and Conciliation Service a list of seven (7) arbitrators, and the parties shall select therefrom one (1) arbitrator by alternately deleting names from the list until a last name remains, the parties drawing lots to determine who shall be entitled to the first deletion. The two (2) week time limit period referred to above may be extended by mutual agreement of the parties.

The expenses of arbitration and of all mutual facilities and services shall be borne equally by the Employer and the Union, and the decision of the arbitrator shall be binding on both parties. The parties shall individually bear the expense of presenting their own cases.

Any grievance not presented to the Employer in writing, as provided in Paragraph (C), within five (5) working days of the happening of the event or the discovery of the event which gives rise to the grievance, shall be waived for all purposes, except in discharge cases where the grievance shall be presented within three (3) working days.

SECTION 22

SICK LEAVE/FAMILY LEAVE

- (A) All Associates covered by this Agreement shall be entitled to a total of one (1) week's sick leave with pay per year in compliance with the San Diego Earned Sick Leave and Minimum Wage Ordinance. Associates with ten (10) years of service shall be entitled to a total of two (2) weeks' sick leave with pay per year. Such sick leave shall commence on the first (1st) working day lost for each disability. If an Associate is absent for two (2) days or more, if the Employer so desires, it may require reasonable proof of disability. Falsification of sick leave claims or proven abuse of sick leave privileges may be cause for discharge or disciplinary action.
- (B) Sick leave may be taken if you are unable to attend work for personal medical reasons, or to care for an ill spouse, child or parent. The Associate must notify his/her supervisor prior to the start of the work day or as soon as possible thereafter. The Associate may be required to obtain a written opinion of a licensed health care practitioner other than a pharmacist regarding the necessity of the Associate's absence from work. Sick leave shall be paid at the Associate's regular straight time hourly rate of pay. Unused sick leave shall be paid out at the end of each calendar year or upon termination.
- (C) Sick leave pay shall be integrated with unemployment compensation disability benefits and workers' compensation temporary disability benefits so that the sum of the daily sick leave allowance hereunder and the aforesaid state disability daily benefits, exclusive of the daily hospital benefits which may be payable to an Associate, shall not exceed one hundred percent (100%) of the Associate's regular daily wage at straight time. If the sick leave pay allowable to an Associate hereunder when so combined with any such state disability daily benefits received by the Associate exceeds one hundred percent (100%) of the Associate's regular daily rate of straight time, for any one (1) day, then such sick leave pay for that day shall be reduced accordingly. Any portion of the sick leave pay allowance not received by the Associate by reason of any such reduction shall be retained in the Associate's sick leave pay account as a part of his accumulative sick leave pay credits.

In order to effectuate the integration with the U.C.D., all sick leave will be broken down from days of sick leave as earned to hours, and such sick leave will be used and retained as hours of sick leave.

- (D) In addition to sick leave, associates shall be entitled to three (3) personal days each calendar year after completion of the probationary period, which may be used in full day increments. Personal days may be used for purpose of medical appointments, child care or family issues, funeral leave, or any other personal needs of the employee that must be attended to. Personal days must be requested in advance, and requests for a personal day may be denied if operational needs do not permit excusing the employee from work. Personal days may not be added to vacation periods to extend a vacation.

FAMILY LEAVE:

Notwithstanding any other provisions of this Section 22, the Employer shall provide unpaid leaves of absence and maintain benefits during such leaves in conformity with the California Family Rights Act of 1993, which appears at Section 12945.2 of the California government code, and the Family Medical Leave Act of 1993 and any amendments to either. Pursuant to said statutes, the Employer shall grant to each Associate who has completed one (1) year of service and has worked one thousand two hundred and fifty (1,250) hours in the year preceding the leave, leave for the birth or adoption of a child, or placement of a child for foster care, or for the care of a parent or person similarly situated or a spouse. Leave shall also be granted for an Associate's own serious health condition, including pregnancy related disabilities. The duration of leave under this paragraph shall be up to twelve (12) weeks during a one (1) year period. The Employer may, at his discretion, require or permit an Associate taking leave under this paragraph to substitute for such leave accrued, but untaken, vacation time. If an Associate requires leave under this paragraph for the Associate's own serious health condition, the Employer may, at his discretion, require or permit the Associate to substitute accrued, but unused, sick leave for such leave. Intermittent leave shall also be allowed for the care of a spouse, parent, or child, subject to appropriate medical certification. Associates who qualify for leave pursuant to this paragraph and return within the time specified shall be assigned to the position which they occupied at the time of taking leave, or a comparable position, providing such position exists. Any Associate seeking reinstatement following a leave taken pursuant to this paragraph shall have no greater rights to a position than if the Associate had been continuously employed during the period of the leave. Associates who qualify for leave under this paragraph shall continue to be covered by the medical plan set forth in Section 25 for the duration of said leave; provided, however, that in the event that the Associate does not return at the end of the leave period, the Employer may recover the cost of said premiums from the Associate.

SECTION 23

PAY DAY

Pay day shall be at least every other Friday.

SECTION 24

WAGE SCALE

CLASSIFICATIONS:

TRUCK DRIVERS:	10/01/22	10/01/23	10/01/24		
Increase	\$	\$ 1.00	\$ 1.00		
Starting Rate	24.00	25.00	26.00		
6 months	24.50	25.50	26.50		
12 months	25.25	26.25	27.25		
18 months	25.75	26.75	27.75		
24 months	26.50	27.50	28.50		
60 months	28.00	29.00	30.00		

WAREHOUSE WORKERS:*	10/01/22	10/01/23	10/01/24		
Increase	\$	\$ 1.00	\$ 1.00		
Starting Rate	19.50	20.50	21.50		
6 months	20.00	21.00	22.00		
12 months	20.75	21.75	22.75		
18 months	21.25	22.25	23.25		
24 months	22.75	23.75	24.75		
60 months	\$24.00	\$25.00	\$26.00		

*Warehouse work does not include work on the counters, as counters are a non-bargaining unit position. See Section 30 for counter work rates for union Associates.

Leadpersons shall receive a wage premium of \$1.25 per hour over their wage rate on the scale above.

Class A License Pay:

The Company shall have the sole discretion in the appointment of Class A License Driver(s). Associates appointed as Class A Driver(s) shall receive a minimum of an additional dollar (\$1.00) per hour over the amount due under the wage scale shown above.

SECTION 25

HEALTH AND WELFARE BENEFITS

The parties hereby agree to continue to participate in the current plans and trust known as the San Diego County Teamsters-Employers Insurance Trust Fund (STEFA) for the purpose of life insurance, medical, prescription drug, dental and vision benefits specified therein to regular Associates and their eligible dependents.

(A) HEALTH & WELFARE

Effective October 1st, 2022, the Employer agrees to pay \$1,455.40 per month to the San Diego County Teamsters-Employers Insurance Trust Fund on behalf of each employee covered by this Agreement to provide hospital and medical coverage (including \$10,000 life insurance coverage) in the trust plan known as "Plan B"- Composite rate. The Employer agrees to pay the entire cost thereof and should the cost of maintaining the existing benefits increase above the rates indicated above, the Employer shall pay such increases, subject to the provisions of Section E herein.

(B) PRESCRIPTION DRUG

Effective October 1st, 2022, the Employer agrees to pay \$146.25 per month to the San Diego County Teamsters-Employers Insurance Trust Fund on behalf of each employee covered by this Agreement to provide prescription drug insurance coverage as per the schedule of benefits established by the San Diego County Teamsters-Employers Insurance Trust known as Drug Plan 1, Composite rate. The Employer agrees to pay the entire cost thereof and should the cost of maintaining the existing benefits increase above the rates indicated above, the Employer shall pay such increases, subject to the provisions of Section E herein.

(C) DENTAL

Effective October 1st, 2022, the Employer agrees to pay \$46.75 per month to the San Diego County Teamsters-Employers Insurance Trust Fund on behalf of each employee covered by this Agreement to provide dental insurance coverage as per the schedule of benefits established by the San Diego County Teamsters Employers Insurance Trust, known as Plan 1 - Composite. The Employer agrees to pay the entire cost thereof and should the cost of maintaining the existing benefits increase above the rates indicated above, the Employer shall pay such increases, subject to the provisions of Section E herein.

(D) VISION COVERAGE

Effective October 1st, 2022, the Employer agrees to pay \$14.25 per month to the San Diego County Teamsters-Employers Insurance Trust Fund on behalf of each employee covered by this Agreement to provide vision insurance coverage Composite rate as per the schedule

of benefits established by the San Diego County Teamsters-Employers Insurance Trust. The Employer agrees to pay the entire cost thereof and should the cost of maintaining the existing benefits increase above the rates indicated above, the Employer shall pay such increases, subject to the provisions of Section E herein.

(E) ALL BENEFITS

All costs of the above four benefit programs, including administration, shall be borne by Employer contributions in the total amount of \$1,662.65 (one thousand six hundred sixty-two dollars and sixty-five cents) effective October 1, 2022. Effective October 1, 2023, Associates shall contribute fifty dollars (\$50.00) per pay period toward the cost of the benefit programs. Effective October 1, 2024, Associates shall contribute seventy-five dollars (\$75.00) per pay period towards the cost of the benefit programs. Any costs to employees to maintain benefits shall be made through payroll deduction.

(F) REPORTING AND CONTRIBUTIONS

Thereafter, and for all new employees, the monthly payment shall be made for each employee on the first day of each month provided that the employee has worked or been compensated for a minimum of eighty (80) hours in the previous calendar month.

The parties hereby accept the terms of the existing Trust and any amendments to that Trust required to accomplish the provisions of this Collective Bargaining Agreement and those of other contributing employers and, by this acceptance, agree to and become parties to said Trust.

The parties hereto agree to accept and execute such "acceptance of trust documents" as may be required for participation in each Trust and such payments shall be made in accordance with the provisions uniformly established by the Joint Board of Trustees.

Employer report forms with appropriate contributions are due post marked no later than the 15th of the month following the month in which the hours are worked or paid for.

In the event the appropriate Employer reports and remittances are not timely postmarked and timely received by the trust, the Trustees may sue any such delinquent Employer for any or all of the following:

- (a) An Accounting;
- (b) The amount of the delinquent report(s);
- (c) Liquidated damages as set forth in the Trust Agreement;
- (d) Reasonable attorney's fees and court costs, which the delinquent party hereby agrees to pay;
- (e) Any and all auditor's fees resulting from the delinquency;
- (f) The cost of suit.

(G) IMMEDIATE COVERAGE

The Trust operates on a "lag month" basis. That is, hours worked in January are reported and paid to the Trust in February to buy March eligibility. This is called a "lag month" system. The Employer and the Union desire to have "immediate" coverage for all bargaining unit employees so that there is no lapse in coverage for the plan participants.

Parties recognize that since the inception of the Employer's participation in the San Diego County Teamsters Employers Insurance Trust Fund, the employee's eligibility has been on a lag month basis. By that is meant, that under normal conditions, January work hours paid in February will provide March coverage to Bargaining Unit employees. In recognition of the fact that in 2018 Trust advanced a month's coverage to all employees then on the payroll, the Employer agrees that should it ever cease to be a contributing Employer to the fund, and only in that event, its final month's contributions will be applied to reimburse the Trust for the cost of the first month's coverage and not to the lag month as it would otherwise be applied. This paragraph shall not apply to dental benefits since those were already on a lag month basis at the point in time that the Employer commenced contributing to the Trust for the other benefits.

Under all other circumstances, individual employees will be on the lag month system and their coverage will proceed on that basis.

SECTION 26

PENSION PLAN

Effective October 1, 2022, the Employer agrees to make contributions in the amount of two dollars and nineteen cents (\$2.19) per hour for each hour worked or paid to Associates in all classifications covered by this Agreement, up to a cap of forty (40) hours per week. In addition, the Employer agrees to contribute an additional fourteen cents (\$0.14) per hour to provide the Program for Enhanced Early Retirement 84 (PEER). The total contribution shall be two dollars and thirty-three cents (\$2.33) per hour, up to a cap of forty (40) hours per week.

Effective October 1, 2023, the Employer agrees to make contributions in the amount of two dollars and twenty-eight cents (\$2.28) per hour for each hour worked or paid to Associates in all classifications covered by this Agreement, up to a cap of forty (40) hours per week. In addition, the Employer agrees to contribute an additional fifteen cents (\$0.15) per hour to provide the Program for Enhanced Early Retirement 84 (PEER). The total contribution shall be two dollars and forty-three cents (\$2.43) per hour, up to a cap of forty (40) hours per week.

Effective October 1, 2024, the Employer agrees to make contributions in the amount of two dollars and thirty-eight cents (\$2.38) per hour for each hour worked or paid to Associates in all classifications covered by this Agreement, up to a cap of forty (40) hours per week. In addition, the Employer agrees to contribute an additional fifteen cents (\$0.15) per hour to provide the

Program for Enhanced Early Retirement 84 (PEER). The total contribution shall be two dollars and fifty-three cents (\$2.53) per hour, up to a cap of forty (40) hours per week.

For probationary employees hired on or after October 24, 2017 Employer shall pay an hourly contribution of ten cents (\$0.10) during the probationary period as defined in SECTION X (10) (D), but in no case for a period longer than 90 calendar days from an employee's first date of hire. Contributions shall be made on the same basis set forth in SECTION X (10) of the Agreement. After the expiration of the probationary period as defined in SECTION X (10) (D), but in no event longer than 90 calendar days from the employee's first date of hire, the contribution shall be increased to the full contractual rate.

The contributions required to provide the Program for Enhanced Early Retirement will not be taken into consideration for benefit accrual purposes under the Plan. The additional contributions for the PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.

The Employer and the Union agree to execute the necessary trust documents required by the trustees of the Western Conference of Teamsters Pension Trust as a condition of participation in such trust.

The Employer hereby accepts, ratifies and becomes bound by the terms of that certain Agreement and Declaration of Trust executed April 26, 1955, as amended, and as it shall be amended, the same as though it were signatory thereto.

This Section 26 shall not apply to Associates performing non-covered work including, but not limited to, counter work.

Pension contact information is as follows: Western Conference of Teamsters Pension Trust, 225 South Lake Avenue, #1200, Pasadena, CA 91101, (866) 648-6878.

SECTION 27

FULL AGREEMENT

This document covers the entire field of agreement between the parties and resulted from negotiations in which each had unlimited right and opportunity to make demands and proposals with respect to any subject or matter in the area of collective bargaining and each voluntarily and unqualifiedly waives the right and agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered or not referred to or not covered in this document, even though such subject or matter may not have been with the knowledge or contemplation of either or both of the parties at the time they negotiated and signed this Agreement.

SECTION 28

MANAGEMENT PREROGATIVE

FUNCTIONS

- (A) Except as limited by a provision of this Agreement, the Employer retains exclusively the right to manage its business and to direct its associates including but not limited to the following: to direct, plan and control operations; to change existing methods, materials, equipment, facilities and accounting practices and procedures and/or to introduce new or improved ones; to utilize supplies; to determine what products or services shall be distributed or performed, and to determine their design, marketing, advertising and pricing; to establish and change the hours of work (including overtime work); to select and hire associates, determine their training, assign them to work as needed, to suspend, discipline and discharge associates for cause (probationary associates without cause); to make and enforce reasonable shop rules not inconsistent with the provisions of this Agreement; and to lay-off and to relieve associates from duty because of lack of work. The rights herein reserved shall not be exercised inconsistently with or in violation of any other provision of this Agreement, and any such right exercised by the Employer which is deemed to be in breach of another section may be challenged under Section 21 of this Agreement.

ADMINISTRATION

- (B) It is recognized that the Employer has the exclusive right to manage its facility and direct its associates unless restricted by the specific language of this Agreement, and the failure to exercise any such function or right is not a waiver of it, nor does exercising it in one manner preclude the Employer from exercising it in a different manner, so long as, in each case, the Employer's action is not in conflict with or a violation of the provisions of this Agreement.

DRUG AND ALCOHOL TESTS

- (C) The Employer may require the associate to submit to a random drug or alcohol screen on Employer time and at the Employer's expense pursuant to past practice since October 1, 2014. In addition, the Employer shall have the right to require an alcohol or drug screen on Employer time and at Employer's expense for each associate at the termination of such associate's leave of absence of thirty (30) calendar days or more, after an accident involving property damage, personal injury or lost time, and with respect to all Associates, each twelve (12) months and more frequently as undertaken pursuant to the laws and protocols required for driver Associates.

SECTION 29

EQUAL EMPLOYMENT

It is agreed by both the Employer and the union that there shall be no discrimination in the application of this Agreement so that equal employment and affirmative action may be applied to ensure fair employment practices exist relative to race, religion, color, age, non-job-impairing handicap, sex, or national origin.

SECTION 30
COUNTER WORK

Under this Agreement, counter work is not bargaining unit work. Therefore, pension contributions for such work cannot be made pursuant to Section 26. In order to provide for retirement benefits for bargaining unit associates assigned to perform counter work, the Employer's 401(k) Retirement Savings Plan ("Plan") shall be made available to counter associates pursuant to the provisions of the Plan documents with contributions as determined by the Plan trustees and as offered to all Employer's associates.

Union counter associates full (after 60 months) wage rates for 2022 - 2025 are:

2022	\$26.27
2023	\$27.37
2024	\$28.47

The prevailing rates above reflect that the Associates assigned to counter work shall receive the same rates as the Warehouse rates (including the progression rates) plus a counter increase of \$2.27 in 2022, \$2.37 in 2023 and \$2.47 in 2024.

SECTION 31
TEMPORARY ASSIGNMENT

An Associate may be temporarily assigned to perform all of the job duties of another job classification for a period. To be temporarily assigned duties as a Truck Driver, the Associate must be operating a vehicle requiring a Class A or Class B license. If an Associate is assigned to work in another bargaining unit job classification for four (4) or more hours in a work day, the Associate shall be paid at their current rate or the rate of the classification they are temporarily assigned to (at the equivalent rate on the scale based on years of service), whichever is higher, for those hours worked.

SECTION 32

PANDEMIC COMPENSATION

In the event there is a pandemic emergency and the Company decides to pay additional compensation to all Associates related to the pandemic emergency, bargaining unit Associates shall be eligible on the same terms as non-bargaining unit Associates. This shall not apply to bonuses or other additional compensation paid based on any other factor(s).

SECTION 33

TERMINATION OF AGREEMENT

This Agreement became effective as of October 1, 2022, and shall remain in effect until midnight, September 30, 2025, unless changed by mutual consent of the Employer and the Union.

Should either party desire to change or modify the Agreement on the anniversary date of 2025, written notice must be given to the other party not less than sixty (60) days in advance. If such notice is not given at such time, the Agreement shall be considered as automatically renewed for an additional period of one (1) year, and in like manner from year to year thereafter.

Should bargaining fail to produce a new Agreement on or before the anniversary date, either party may terminate this Agreement following the above anniversary date or subsequent anniversary date resulting from an automatic renewal by serving written notice upon the other party at its address of record. Five (5) days after receipt of such written notice as verified by certified or registered mail or courier receipt, this Agreement shall terminate unless renewed by the parties during the interim five (5) day notice period. Automatic renewal prevents termination for one (1) year from the anniversary date.

FERGUSON ENTERPRISES, LLC.
3280 Market Street
San Diego, California 92102

TEAMSTERS LOCAL 481
2840 Adams Avenue Suite 202
San Diego, California 92116
(619) 282-2187

BY: _____

PRINTED NAME: _____

TITLE: _____

2/10/23

VICTOR D. TORRES

SECRETARY - TREASURER