

PHARMACY AGREEMENT

June 18, 2006 – March 28, 2009

BETWEEN

CVS/PHARMACY

AND

GUILD FOR PROFESSIONAL PHARMACISTS

INDEX

DESCRIPTION

1.	<u>RECOGNITION-COVERAGE-DUTIES-GUILD SECURITY</u>	
		Page
1.1	Recognition of Guild	1
1.2	Covered and Excluded Pharmacists	1
1.3	Minimum Coverages	1
1.4	Bargaining Rights	1
1.5	Full Agreement	1
1.6	Staff Pharmacist Duties	1
1.7	Pharmacy Manager Duties	1
1.8	Guild Security	2
1.8.1	Current Pharmacists	2
1.8.2	Future Pharmacists	2
1.8.3	Membership Obligation	2
1.8.4	Employer Indemnification	2
1.8.5	Bargaining Unit Lists	2
2.	<u>ACCESS OF REPRESENTATIVES</u>	2
3.	<u>GUILD PRINCIPLES-PROBATIONARY PERIOD-STRIKES AND LOCKOUTS</u>	
3.1	Non-Discrimination Against Guild Members	2
3.2	Probationary Period-Full-Time Pharmacists	2
3.2.1	Probationary Period-Part-Time Pharmacists	3
3.2.2	Probationary Period-New Stores	3
3.3	Strikes and Lockouts	3
4.	<u>COMPENSATION-ASSIGNMENTS-UNIFORMS-INDUSTRIAL INJURY</u>	
4.1	Wages (See also Appendix A)	3
4.2	Temporary Assignments – Travel	3
4.2.1	Travel During Work	3
4.2.2	Personal Automobile Allowance	3
4.3	Regular Assignments	3
4.3.1	Operational Transfers	4
4.4	Uniforms	4
4.4.1	Name Tags	4
4.4.2	Wearing of Uniforms	4
4.5	Industrial Illness or Injury	4
5.	<u>WORKDAY AND WORKWEEK</u>	
5.1	Workweek	4
5.2	Workday	4
5.3	Definition-Full-Time and Part-Time Pharmacists	4
5.3.1	Full-Time	4
5.3.2	Part-Time	5
4.2.3	Casual	5

5.3.4	Recording Time Worked		5
5.4	Overtime		5
5.4.1	One and One-half Times Overtime		5
5.4.2	Two Times Overtime		5
5.5	Alternate Work Schedules		5
5.5.1	Alternate Work Schedule Election		5
5.5.1a	Distributed Pharmacists Vote		5
5.5.1b	Over Night Pharmacists Vote		5
5.5.1c	Individual Request		5
5.6	Alternate Work Schedule Rescinded		5
5.7	Alternate Work Schedule Rescinded – Individual		5
5.8	Overtime For Alternate Work Schedules		6
5.8.1	One and One-half Times Overtime		6
5.8.2	Two Times Overtime		6
5.8.3	Part-time Alternative Schedules		6
5.8.4	Undistributed Pharmacist Alternative Schedule		6
5.9	Rotation of Work Defined		6
5.10	Days Off and Starting Times		6
4.11	Meal Period		6
4.11.1	On-Call Meal Period	6	
4.11.2	On-Call Pay and Overtime	7	
4.11.3	On-Call Regulations	7	
4.12	Rest Period		7
4.13	Relief During Rest and Lunch Periods		7
4.14	Legal Proceedings		7
4.15	Call-In Pay		7
4.16	24 Hour Pharmacies		7
4.16.1	Premium Pay	7	
4.16.2	Incentive Pay Plan	8	
4.16.3	Inapplicability of Rotation of Work	8	
4.16.4	Selection of Pharmacists	8	
4.16.5	Replacement Coverage	8	
4.16.6	Discontinued 24 Hour Pharmacy	8	
4.16.7	Other Shift Preferences	8	
5.17	Work Schedule Posting		8
6.	<u>HOLIDAYS</u>		
6.1	Recognized Holidays		9
6.2	Unworked Holiday Defined		9
6.2.1	Full-Time Pay		9
6.2.2	Part-Time Pay		9
6.3	Holiday Pay Eligibility Requirements		9
6.4	Birthday/Anniversary/Personal Holiday		9
6.5	Monday Observance		10
6.6	Thanksgiving, Christmas and New Year's Eve		10
6.7	Holiday Payment		10
6.8	Voluntary Closing		10
6.9	Holiday Scheduling Reminder		10
6.10	Full-Time Holiday Scheduling		10
7.	<u>LEAVES OF ABSENCE</u>		10
8.	<u>VACATIONS</u>		11

8.1	Paid Vacations	11
8.2	Vacation Pay (Full and Part-Time)	12
8.3	Continuous Employment Defined	12
8.4	Pro Rata Pay Upon Termination	12
8.5	Vacation Schedules	12
8.6	Notice	12
8.7	Not Waived	12
8.8	Not Cumulative	12
8.9	Holiday During Vacation	12
9.	<u>SENIORITY</u>	
9.1	Seniority and Other Definitions	13
9.1.1	Breaks in Seniority	13
9.2	Economic Layoffs, Recalls and Store Closings	13
9.2.1	Ability and Skills	13
9.2.2	Recall After Layoff	13
9.2.3	Seniority After Recall	13
9.2.4	Assigning Stores After Layoff	13
9.2.5	Store Closure	13
9.2.6	Recall Rights Limitation	14
10.	<u>SETTLEMENT OF DISPUTES</u>	
10.1	Grievance Resolution	14
9.2	Grievance Procedure	14
10.3	Arbitration	14
10.4	Decision of Arbitrator	14
10.5	Limitations	14
10.6	Grievance Time Limits	15
10.7	Grievance Appeal Time Limits	15
10.8	Just Cause	15
11.	<u>DISABILITY PAY</u>	15
12.	<u>BEREAVEMENT</u>	15
13.	<u>JURY DUTY</u>	
13.1	Scheduling and Jury Duty	15
13.2	Proof of Attendance	16
13.3	Maximum Jury Service	16
14.	<u>RETIREMENT BENEFITS</u>	16
15.	<u>GROUP HEALTH AND WELFARE BENEFITS</u>	16
16.	<u>SAVINGS CLAUSE – SEPARABILITY</u>	16
17.	<u>NONDISCRIMINATION</u>	17
18.	<u>PHARMACIST DIGNITY AND PHARMACIST RIGHTS</u>	17
19.	<u>LIABILITY INSURANCE</u>	17

20.	<u>MANAGEMENT RIGHTS CLAUSE</u>	17
21.	<u>TERM OF AGREEMENT</u>	
	21.1 General	18
	21.2 Counter Notice	18
	21.3 Issues	18
	<u>Appendix A SCHEDULE OF RATES</u>	19
	<u>LETTER OF UNDERSTANDING - CASUAL PHARMACIST</u>	20
	<u>LETTER OF UNDERSTANDING - OVERTIME REGULATIONS</u>	21
	<u>LETTER OF UNDERSTANDING – AMENDMENT</u>	22

AGREEMENT

This agreement is entered into this 18th day of June, 2006 between CVS/pharmacy, with offices at 1 CVS Drive, Woonsocket, RI 02895 hereinafter referred to as the "Employer", and the Guild For Professional Pharmacists, with offices at 21243 Ventura Blvd, Suite 241, Woodland Hills, California, 91364-2167, hereinafter referred to as the "Guild".

I. RECOGNITION - COVERAGE - DUTIES - GUILD SECURITY

1.1 Recognition of Guild. The Employer recognizes the Guild as the sole and exclusive bargaining agent of the pharmacists covered by this Agreement for the purposes of collective bargaining with respect to rates of pay, hours of work, and other terms and conditions of employment.

1.2 Covered and Excluded Pharmacists. Pharmacists covered by this Agreement are: all registered staff pharmacists employed by the Employer at its facilities listed on Appendix B. Excluded are Pharmacy Managers, Casual Pharmacists, all other employees, office clerical employees, guards, and supervisors, as defined by the Act.

1.3 Minimum Coverages. The terms hereof are intended to cover only minimums in wages and other pharmacist benefits. The Employer may place superior wages and other pharmacist benefits in effect and may reduce the same to the minimums herein prescribed, without the consent of the Guild, provided, however, no superior hourly wage rates may be placed in effect without the consent of the Guild.

1.4 Bargaining Rights. The Guild and the Employer acknowledge that during negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects of collective bargaining, and that all such subjects have been discussed and negotiated upon, and the agreement contained in this contract was arrived at after free exercise of such rights and opportunities. Therefore, the Employer and the Guild, for the life of this agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

1.5 Full Agreement. This contract comprises the full agreement between the Employer and the Guild as to the matters herein contained.

1.6 Staff Pharmacist Duties. To: fill prescriptions, comply with laws, provide information to patients, physicians, and other health professionals, assist in ordering and controlling inventory, and provide customer services. Staff pharmacists report to the Pharmacy Manager.

1.7 Pharmacy Manager Duties. All of the duties of the staff pharmacist, as well as effective participation in and recommendation of the hiring of pharmacists, pharmacy interns, technicians and their assistants, and the training, directing the work of, disciplining of these classes of employees, as well as other duties related to the management of a pharmacy as assigned by the Employer. The Employer shall have the right to employ up to an average of one (1) Pharmacy Manager (supervisor) per pharmacy.

1.8 Guild Security. All pharmacists covered by this Agreement who are members of the Guild as of the date of execution of this Agreement shall, as a condition of employment, remain members of the Guild in good standing.

1.8.1 Current Pharmacists. All current pharmacists covered by this agreement who are not members of the Guild shall become and remain members in good standing of the Guild within thirty-one (31) calendar days of the execution of this Agreement as a condition of continued employment or shall, as a condition of continued employment, pay a fee in the amount equal to the periodic dues and initiation fees uniformly required as a condition of acquiring and retaining membership.

1.8.2 Future Pharmacists. All future pharmacists hired into the bargaining unit covered by this Agreement shall, as a condition of continued employment, become members of the Guild by the thirty-first (31st) day from the date of hire, and thereafter, remain members of the Guild in good standing or shall, as a condition of continued employment, pay a fee in the amount equal to the periodic dues and initiation fees uniformly required as a condition of acquiring and retaining membership.

1.8.3 Membership Obligation. The Guild will notify the Employer, in writing, to terminate any pharmacist who has failed to tender necessary initiation fees and dues to the Guild to remain in good standing as required by this Agreement. Upon receipt of said notice and a copy of a notification letter by the Guild to a pharmacist, the Employer will discharge the pharmacist within fourteen (14) days of receipt of the notice to the Employer. If, before the discharge of the pharmacist, the Employer is notified by the Guild that the pharmacist has tendered initiation fees or dues, as required by this Agreement, the Employer shall return the pharmacist to the schedule as soon as practical.

1.8.4 Employer Indemnification. The Guild agrees that it will defend, indemnify, and hold the Employer harmless in any case which the Employer relies on Guild representations that any member of the bargaining unit is "not in good standing" and where the Employer, at the request of the Guild, terminates the employment of such pharmacist.

1.8.5 Bargaining Unit Lists. During each calendar month, the Employer will provide the Guild an alphabetical list of bargaining unit pharmacists including the pharmacist's name, address, job classification, date of hire, and location of the pharmacy where employed.

2. ACCESS OF REPRESENTATIVES

Representatives of the Guild shall have access to the licensed pharmacies to the extent allowed such access by law. The Guild representative will notify the store managers, or in his absence, the assistant manager, in advance of such visit.

3. GUILD PRINCIPLES - PROBATIONARY PERIOD - STRIKES AND LOCKOUTS

3.1 Non-Discrimination Against Guild Members. The Employer shall not discharge or discriminate against any pharmacist for upholding Guild principles, as long as such act does not constitute a violation of the Agreement.

3.2 Probationary Period-Full-Time Pharmacists. The first ninety (90) calendar days of employment shall be considered a trial period for all full-time pharmacists, during which time the pharmacist may be terminated for any reason and the pharmacist shall have no recourse to the grievance procedure set forth in this Agreement concerning such termination.

3.2.1 Part-Time Pharmacists. Insofar as part-time pharmacists are concerned, the probationary period shall be four hundred eighty (480) hours of work during which time the part-time pharmacist may be terminated for any reason and the pharmacist shall have no recourse to the grievance procedure set forth in the Agreement concerning such termination.

3.2.2 New Stores. When a new store is being opened, the probationary period shall be thirty days (30) after store opening date, or the above mentioned time limits, whichever is longer.

3.3 Strikes and Lockouts. The Employer agrees that so long as this Agreement is in effect, there shall be no lockouts. The Guild, its officers, agents, members and employees covered by this Agreement, agree that so long as this Agreement is in effect, there shall be no strikes, sit-downs, slow-downs, stoppages of work, boycott, or other unlawful acts of sabotage that interfere with the Employer's operations or sale of its products. Any violation of the foregoing provisions may be made the subject of disciplinary action, including discharge, and any such action may not be raised as a grievance under this Agreement.

4. COMPENSATION - ASSIGNMENTS - UNIFORMS - INDUSTRIAL INJURY

4.1 Wages. The Schedule of Rates, Appendix A, sets forth the classification and applicable rates of pay for pharmacists covered by this Agreement. During the term of this Agreement, the Employer agrees to pay not less than the guaranteed minimum hourly wage set out in Appendix A.

4.2 Temporary Assignments - Travel. With the exception of undistributed pharmacists, pharmacists will be assigned to a specific pharmacy. Pharmacists shall be subject to temporary work assignments within a twenty (20) mile radius of their assigned pharmacy. The Employer will normally request the pharmacist to voluntarily accept a temporary assignment to another licensed pharmacy in cases of emergencies, vacation, etc. In the event of such temporary assignment beyond a twenty (20) mile radius of the assigned pharmacy, the pharmacist shall receive the mileage allowance as hereinafter set out.

4.2.1 Travel During Work. Pharmacists required to travel by the Employer during a daily work schedule shall be compensated at appropriate rate of pay for all travel time.

4.2.2 Personal Automobile Allowance. Pharmacists authorized to use their personal automobile for Employer business will receive mileage allowance pay per mile in accordance with the Employer's prevailing organizational mileage allowance policy.

4.3 Regular Assignments. The Employer agrees that on or about August 1, and February 1 of each year during the term of this contract, all pharmacists will be requested to express interest in transferring to other locations for regular assignment. Such request shall be on an appropriate form to be provided by the Employer. Failure to respond will be considered as no interest. However, a transfer request from the previous August or February requesting period, which has not yet been granted, shall remain active with its original request date. Responses will indicate store or stores of individual interest.

Each such response or expression of interest shall be compiled on a Transfer List in date of request order. With the exception of undistributed pharmacists, when a regular opening occurs, the pharmacist with the earliest request date who requested the store or area shall be offered the position, provided that he or she has no documented performance conduct problems. When no pharmacist on the Transfer Priority List has requested the store or area where a regular opening occurs, the Employer will place undistributed pharmacists before new hires, providing they have an overall performance rating of at least "meets requirements", have no more than three "does not meet requirements" rating factors, and have no other performance or conduct problems.

In addition, part-time pharmacists may request full-time positions and full-time pharmacists may request part-time positions on the same form as specified above.

4.3.1 Operational Transfers. Operational transfers shall not apply in an arbitrary, capricious, or discriminatory manner, or for disciplinary purposes, and shall not be utilized as a device for creating hardship to the pharmacist in order to force or provoke resignation.

4.4 Uniforms. The Employer shall furnish all required uniforms and, except where the garment is of drip-dry material, shall pay for the laundering and upkeep of same.

4.4.1 Name Tags. The Employer shall provide name tags containing first and last names and shall designate "Pharmacist" or "Pharmacy Manager" as appropriate.

4.4.2 Wearing of Uniforms. Each pharmacist shall wear the required uniform whenever on duty and shall begin each work shift wearing a clean uniform. Name tags shall be worn at all times while on duty and no name tag other than the name tag furnished by the Employer shall be worn.

4.5 Industrial Illness or Injury. When a pharmacist suffers an industrial illness or injury, there shall be no deduction from the pharmacist's pay for the day in which the pharmacist was injured and reported for medical care. When such pharmacist returns to work following the industrial illness or injury and is certified as ready and able to perform all regular duties, but requires medical treatment as a result of the same illness or injury, the Employer shall make a good faith effort to adjust the work schedules without penalty to the pharmacist, to provide both the time for medical care and the number of hours for which the pharmacist is regularly scheduled.

5. WORKDAY AND WORKWEEK

5.1 Workweek. A workweek as used in the Agreement shall be a consecutive seven (7) day period, as designated from time to time by the Employer.

5.2 Workday. A workday as used in this Agreement shall be any consecutive number of hours during a twenty-four (24) hour period as designated from time to time by the Employer and subject to rest periods and meal periods.

For the purpose of this Agreement, a working day is the period from midnight to midnight. Where shifts overlap into two (2) working days, payment shall be made for the hours worked on each working day in accordance with the rates established for such days.

5.3 Definition - Full-Time and Part-Time Pharmacists

5.3.1 Full-Time. A full-time pharmacist is one who is regularly scheduled to work 40 hours or more per week.

5.3.2 Part-Time. A part-time pharmacist is defined as one who is scheduled to work less than forty (40) hours per week. All part-time pharmacists shall be guaranteed a minimum of four (4) hours work per day upon reporting for work as scheduled, or pay in lieu thereof. A pharmacist may agree on less work and corresponding pay where the pharmacist does not want to work a four (4) hour shift and the Employer

can accommodate the pharmacist's desire in this regard.

5.3.3 Casual. A casual pharmacist is defined as one who works on an intermittent basis. A casual pharmacist will not be assigned work until full and/or part time pharmacists assigned to the pharmacy have been offered all such hours.

5.3.4 The Employer will provide and maintain a form or time clock to record time worked, on a daily basis.

5.4 Overtime.

5.4.1 The overtime rate of one and one-half (1 ½) times the hourly rate of pay will be paid for all hours worked:

- a. In excess of eight (8) work hours per day.
- b. In excess of forty (40) work hours per week.
- c. During the first eight (8) work hours on a 7th consecutive workday in the Employer's workweek.

5.4.2 The overtime rate of two (2) times the hourly rate of pay will be paid for all hours worked:

- a. In excess of twelve (12) work hours in a work day.
- b. In excess of eight (8) work hours on a seventh consecutive workday in the Employer's workweek.

5.5 Alternative work schedules.

5.5.1. Alternative workweek schedules may be elected by:

- a. Two-thirds (2/3) vote of full-time distributed pharmacists (including pharmacy managers) permanently assigned to a pharmacy.
- b. Two-thirds (2/3) vote of full-time over night pharmacists permanently assigned to a pharmacy.
- c. Requested in writing by a pharmacist and approved by the Employer.

5.6 An alternative workweek applicable to a pharmacy may be rescinded six (6) months after the election by another secret ballot election.

5.7 An alternative workweek which was requested in writing by an individual pharmacist and not part of a secret ballot vote may be rescinded by the individual pharmacist after two (2) week written notice to the Employer Regional Pharmacy Sales Manager and an acceptable schedule for the Employer's operation is available.

5.8 Overtime for alternate work schedules.

5.8.1 The overtime rate of one and one-half (1 ½) times the hourly rate of pay will be paid for all hours worked:

- a. In excess of the elected shift per day.
- b. In excess of forty (40) hours per week.
- c. During the first ten (10) work hours on a 7th consecutive workday in the Employer's workweek

5.8.2 The overtime rate of two (2) times the hourly rate of pay will be paid for all hours worked:

- a. In excess of twelve (12) hours in a work day.
- b. In excess of elected ten (10) hours worked in a 7th consecutive workday in a workweek.

5.8.3 Part-time pharmacist's daily overtime provisions will be the same as the pharmacy where the part-time pharmacist has been assigned on the particular day.

5.8.4 Undistributed pharmacist's daily overtime provisions will be the same as the pharmacy where the undistributed pharmacist has been assigned on the particular day.

5.9 Rotation of Work Defined. All full-time pharmacists, including Pharmacy Managers, within a licensed pharmacy shall rotate days off and starting times approximately equally on a periodic basis, except where such rotation adversely affects the Employer's operation. There shall be no trading of scheduled work days by pharmacists without the consent of the Pharmacy Manager.

5.10 Days Off and Starting Times. To the extent possible, the Employer shall strive to schedule all full-time pharmacists consecutive days off and uniform starting times each workweek.

4.11 Meal Period. All hours shall be worked consecutively except for a meal period, which shall not be less than one-half (1/2) hour.

5.11.1 On-Call Meal Period. If a pharmacist is scheduled six (6) or more hours in a workday and there is no overlap during the 3rd to 6th hour, the pharmacists shall take an On-Call meal period of one-half (1/2) hour between the 3rd and before the 6th hour on the Employer's time. When a pharmacist is scheduled eight (8) or more hours in a workday and there is no overlap during the 3rd to 7th hour, the pharmacist shall take an On-Call meal period of one half (1/2) hour between the 3rd and before the 7th hour on the Employer's time. The pharmacist shall remain within the store during the On-Call meal period and shall not be called upon to perform any duties during this On-Call meal period except in the case of a bonafide emergency.

If a pharmacist is scheduled and works less than six (6) hours, the lunch period may be waived in writing by the staff pharmacist. Such waiver may be revoked by the staff pharmacist upon two (2) weeks written notice.

It is understood and agreed that a pharmacist shall endeavor to schedule him or herself for any meal period taken, and that, as a professional who may manage his or her own time, the pharmacist should ensure that a meal period is taken.

5.11.2 The one-half (1/2) hour On-Call pay shall be counted as time_worked in the calculation of daily and/or weekly overtime.

5.11.3 On-Call meal periods will comply with the rules and regulations of the California State Board of Pharmacy and the Industrial Welfare Commission.

5.12 Rest Periods. Pharmacists are entitled to take one (1) uninterrupted ten (10) minute rest period each four (4) hour period.

5.12.1 The Company is committed to pharmacists getting their rest periods and pharmacy managers will assist pharmacists in taking them. The rest period will be taken at the most appropriate time within the four (4) hour period.

4.11.2 If the Employer fails to provide a rest period, the Employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided. It is understood and agreed that this language is not applicable to situations in which the pharmacists are provided with an opportunity to take a rest period, but decline to do so. It also does not apply to situations in which a pharmacist has the ability to take a rest period at his or her convenience, without being formally requested to do so by a manager, and declines to do so.

5.13 The Employer agrees to instruct, in writing, twice a year, General Managers to cooperate with Pharmacy Managers and staff pharmacists to have available relief persons when a pharmacist does not have any assistance in the pharmacy during a work shift of more than six (6) hours for meal and rest period relief purposes.

5.14 Legal Proceedings. Pharmacists shall be paid as time worked under the terms of this Agreement for the time spent at appearances or standby in courts of law or before administrative boards at the request of the Employer, or where the pharmacist is subpoenaed to a proceeding involving any facet of the Employer's business. The subpoena provision shall not apply to any proceeding in which the Guild is a party, and the pharmacist is subpoenaed by the Guild.

5.15 Call-in Pay. Any pharmacist who reports to work upon request shall be guaranteed a minimum of four hours work or four hours pay in lieu thereof at his or her regular hourly straight-time rate, or the appropriate overtime rate, unless they are called in for a store meeting, in which case the four hour guarantee will not apply, however, they shall be paid for all time in attendance at the meeting at their regular hourly straight-time rate, or the appropriate overtime rate.

5.16 24 Hour Pharmacies. The following provisions shall apply to 24 hour pharmacy operations only.

5.16.1 Premium Pay. All registered pharmacists hired shall receive an additional premium of \$5.00 per hour for any hour worked between Midnight and 8:00 a.m. This premium is not intended to benefit anyone who works less than 4 hours of an overnight shift.

5.16.2 Incentive Pay Plan Eligibility. Full-Time staff, registered pharmacists shall be eligible to participate in the Employer's Incentive Pay Plan on the same basis as other full-time staff, registered pharmacists. Part-Time pharmacists are not eligible for incentive pay.

5.16.3 Inapplicability of Rotation of Work. Section 5.9 shall not apply to over night pharmacists. Distributed staff pharmacists shall not be regularly assigned such late shift work on a rotational basis.

5.16.4 Selection of Pharmacists. Pharmacists hired for the late shift and volunteers shall be considered for staffing the late shift on a regular basis. Pharmacists not hired for the late shift shall not be required to accept a late night shift on a regular assignment basis.

5.16.5 Replacement Coverage. When the Employer is notified of an absence of a late shift pharmacist, the Employer shall use its best efforts to find a late shift replacement pharmacist through:

- a. a list of volunteer replacement pharmacists; and
- b. available, undistributed pharmacists.

In the event a replacement pharmacist cannot report to work on a timely basis, the on-duty pharmacist may be required to continue working until the least senior staff pharmacist who regularly works at the affected pharmacy, pharmacy manager or other replacement pharmacist as determined by the Employer is able to report for relief duty.

5.16.6 Discontinued 24 Hour Pharmacy Operations. If the Employer discontinues a 24 hour pharmacy operation, full-time late shift pharmacists who volunteered and were not originally hired for such work may exercise their seniority to obtain a regular full-time position by bumping the least senior pharmacist in the operating district in which the affected 24 hour pharmacy is located, provided the late shift pharmacist's seniority is greater.

5.16.7 Other Shift Preferences. If a late shift pharmacist desires to work other hours on a regular basis, the pharmacist shall notify, in writing, the Employer's applicable regional pharmacy manager. The pharmacist shall be offered an available non-late shift position when a regular late shift pharmacist is available for replacement purposes provided the requesting pharmacist has not received any type of written disciplinary warning or suspension within the six (6) months of employment prior to said request.

5.16.8 24 Hour Pharmacies Pharmacists who work the overnight shift shall only be eligible for bereavement pay, disability pay or jury pay if they are actually scheduled to work on the date(s) for which the leave is requested and approved.

5.17 Work Schedule Posting. The Employer shall post, on Wednesday preceding the 2 week pay period, a 2 week work schedule for all pharmacists. The Employer shall make a good faith effort not to change the schedule once it is posted, except for good cause.

6. HOLIDAYS

6.1 Recognized Holidays. The following days (or the days nationally observed in lieu thereof) shall be recognized as holidays for eligible full-time and part-time pharmacists as defined in Section 6.3:

days of	New Year's Day	Christmas Day Memorial Day Pharmacist's Birthday (after 90
		continuous employment)
	Independence Day	Pharmacist's Anniversary Date of Hire
1 or more		Labor Day Personal Holiday if employed
		continuous years (see Section 6.1.1)
	Thanksgiving Day	

6.1.1 Pharmacists hired on or after January 2, 1995, and who are part-time are not eligible for the Personal Holiday, but will become eligible when their status changes to full time, providing they have been employed one or more continuous years.

6.2 Unworked Holiday Pay.

6.2.1 Full-Time Pay. Unworked holiday pay for all full-time pharmacists shall be at the rate of eight (8) hours straight time pay.

6.2.2 Part-Time Pay. Holiday pay for regular part-time pharmacists shall equal twenty percent (20%) of the pharmacist's average hours worked per week in the Employer's accounting period preceding the holiday times the hourly rate in effect at the time of the holiday provided the part-time pharmacist qualifies pursuant to the requirements of this Article.

6.3 Holiday Pay Eligibility Requirements. Pharmacists will not be entitled to pay for time not worked on a holiday during the first ninety (90) days of employment. No pharmacists shall receive pay for any holidays not worked, unless such pharmacist has reported for work on the regular work day preceding and following the holiday and the holiday itself if they are scheduled to work. Pharmacist shall be deemed to have reported for work if absence is due to express permission from or action of the Employer, provided the pharmacist has worked during the holiday week, except that if the pharmacist is absent during the entire holiday week due to illness or injury, then the pharmacist must have worked at least one day during the week immediately preceding the holiday week in order to be entitled to holiday pay. Part-time pharmacists shall also be required to average twenty (20) or more hours of work per week in the Employer accounting period preceding the holiday in order to be entitled to holiday pay.

6.4 Birthday/Anniversary/Personal Holiday. If the pharmacist's birthday or anniversary date of hire falls during the busy season preceding Christmas, or on another recognized holiday, the Employer may schedule the pharmacist's birthday or anniversary date of hire holiday on another day within thirty (30) days following the pharmacist's actual birthday or anniversary date of hire. Reasonable notice shall be given to the pharmacist of the date. In the event a pharmacist terminates employment for any reason during the thirty (30) days, he shall receive pay for the birthday or anniversary date of hire holiday.

The floating personal holiday provided in Section 6.1 of this Agreement shall be requested by the pharmacist, in writing, at least fourteen (14) days in advance of the desired day off and must be approved in advance by the Pharmacy Manager. If an eligible pharmacist fails to designate a floating holiday by September 1 of any calendar year, then the Employer shall

schedule the floating holiday. Should the Employer fail to schedule the floating holiday by the end of the calendar year, the pharmacist shall be paid one (1) day's pay of regular holiday pay.

6.5 Holiday Observance. With the exception of personal holidays, pharmacists will observe the six (6) National Holidays specified in Section 6.1 on the same day as other non-pharmacist pharmacy employees.

6.6 Thanksgiving, Christmas and New Year's Eve. Pharmacists working the day before Thanksgiving and on the day of December 24th or December 31st shall be scheduled on the basis of inverse seniority, to allow the most senior pharmacist(s) the early shift on Thanksgiving, Christmas and New Year's Eve.

6.7 Holiday Payment. Work on a holiday shall be compensated at the same rate of pay as the Pharmacists regular rate of pay (straight time). In addition the Pharmacist will be paid for unworked holiday pay as specified in section 6.2. If the full time pharmacist works more than eight (8) hours on a holiday, he will receive additional holiday pay for any additional hours worked as such.

If the part-time pharmacist works, he will receive his regular rate of pay (straight time), holiday pay pursuant to section 6.2, and any additional holiday pay to equal the hours actually worked.

Example: if a full time pharmacist works ten (10) hours on a holiday, he receives eight (8) hours of holiday pay, ten (10) hours of straight time pay, and an additional two (2) hours of holiday pay.

If a part time pharmacist works ten (10) hours on a holiday and has six (6) hours of holiday pay pursuant to section 6.2, he receive ten (10) hours of straight time pay, six (6) hours of holiday pay and four (4) hours of additional holiday pay.

6.8 Voluntary Closing. When the Employer voluntarily closes the store to the public because of any commemoration day or celebration day, or on any holiday other than those set forth in Paragraph 6.1 above, it is agreed that the pharmacists shall suffer no reduction in straight-time weekly earnings on account of such closing.

6.9 The Employer agrees to instruct, in writing, twice a year, Pharmacy Managers to remind pharmacists of available personal holidays, including anniversary, birthday, and their personal floating holiday and their scheduling requirements, as outlined in Section 6.4.

5.10 On a Holiday Week, full-time pharmacists who do not work the holiday will be scheduled thirty-two (32) hours or more excluding the holiday__

7. LEAVES OF ABSENCE

Section 7.1 This article shall apply to leaves of absence for which the pharmacist does not receive company disability benefits. Pharmacists with six (6) or more months of continuous service may receive a medical leave of absence without pay for up to six (6) months, renewable one time for up to an additional six (6) months, due to the pharmacist's illness (including pregnancy) or injury.

Section 7.2 As provided by state law, pregnancy leaves related to a medical disability shall not require six (6) months of continuous service. Personal leaves up to three (3) months may be granted by the Employer for reasons related to serious illness, injury or death in

the pharmacist's immediate family or personal reason related to the pharmacist's or spouse pregnancy. Written documentation deemed necessary or acceptable by the Employer may be required for any leave request and/or return from a leave of absence.

Section 7.3 "Immediate family" shall be construed as the pharmacist's parent, spouse or child for purposes of this article. During the period for any leave of absence, participating pharmacists may continue enrollment in the health care plan of the Employer through timely prepayment of all necessary contributions as determined by the Employer.

Section 7.4 Requests for a leave of absence will be administered in accordance with the regulations of the Federal Family and Medical Leave Act (FMLA) and Company policy as the Company may amend.

Section 7.5 All requests for leaves must be submitted to the benefits administration department in writing on the Company approved forms. The leave has not been approved until written notification is received from the benefits administration department.

Section 7.6 The Employer shall provide military leaves of absence as provided by law and Company policy.

Section 7.7 Employees granted unpaid leaves hereunder shall not be eligible for any contractual benefits during the period of such leaves, except as earned prior to the leave taking effect or required by Federal law.

Section 7.8 If the pharmacist returns as scheduled at the expiration of the approved leave, the same or comparable position shall be offered in that or a nearby store, and if the leave is directly related to a pharmacist's pregnancy and the leave has not exceeded twelve (12) weeks, the pharmacist will be returned to the same location. If the pharmacist fails to return, or declines the position offered, his or her employment shall be terminated.

8. VACATIONS

8.1 Paid Vacations shall be provided on the following basis:

Completed years of Continuous Employment	Vacation Pay
FULL-TIME	
1 year	2 weeks of full pay
5 years	3 weeks of full pay
10 years	4 weeks of full pay
20 years	5 weeks of full pay
PART-TIME	
1 year	1 week
2 years	2 weeks
5 years	3 weeks
15 years	4 weeks
20 years	5 weeks

8.2 Vacation Pay (Full and Part-Time). The term "full pay" shall be defined as the equivalent of a full-time pharmacist's regular weekly wages which were in effect at the time the vacation became due on the full-time pharmacist's anniversary date. If a pharmacist works less than 1760 hours in the prior year, the vacation for the subsequent year will be prorated. A week's vacation pay for a part-time pharmacist is calculated by multiplying 1/52 of the hours worked during the preceding anniversary year. Paid vacation and holiday hours shall count as work hours for purposes of this Section. Vacation pay will be paid within two (2) full pay weeks after a pharmacist's anniversary date.

8.3 Continuous Employment Defined. Continuous employment for the purpose of this Agreement shall be measured from the last date of hire with the Employer.

8.4 Pro Rata Pay Upon Termination. Upon termination of employment, a pharmacist shall receive whatever vacation pay is due, prorated on the basis of the number of straight-time hours worked, provided that the pharmacist has been in the continuous employ of the Company for one year or longer (unless they were discharged for gross misconduct in connection with their work, including but not limited to misappropriation, unauthorized possession of Company property, vandalism or other serious misconduct). Said vacation pay shall be prorated according to the ratio that the hours worked bear to the standard workweek of the pharmacist in relationship to 2080 hours per year.

8.5 Vacation Schedules. The employer shall provide a vacation request sheet by January 15th of each year, to be returned no later than February 1st. Pharmacists will submit their vacation weeks requested and the Employer will assign such weeks available on the basis of seniority within the DPM district to which the pharmacist is assigned.

Vacation periods shall be fixed by the Employer to suit the requirements of the business, but as far as possible and practicable, vacations will be given during the summer months (through October, if requested by the pharmacist), and for pharmacists with school-age children during the school vacation.

Vacation approvals will be communicated in writing to each pharmacist by the end of February of each year. Once approved, a Pharmacist's vacation schedule will not be changed, altered or voided without mutual consent of the Employer and the staff pharmacist. In addition, the Employer will provide a list of open vacation dates and allow an additional period of time for pharmacists who could not be accommodated on the first round to request such dates by seniority. Staff pharmacists will not be responsible for finding replacement pharmacists for approved vacation scheduling.

8.6 Notice. In scheduling a vacation of a pharmacist, the Employer shall give as much notice as possible prior to the date of beginning the vacation, but not less than thirty (30) days.

8.7 Not Waived. Vacation may not be waived by a pharmacist, nor may extra pay be received for work during that period without consent of the area supervisor.

8.8 Not Cumulative. Vacations may not be cumulative from one year to another.

8.9 Holiday During Vacation. If a holiday named under Article 6.0 of this Agreement falls within the vacation period of a pharmacist, the pharmacist shall be granted an additional day of vacation with full pay, or an additional day's pay in lieu of the holiday. The additional day of vacation shall be counted as a day worked for the purpose of weekly overtime computation during the week in which the pharmacist returns to work.

9. SENIORITY

9.1 Seniority And Other Definitions. Seniority means the rights secured by a pharmacist by length of continuous employment service as provided herein. Seniority shall apply exclusively to economic layoffs, recalls and store closings, unless otherwise herein provided. Seniority starts from the last date when the pharmacist is hired by the Employer, except that new pharmacists shall not acquire any seniority rights until they have completed a probationary period of ninety (90) days for full-time pharmacists or four hundred and eighty (480) hours for part-time pharmacists, after which their seniority shall date back to the date of last hiring.

9.1.1 Breaks in Seniority. Pharmacist's seniority shall be broken if he or she 1) voluntarily quits, 2) is discharged for just cause, 3) retires, 4) fails to report after a layoff within four (4) calendar days after receipt at the pharmacist's residence of notice of recall by the Employer by registered or certified letter to the last address shown for the pharmacist on the records of the Employer, 5) has been out of active continuous employment with the Employer for any acceptable medical reason for a period of twelve (12) months or more. When two or more pharmacists are hired on the same day, the Employer shall determine their relative seniority.

9.2 Economic Layoffs, Recalls and Store Closings. In the event of layoff and recall, the seniority rights of the pharmacist shall apply.

9.2.1 Ability and Skills. When seniority is invoked by a pharmacist, the pharmacist's ability and skill as determined by documented annual performance evaluations and disciplinary action in performing the work claimed shall be the determining factors in establishing such rights.

9.2.2 Recall After Layoff. No new pharmacists shall be hired until all laid off pharmacists who are qualified to fill the available job have been given the opportunity to return to work. Qualified laid off pharmacists shall be recalled in the order of their seniority.

9.2.3 Seniority After Recall. The foregoing seniority rights shall be required to accept any job opening offered to him within a twenty (20) mile radius of the store of assignment. Refusal to accept such assignment shall terminate employment.

9.2.4 Assigning Stores After Layoff. Where there are less than four (4) stores within a twenty (20) mile radius of the assigned store then a pharmacist shall be required to accept any job offered to him within the district, as defined by the Employer. Refusal to accept such assignment shall terminate employment.

9.2.5 Store Closures. In the event of a store closure (not store sale), a pharmacist with five (5) years or more continuous service with the Employer who is to be laid off shall have the right to claim, in writing, the position of the least senior pharmacist in the applicable operating district of the Employer, provided skills and abilities, including documented annual performance appraisals and disciplinary records are equal. Said claim must be filed with the Regional Pharmacy Manager within five (5) calendar days of the announcement of the store closure. A pharmacist claiming another position shall only be able to displace a pharmacist with less than five (5) years of continuous service who is in the same job classification and same job status (i.e. full-time or part-time) within bargaining unit pharmacies within the applicable operating district.

9.2.6 Pharmacist with one (1) or more years of employment at the time of layoff shall have recall rights for one (1) year. Pharmacists with less than one (1) year of employment at the time of layoff shall have recall rights for a period of time equal to the length of employment.

10. SETTLEMENT OF DISPUTES

10.1 Grievance Resolution. In the event of any controversy concerning the meaning or application of any provision of this agreement, there shall be no suspension of work, but such controversy shall be treated as a grievance and shall be settled, if possible, by the pharmacists, his representative, and the Employer, in the following manner:

9.2 Grievance Procedure. The pharmacists or pharmacists shall endeavor to adjust the matter with the assistance of the Pharmacy Manager. If they are unable to arrive at a satisfactory adjustment, the pharmacist or the pharmacists and the Guild representative shall endeavor to adjust the matter with the Regional Pharmacy Manager. If they are unable to arrive at a satisfactory adjustment, the matter shall then be presented to the appropriate next-in-line Employer supervisory employee.

The Employer may discipline, suspend or discharge a non- probationary pharmacist for just cause only. All accusatory or disciplinary meetings will be conducted in accordance with the law. The discipline imposed shall be progressive where appropriate, and consistent with the offense. It may include but not be limited to the following: verbal counseling, documented counseling, written warnings, suspension and discharge.

The Employer, its pharmacists and the Guild, continuing their commitment to putting the public's welfare first, agree "That unprescribed controlled substances which cause intoxication or impairment on-the-job poses risks to the public, the pharmacist, his or her co-workers, and to the Company." The Guild agrees that the Employer will be able to administer the Company's Drug Testing Policy, and reserves the right to modify as necessary. All such pharmacists who are discharged for violation of such policy reserve all rights as covered in Section 10, Settlement of Disputes.

10.3 Arbitration. In the event that a satisfactory adjustment cannot be reached between the parties, as stated above, the matter in dispute shall be submitted to an Arbitrator. The Arbitrator shall be selected by either party requesting a panel of seven (7) arbitrators from the Federal Mediation and Conciliation Service. Upon receipt of the panel, the parties shall alternately strike names until one name is remaining. The expense of the arbitration shall be equally divided between the Guild and the Employer. There shall be no refusal to handle work during negotiations or arbitration.

10.4 Decision of Arbitrator. The decision of the Arbitrator shall be final and binding.

10.5 Limitations. Grievances within the meaning of this grievance and arbitration Article shall consist only of disputes about the interpretation or application of particular clauses of this Agreement, and about alleged violations of the Agreement, and each such grievance must allege the breach of an express provision of the Agreement. The Arbitrator shall have no power to add to, or subtract from, or modify, any of the terms of this Agreement, nor shall he substitute his discretion for that of the Employer or the Guild where such discretion has been/ retained by the Employer or the Guild, nor shall the Arbitrator exercise any responsibility or function of the Employer or the Guild. No questions affecting the wage structure of the Employer shall be considered arbitrable.

10.6 A grievance must be raised within ten (10) calendar days following the event giving rise to such grievance, or be forever waived.

10.7 A grievance denied by the Employer at the first, second or third steps must be appealed in writing to the next grievance step by the Guild within 10 calendar days following the denial or be forever waived.

10.8 Just Cause. Non-probationary pharmacists shall not be discharged except for good and sufficient cause such as dishonesty, insubordination, incompetence, intoxication, violation of company policy, unbecoming conduct or failure to perform work as required. Age, sex, creed or color shall not be grounds for termination of an otherwise qualified pharmacist.

Non-probationary pharmacists who are discharged for failure to satisfactorily perform work as required (including excessive absenteeism or excessive tardiness), shall first have had two (2) prior warnings in writing within 12 months preceding the discharge of such incompetence or of related or similar failure to perform work as required. The pharmacist so notified shall be required to sign such notice, but such signing shall in no way constitute agreement with the contents of such notice.

Notice. Any pharmacist who is discharged shall be informed in writing at the time of discharge of the immediate cause of discharge. Failure to give such notice shall not result in reinstatement of employment. However, upon Guild request, the reason for discharge shall be forwarded to the Guild.

11. Disability Pay

The Employer will administer short-term and long-term disability pay programs as such plans may be changed, substituted, altered or amended by the Employer. The short-term disability pay plan shall be offered on the same basis as provided to eligible full-time and part-time pharmacists of the Employer in the State of California. The long-term disability pay plan shall be offered on the same basis as provided to eligible, exempt store employees, including General Managers, in the State of California.

12. BEREAVEMENT.

Leave for all pharmacists shall be provided because of death of a member of the pharmacist's immediate family provided, however, that pharmacists shall not be entitled to bereavement pay during the first (1st) year of employment, but such pharmacists will be given up to three (3) days off without pay. After the first year, pay for such leave shall be at the straight-time rate for the hours scheduled for each workday lost because of such absence to a maximum of three (3) consecutive days. Verification of time required for such paid leave shall be supplied to the Employer by the pharmacist, if requested. Immediate family shall be defined as the pharmacist's spouse, child, mother, father, stepparent, brother, sister, mother-in-law, father-in-law, grandchild, grandparent, stepchild, legal guardian, or other relative living in the pharmacist's home.

13. JURY DUTY

13.1 Scheduling and Jury Duty. When a pharmacist is required to be in any court or courthouse for jury service, they shall be scheduled for the hours of 8:00 a.m. to 5:00 p.m. on each day they are scheduled for jury service, and for a Monday- through-Friday workweek, and shall receive pay during such workweek for each day on such jury service at the rate of 20% of the regular workweek, except in the case of a part-time pharmacist who shall receive pay based on average hours worked in the four (4) week period prior to starting jury service. A pharmacist shall not be entitled to receive jury duty benefits during the first (1st) year of employment.

If a pharmacist is excused, temporarily or regularly, from jury service on any scheduled day, i.e., Monday through Friday, they shall immediately report for work to complete the remaining hours of the scheduled work shift. Failure to so report shall disqualify a pharmacist from any pay for jury duty for the day in question as long as the transportation time will permit the pharmacist to return to work prior to one (1) hour before the end of his shift. Jury duty pay will be reduced by any remuneration received from a governmental agency.

Notwithstanding the above, a pharmacist called for jury duty may be required to work additional hours beyond those scheduled for jury duty if the needs of the business so demand, and shall be compensated for all such hours at the straight time hourly rate of pay or the overtime rate, if appropriate.

13.2 Proof of Attendance. The Employer may require proof of attendance for jury service.

13.3 Maximum Jury Service. A pharmacist shall be eligible for jury duty pay for a maximum of thirty (30) days during the life of this Agreement. Jury duty pay shall not be granted for Grand Jury service. In the event a pharmacist is called for a second (2nd) tour of duty during the term of this Agreement, the Employer shall join the pharmacist in seeking the pharmacist's excuse from service if such service would cause a financial hardship to the pharmacist.

14. RETIREMENT BENEFITS

The Employer will administer a profit sharing or other retirement plan as said plan may be changed, substituted, altered or amended by the Employer. Eligible full-time bargaining unit pharmacists will be provided benefits on the same basis as all exempt store employees, including General Managers, in the State of California and eligible part-time pharmacists will be provided benefits on the same basis as all other eligible California part-time staff pharmacists.

15. GROUP HEALTH AND WELFARE BENEFITS

The Employer will administer a Health Care Plan as said Plan may be changed, substituted, altered, or amended by the Employer. Eligible full-time bargaining unit pharmacists will be provided medical, dental, disability, and life insurance benefits on the same basis as all exempt store employees, including General Managers, in the State of California and eligible part-time pharmacists will be provided benefits on the same basis as all other eligible California part-time staff pharmacists.

16. SAVINGS CLAUSE - SEPARABILITY

Nothing contained in this Agreement is intended to violate any federal law or state law, or rule or regulation made pursuant thereto. If any provision of this Agreement is or shall at any time be contrary to law, as determined by a court or board of competent jurisdiction, then such provision shall not be applicable, performed or enforced except to the extent permitted by law. If any provision of this Agreement is found to be in conflict with laws of the United States, the State of California, or any subdivision having jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.

17. NONDISCRIMINATION.

The Employer and Guild agree that each will fully comply with all applicable laws and regulations regarding discrimination against any employee on account of race, religion, color, national origin, sexual orientation, sex or age. The Employer and Guild further recognize that federal and state laws and Employer Affirmative Action programs may conflict with the provisions of this contract, and in such case, such laws and programs shall supersede and prevail.

The Employer and the Guild agree that the workplace should be free of sexual harassment directed at or by management, pharmacists, other employees, customers, or business visitors to the store. Both parties agree that sexual harassment shall be grounds for discipline up to and including termination of employment. Both parties encourage victims to report sexual harassment promptly in accordance with the Associate Inquiry and Complaint policy posted in every store, and discourage all employees from filing frivolous or false allegations.

The Employer and the Guild agree that in order to afford pharmacists and applicants their rights under the Americans With Disabilities Act (ADA), the Employer may abridge rights under this Agreement if necessary to meet its reasonable accommodation obligations to pharmacists and applicants under the ADA. The Employer shall, in each such case involving a pharmacist, first discuss the matter with the pharmacist involved, and with the Guild. Where the Employer and the Guild disagree over a reasonable accommodation and the Employer proceeds anyway, the Guild may grieve the Employer's actions.

18. PHARMACIST DIGNITY AND PHARMACIST RIGHTS.

A. All pharmacists covered under the term of this Agreement shall be accorded a level of treatment by supervisory personnel during their working relationship, which will consider the dignity, integrity, self respect and professional standing of each pharmacist.

B. To enable pharmacists to focus on professional responsibilities, the Employer agrees that it will not assign maintenance duties to pharmacists, although the Guild agrees that housekeeping duties consistent with professional status and emergency clean-ups will continue to be performed by pharmacists.

19. MISCELLANEOUS

19.1 Liability Coverage. The Employer agrees to provide liability coverage that protects pharmacists while they practice pharmacy within the normal scope of their professional duties with American Drug Stores, Inc. for the life of this agreement.

19.2 Stock Options. The Employer shall offer a stock option plan to eligible full-time and part-time employees on the same basis as such plans may be offered to store management (for full-time pharmacists) and hourly paid store employees (for part-time pharmacists), respectively. The Employer retains the right to amend, modify or terminate said plans in its sole discretion.

20. MANAGEMENT RIGHTS CLAUSE.

Except to the extent expressly abridged by a specific provision of this agreement, the Employer reserves and retains, solely and exclusively, all of its common law rights to manage the business, as such rights existed prior to the execution of this agreement. Except as limited by this Agreement, the sole and exclusive rights in management which are not abridged by this Agreement shall include but are not limited to its right to determine the existence or nonexistence of facts which are the basis of a management decision, to establish or continue policies, practices, or procedures; the right to determine from time to time the methods, processes, materials to be employed, and to discontinue processes or operations, or to discontinue

performance by pharmacists of the Employer; to determine a number of hours per day or per the number and types of employees required; to assign work to such pharmacists in accordance with the requirements determined a number of hours per day or per the number and types of employees required; to assign work to such employees in accordance with the requirements determined by management; to establish and change work schedules and assignments; to transfer, promote, or demote pharmacists, or to lay off, terminate, or otherwise relieve pharmacists from duty for lack of work or other legitimate reasons; to determine the fact of lack of work; to make and enforce reasonable rules for the maintenance of discipline; to suspend, discharge, or otherwise discipline pharmacists for cause, and otherwise to take such measures as management may determine to be necessary for the orderly, efficient, productive and profitable operation of the business.

21. TERM OF AGREEMENT

21.1 General. Except as noted herein, the terms and conditions set forth in this Agreement shall become effective on the date of execution and shall remain in full force and effect through March 28, 2009 and annually thereafter, unless one of the parties hereto serves written notice of termination or desire for modification upon the other party hereto, not less than sixty (60) days prior to the above-specified expiration date or any anniversary thereof. If notice or desire for modification is served, such notice must clearly specify the modifications desired.

21.2 Counter Notice. Answering or counter notice indicating termination or desire to modify this Agreement may be issued and served by the opposite party. If such notice is issued, it must be in writing, must be served within twenty (20) days from the mailing date of the opening notice, and must, if it indicates only a desire for modification, clearly specify the modification desired.

21.3 Issues. The issues, as formed by notice and counter notice, as above specified, shall be the only subjects open for discussion and agreement during the course of negotiation or collective bargaining had during the continuance of this Agreement.

CVS/PHARMACY

GUILD FOR PROFESSIONAL
PHARMACISTS

By: JOHN IADEROSA

By: RALPH VOGEL

Date: _____

Date: _____

By: MIKE SQUIRE

Date : _____

APPENDIX A

TO THAT CERTAIN COLLECTIVE BARGAINING AGREEMENT

BETWEEN CVS/PHARMACY

AND

GUILD FOR PROFESSIONAL PHARMACISTS

DATED MARCH 24 2006

SCHEDULE OF SALARY RATES

A) Minimum Hourly Wage Rate - Full-Time and Part-Time Registered Pharmacists

Effective	<u>June 18, 2006</u>	April 1, 2007	<u>July 27, 2008</u>
	\$51.50/hr	\$53.50/hr	\$55.60/hr

B) The Employer will provide, maintain, and administer, in full force and effect, its bonus program for pharmacists, as it may be changed, altered or amended from time to time during the term of this Agreement or any extension thereof.

LETTER OF UNDERSTANDING

This is to confirm our understanding of new section 5.3.3 regarding Casual Pharmacists. With the written agreement of the Guild, on an individual store basis, the Employer may place Casual Pharmacists who are needed to work on a regular Saturday or Sunday schedule, provided that other pharmacists who are assigned to such stores do not have their hours reduced and/or assigned to a second location as a direct result.

It is further understood and agreed that the Employer is not waiving its rights under Section 20.

By: JOHN IADEROSA

Date: _____

By: RALPH VOGEL

Date: _____

By: MIKE SQUIRE

Date : _____

LETTER OF UNDERSTANDING

In the event that California regulation, interpretation, legislation or ruling by a court of competent jurisdiction allows Pharmacists to be exempt from the daily or weekly overtime provision of the Industrial Welfare Commission, the current Agreement will be modified to reflect that the Employer will pay overtime at the rate of one and one-half time the straight time hourly rate of pay for all hours worked in excess of eighty (80) in a Employer established consecutive two (2) week pay period.

In the event that California regulation, interpretation, legislation or ruling by a court of competent jurisdiction allows modifications from the daily overtime provisions of the Industrial Welfare Commission, the current Agreement will be modified to reflect those modifications. However, the Employer will pay overtime at the rate of one and one-half time the straight time hourly rate for all hours worked in excess of forty (40) hours per week.

By: JOHN IADEROSA

Date: _____

By: RALPH VOGEL

Date: _____

By: MIKE SQUIRE

Date : _____

LETTER OF UNDERSTANDING

This agreement is subject to amendment, alteration or addition only by subsequent written agreement between and executed by the Employer and the Guild. The waiver of any breach, term or condition of this agreement by either party shall not constitute a precedent in the future enforcement of any such term or condition.

By: JOHN IADEROSA

Date: _____

By: RALPH VOGEL

Date: _____

By: MIKE SQUIRE

Date : _____