

WALj MART

A
Manager's
Toolbox
To
Remaining
Union Free

CONFIDENTIAL

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INTRODUCTION

As a member of Wal-Mart's management team, you are our first line of defense against unionization.

It is important you be ...

- constantly alert for efforts by a union to organize your associates, and
- constantly alert to any signs your associates are interested in a union.

This toolbox has been put together for you by your Labor Relations Team. Take time to familiarize yourself with the contents in this toolbox. It will provide you with valuable information on how to remain union free in the event union organizers choose your facility as their next target.

WHEN UNION ACTIVITY OCCURS, CALL...

THE UNION HOTLINE

501-273-8300

Charlyn Jarrells
(Corporate) 501-273-4456

Linda Tipton
(Wal-Mart Stores) 501-277-1202

Matt Loveless
(Supercenters) 501-277-1167

Jill Wesbecher
(SAM'S Club) 501-277-7913

John Bell
(Distribution/Transportation) 501-273-4252

**DO NOT GIVE THESE PHONE NUMBERS
TO A UNION REPRESENTATIVE OR
ANYONE OUTSIDE WAL-MART!**

WAL-MART'S
PHILOSOPHY on
UNIONS -
PD42

Wal-Mart is strongly opposed to third-party representation. We are not anti-union; we are pro-associate.

We believe in maintaining an environment of open communication among all associates, both hourly and management.

At Wal-Mart, we respect the individual rights of our associates and encourage everyone to express his/her ideas, suggestions, comments or concerns.

Because we believe in maintaining an environment of open communication through the use of the Open Door policy, we do not believe there is a need for third-party representation. It is our position every associate can speak for him/herself without having to pay his/her hard-earned money to a union in order to be listened to and have issues resolved.

THE OPEN DOOR

Wal-Mart's Open Door policy is our greatest barrier to union influences trying to change our corporate culture and union-free status.

As a member of Wal-Mart's management team, your responsibility is to ensure that "... any associate, at any time, at any level, in any location, may communicate verbally or in writing with any member of management up to the president, in ` confidence, without fear of retaliation..."

When an associate uses the Open Door policy, management has a responsibility to listen and respond. If we do not take care of our associates' needs and concerns, our associates will find someone who will. And that someone may just be a union representative!

It is important our members of management are always interested in the needs and concerns of our associates. Make time for positive management/associate relations through the use of the Open Door policy.

Open communication is the key to stopping a union organizing attempt before it ever gets started.

MORALE

Maintaining a high morale level in a facility is crucial to remaining union free. If a union organizer approaches an associate in a facility with low morale, the associate may believe the organizer's "sales pitch." Therefore, management must constantly monitor the morale level. There are several tools available to measure morale. They are:

- One-on-One Meetings
- Grass Roots Surveys
- Open Doors
- Departmental Meetings
- Safety
- Exit Interviews
- Attendance
- Turnover Rate
- Coachings
- Evaluations

Although this list is not all-inclusive, using these tools will help you identify areas of opportunities within the facility. The key is LISTENING to what your associates are telling you and responding to their concerns accordingly.

REASONS WHY
ASSOCIATES TURN
to UNIONS

- "Closed" Open Door
- Heavy-handed management
- Inconsistent policies
- Inconsistent direction
- Cursing, jokes in bad taste, gossiping
- Inconsistent dress code
- Lack of recognition for accomplishments (such as anniversaries)
- Late evaluations
- Being made to or asked to "work off the clock"
- Jobs filled with no prior notice of the available positions
- Derogatory remarks made by management
- Lack of respect for the individual
- Lack of training or understanding of job functions (result: feeling inadequate)
- Work schedules changed or not posted 3 weeks out
- Neglect of safety
- Favoritism
- Management not responding in a timely manner
- Unrealistic deadlines
- Understaffing
- Wage programs administered unfairly
- No sponsorship of new associates
- Sexual harassment complaints not investigated
- Wages not competitive
- Dirty restrooms or breakrooms
- Management neglecting the evening and third shifts

HOW VULNERABLE
ARE YOU?
(A MORALE SURVEY)

Ask yourself the following questions to determine your facility has low morale.

BE HONEST

- Are associates comfortable using the Open Door policy in the facility?
- Are associates supportive of all members of management?
- Is there one manager's name that continually comes up during an Open Door discussion?
- When an associate uses the Open Door, does management look into the concern and follow up with the associate as soon as possible?
- Are there daily meetings held with associates on all shifts?
- When associates discuss concerns in daily meetings, does management answer their concerns or follow up with an answer promptly?
- Have the issues identified on the grass roots survey been addressed/corrected?
- Are company policies consistently and fairly enforced with all associates?
- Are there coachings or terminations that associates have questioned?

MORALE SURVEY (continued)

- Is the facility following guidelines for job announcements?
- Are jobs being filled by the most qualified associates?
- Have any associates been promoted from the hourly ranks?
- If so, has the promotion been well received by the other associates, both hourly and management?
- Does the facility provide proper and adequate training for the job? (CBL or First Step)
- Does the facility have a good safety record?
- Does the facility have high absenteeism?
- Is the turnover rate in the facility high?
- Do the exit interviews show a "common reason" for associates leaving the company?
- Does the facility pay comparable wages based on the competition in the marketplace?

If your responses to the morale survey indicate the facility may have low morale, then you could be vulnerable to a union organizing attempt. Now is the time to fix them! Address your associates' issues!

Don't wait for a union to volunteer to fix the morale problems for you.

THE FACTS on UNIONS

Unions are not a club, sorority, fraternity or social organization. They are a business, a big business, that needs to make money. However, unions do not make or sell products. Like any other company, they, too, must meet their expenses if they are to continue operating.

So where do they get their money? Out of the pockets of their members! A union's income is received in the form of dues, fees, fines and assessments.

Due to the decline in union membership in recent years, new members are more crucial than ever if unions are going to survive. Wal-Mart is an attractive target for unions because of the large number of associates we employ.

It is important associates understand the facts about unions. Organizers may promise associates more money, better benefits... anything... to get them to sign union authorization cards. It is imperative our associates know what unions can and cannot do for them.

UNIONS CANNOT:

- Guarantee higher wages
- Guarantee better benefits
- Guarantee employment
- Guarantee hours worked
- Prevent terminations
- Set job standards

UNIONS CAN:

- Collect dues, fees, fines and assessments
- Negotiate
- Strike

UNION AUTHORIZATION CARDS

A union will attempt to organize your facility in one of three ways:

1. A union organizer will approach your associates,
2. Dissatisfied associates will seek out a union organizer, or
3. A union organizer will seek employment in the facility and attempt to organize from within, also known as "salting." (See page 14.)

Regardless of which one of these three methods of organizing is used, the organizer's primary objective is to obtain associates' signatures on union authorization cards.

The law requires a union to obtain signatures on union authorization cards from a minimum of 30% of all associates in the facility before they can petition the National Labor Relations Board (NLRB) for an election.

If a union obtains more than 50% of associates' signatures on authorization cards, they may attempt to bypass an election and ask the NLRB to be recognized as the associates' bargaining agent because they have a majority of signatures.

In the event you find a union authorization card in your facility or hear associates are attending union meetings and signing authorization cards, it is imperative you contact the Union Hotline at 501-273-8300 immediately.

Wal-Mart must respond to this type of union activity immediately in an effort to stop card signing before the required 30% signatures have been obtained.

UNION AUTHORIZATION CARDS

Organizers will use a variety of tactics to get associates to sign union authorization cards. Associates will be told their signature on a union authorization card is only to:

- request an election
- request additional information

THIS IS NOT TRUE!!!!

By signing a union authorization card, the associate is actually signing a legal document that authorizes the union to represent the associate as his/her collective bargaining agent in all matters pertaining to his/her conditions of employment.

Let's look at a typical union authorization card.

United Food & Commercial Worker Local #7
Affiliated with AFL-CIO-CLC
AUTHORIZATION FOR REPRESENTATION

I hereby authorize the UNITED FOOD & COMMERCIAL WORKERS INTERNATIONAL UNION, Local 7, chartered by the UNITED FOOD & COMMERCIAL WORKERS INTERNATIONAL UNION, AFL-CIO, to represent me as my collective bargaining agent with my employer concerning wages, hours and other conditions of my employment.

(Print Name)

(Signature)

Note the card says nothing about an election or obtaining additional information about the union. Point this out to your associates.

UNION
DEMAND for
RECOGNITION

Once a union organizer has obtained the required signatures, a demand for recognition or a demand for an election will usually follow. It could come in the form of a letter, a telegram, a personal visit from the union organizer, a telephone call, or some other type of communication. How you respond to the union's request for recognition could determine whether you will or will not have a union in your facility.

Remember, as a member of Wal-Mart's management team, the company will be held responsible for your actions and statements.

HOW to RESPOND
to UNION DEMAND
for RECOGNITION

- Never look at signed authorization cards.
- Never agree to discuss representation of our associates with a union representative.
- If contacted by a union representative, inform him/her you are not authorized to look at authorization cards or discuss representation. Direct him/her to call Corporate Labor Relations at 501-273-4456.

Remember, do not give the Union Hotline number
501-273-8300
to anyone outside the company.

Immediately after any conversation with a union rep,
you call the Union Hotline at 501-273-8300.
Never give the Union Hotline number to a union
representative or anyone outside Wal-Mart.

SALTING

The Supreme Court ruled a union practice called "salting" is legal.

This practice involves sending a paid union organizer (known as a "salt") to a non-union company to apply for a job with the specific intent of organizing the employees of the company from within the facility.

The Court said it would be illegal for a company to refuse to hire an applicant because the applicant's sole intent is to organize employees. The Court also said it would be illegal for a company to terminate an existing employee because he/she was attempting to organize the employees from "inside" the facility.

"SALTING" - THE UNION'S ADVANTAGE

"Salting" is advantageous for the union because the organizer can actually organize the associates from "inside" the facility. He/she can obtain firsthand knowledge about Wal-Mart and the associates that a union organizer on the outside would never have access to.

For example, a salt would have access to all locations within the facility; a salt would have access to all policies and other confidential company information available to associates on CBL or First Step and shared in daily meetings; a salt would have access to information found on reports posted throughout the facility concerning our company's goals and strategic objectives; a salt would have access to our technology, such as telxons; and a salt would have access to associates' work schedules which can be easily removed from the facility and given to outside organizers so they can begin visiting associates at their homes to discuss joining a union.

But most importantly, a salt has access to our associates! By being inside the facility, a salt can ...

- easily identify those associates vulnerable to union organizing tactics, and
- easily identify associates he/she wants to recruit as "internal organizers" to help obtain signatures from co-workers in an attempt to organize the facility.

HOW "SALTS" CREATE PROBLEMS for WAL-MART

Once inside the facility, a salt's primary objective is to convince associates of the "benefits" of unionization and ultimately obtain their signatures on union authorization cards. Salts can be harmful to Wal-Mart, not only because of their organizing activities, but also because they typically feel they are "above" company policies. It would not be uncommon for salts to engage in destructive behavior to provoke management into a coaching and/or termination so they can file an unfair labor practice (ULP) charge against the facility.

Although a salt is still subject to the policies of the company, as are all associates, the National Labor Relations Act (NLRA) protects the salt's organizing activities. Depending on the severity of the ULP charge, the National Labor Relations Board (NLRB) could require Wal-Mart to recognize and bargain with a union without an election as a consequence of unfair labor practices.

HOW WAL-MART CAN COMBAT "SALTS"

1. Pre-screen as many applicants as possible to ensure you are hiring the most qualified person for any opening you have available.

*** The National Labor Relations Act (NLRA) prohibits an employer from refusing to hire an applicant because of his/her union affiliation. However, the law does not prevent us from selecting the most positive, dedicated, enthusiastic applicant available. We are under no obligation to hire an applicant who is defiant or negative. Keep looking until you find the best applicant to join our Wal-Mart family.

2. Utilize "consensus" interviewing. Several members of management should interview applicants in which we have a strong interest. Then compare notes and recommendations for hiring.

3. A Wal-Mart application says ... "List entire employment history, starting with present employer. For any unemployed or self-employed periods, show dates and locations. (Attach additional sheets when necessary)."

* * * There are only three spaces on the application to list existing or former employers. Ask applicants if they have completed their entire employment history. If they have not, ask them to attach additional sheets.

* * * Ensure applications show entire work history with no gaps in employment. If you notice gaps, question them. Then ask applicants to fill in those gaps.

4. Check references thoroughly. This is a must!

COMMONLY ASKED
QUESTIONS & ANSWERS
ABOUT "SALTS"

Q - Can we ask job applicants about their union affiliation?

A - No. It is illegal to ask applicants their position on unions or whether they have ever been in a union.

Q - What should I do if an applicant volunteers information he/she is a union member?

A - Explain to the applicant his/her union affiliation makes no difference in our hiring procedures. Then just continue to follow your usual hiring practices.

NOTE: Because an applicant is a former or current union member does not mean he/she will not be a good associate. Many of our associates are former union members who did not like working in a union environment and sought employment in a non-union company such as Wal-Mart.

Q - Must we hire a pro-union or paid union organizer?

A - No. The law simply says you cannot discriminate against an applicant because of his/her union affiliation. Hire the best candidate for the position.

MORE
QUESTIONS AND ANSWERS
on "SALTS"

Q -Can we disqualify an applicant who falsifies his/her application?

A -Yes. Regardless of union affiliation, falsifying an application at Wal-Mart will result in termination or being disqualified from obtaining employment with Wal-Mart.

Q -Can we terminate a salt who works in our facility?

A - Salts, like all other associates, must meet our expectations and are subject to performance coachings, up to and including termination. We CANNOT terminate an associate because we believe or have confirmed they are a salt.

Q -If we hire an applicant who is unproductive and also happens to be a salt, can we terminate him/her?

A -Yes, as long as the reason for termination is based on job performance and not his/her union affiliation. Be sure you have documentation to support the termination.

If you suspect there is a "salt" in your facility, contact the Union Hotline at 501-273-8300.

EARLY WARNING SIGNS of UNION ORGANIZING

Most union organizing will begin as "covert" (undercover) activity. By keeping all union activity covert, the organizer is hoping management will not be alerted to his/her organizing efforts.

The Labor Team has identified two categories of early warning signs. If you suspect any of these early warning signs of union activity are occurring at your facility, call the Union Hotline at 501-273-8300 immediately.

EARLY WARNING SIGNS - CATEGORY 1

- An increase in associate phone calls in and out of the facility.
- Increased curiosity in benefits and policies.
- Associates receiving unusual attention from other associates.
- Abnormal amount of absenteeism.
- Excessive turnover.
- Slowdown in work productivity.
- An increase in errors in associates' work.
- Exit interviews indicating associates are in conflict.
- Surge of complaints by associates against management.
- Associates confront management.
- Associates "bait" management into discipline or termination.
- Abuse of restroom visits.
- Argumentative questions are asked in departmental/facility meetings.

EARLY WARNING SIGNS - CATEGORY 2

- Confidential information being misplaced or removed from files
- "Strangers" spending an unusual amount of time in the associates' parking areas at the beginning or end of shifts
- Associates spending an abnormal amount of time in the parking lot before and after work
- Frequent meetings at associates' homes
- Associates coming back to the facility to talk to associates on other shifts
- Open talk about unions among associates
- Reports from associates of the union visiting their homes, calling them, or sending them literature in the mail
- Union literature found around the facility
- Associates using union terms such as arbitration, grievance, and seniority
- Interest in obtaining names and addresses from schedules or associate listings
- Associates leaving work areas on a frequent basis to talk to other associates
- Associates who are never seen together start talking or associating with each other and begin forming strange alliances

HOW to RESPOND to UNION ACTIVITY

The Labor Relations Team has developed action plans for all types of union activity. In the event you encounter any of the following activities, or any other type of union activity, contact the Union Hotline at 501-273-8300 as soon as possible. The Labor Team will work with you to develop strategies to combat these and all other types of union activities.

UNION ACTIVITY CATEGORIES

Category 1: Activity designed to distract our customers and encourage them not to shop at Wal-Mart as well as divert our associates' attention from their primary purpose of servicing the customers. Generally, this type of activity is not designed to organize associates.

Category 2: Activity indicates either the union is interested in the facility or the associates are interested in the union. These situations should be monitored closely to ensure they do not escalate to Category 3.

Category 3: Activity indicates there is a union organizing campaign under way. An immediate response and intervention is crucial to stop the activity.

HOW to RESPOND
to UNION ACTIVITY (continued)

CATEGORY 1 UNION ACTIVITY

- Picketing (pg 24)
- Handbilling (pg 24)
- Negative Publicity (pg 25)
- Union Rally (pg 26/27)
- Union Contests (pg 26/27)
- Early Warning Signs - Category 1 (pg 28)

CATEGORY 2 UNION ACTIVITY

- Union reps visiting with associates (pg 29)
- Union cards/literature found in the facility (pg 30)
- Reports of associates talking about unions (pg 31)
- Associates asking management questions about unions (pg 31)
- Early Warning Signs - Category 2 (pg 28)

CATEGORY 3 UNION ACTIVITY

- Handbilling in an effort to organize associates (pg 32)
- Associates attending union meetings (pg 33)
- Union cards being distributed or signed (pg 34)
- Union reps talking to management about representing associates (pg 35)
- Union reps attempting to hand management union cards/petitions signed by associates (pg 13)

PICKETING or
HANDBILLING - CATEGORY 1

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- Who is the sponsoring organization
- What do the signs or leaflets say
- Number of picketers or union reps present
- Location of picketers or union reps
- Are picketers or union reps blocking entrances/exits
- Are picketers or union reps harassing customers/associates - If there are numerous complaints, politely ask the harassed customers for their names and telephone numbers. If they do not want to provide their names, don't press them.

NOTE

- If hourly associates want to participate in picketing or handbilling while off the clock, we cannot prohibit them from doing so.
- If associates ask questions about the picketing or handbilling, explain the situation truthfully.

If picketers or union representative are placing leaflets on cars:

- Ask them not to place leaflets on the cars.
- Remove leaflets from the cars. (Hourly associates can assist with this.)

NEGATIVE
PUBLICITY - CATEGORY 1

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- What is the medium of the negative publicity
- Date of the publicity
- What are the issues
- Was facility contacted by the media for a statement
- Are we receiving comments from associates or customers about the publicity

UNION RALLY/CONTEST
(Advance Notice) - CATEGORY 1

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- Sponsoring organization
- What are the issues
- Date of rally
- Location of rally

NOTE:

- If hourly associates want to participate in the rally or contest while off the clock, we cannot prohibit them from doing so.
- If associates ask questions about the rally or contest, explain the situation truthfully.
- Management cannot participate.

UNION RALLY/CONTEST
(No Advance Notice) - CATEGORY 1

Call the Union Hotline at (501) 273-8300.
Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- What are the issues
- How many people are present
- Location of rally
- Are they blocking entrances/exits
- Are they harassing customers
 - If there are numerous complaints, politely ask the harassed customers for their names and telephone numbers. If they do not want to provide their names, don't press them.

Note

- If hourly associates want to participate in the rally or contest while off the clock, we cannot prohibit them from doing so.
- If associates ask questions about the rally or contest, explain the situation truthfully.
- Management cannot participate.

EARLY WARNING SIGNS -
CATEGORIES 1 & 2

Call the Union Hotline at (501) 273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- What is occurring
- How many associates are involved
- Management's response
- Who was involved
- Is the associate morale low
 - what are the issues

UNION REPS VISITING with
ASSOCIATES INSIDE/OUTSIDE
the FACILITY - CATEGORY 2

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- What union is involved
- When did this happen
- Where did this happen
- How many reps are involved
- How many associates were talked to
- Was anything overheard - what was said
- How was the information obtained
- Is the associate morale low - what are the issues
- Is any literature/cards being passed out
- Are the reps blocking entrances/exits
- Have other early warning signs occurred

UNION CARDS or LITERATURE
FOUND in the FACILITY -
CATEGORY 2

Call the Union Hotline at (501) 273-8300.
Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- What organization is the literature from
- Where was literature/cards found
- By whom
- Who reported the incident
- Is the associate morale low -what are the issues
- Have other early warning signs occurred

ASSOCIATES DISCUSSING
UNIONS AMONG THEMSELVES
or ASKING MANAGEMENT
QUESTIONS - CATEGORY 2

Call the Union Hotline at (501) 273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- Who asked the questions
- Where do they work
- What are their work hours
- Who did they ask
- What was the question
- What was the response
- What were other associates saying
- How did management find out associates were talking about unions
- Where were the associates overheard talking about unions
- Is the associate morale low - what are the issues
- Have other early warning signs occurred

HANDBILLING in an EFFORT
to ORGANIZE ASSOCIATES -
CATEGORY 2

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- Who is the sponsoring organization
- What does the handbill say
- How many people are handbilling
- Are they associates or non-associates
 - * If associates are off the clock, are outside the facility, and are handbilling, we cannot take any action against them.
 - * If associates are on the clock, direct the associates to go back to work.
- What is the location of the handbillers
 - * If associates are handbilling inside the facility, determine if they are on the clock.
 - * If they are, instruct associates to stop and explain they cannot handbill while on the clock.
 - * If they are not on the clock, escort them out of the facility.
- Are the handbillers blocking the entrances/exits
- Are the handbillers harassing customers -
 - If there are numerous complaints, politely ask the harassed customers for their names and telephone numbers. If they do not want to provide their names, don't press them.
- Is the associate morale low
 - what are the issues
- Have other early warning signs occurred

ASSOCIATES ATTENDING
UNION MEETINGS -
CATEGORY 2

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- How did we learn associates were attending union meetings
- Who told management about the meetings
- What did they say
- What was management's response
- Do we know who attended the meeting
- Do we know how many associates attended the meeting
- What has been the associates' behavior since the meetings
- Have there been union cards passed out or signed
- Is the associate morale low
 - what are the issues

UNION AUTHORIZATION
CARDS BEING DISTRIBUTED
or SIGNED - CATEGORY 3

Call the Union Hotline at 501-273-8300.

Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- How did we learn about the cards being signed/passed out
- Do we know who was passing out the cards
- Who told management
- What was the response of the member of management
- Do we know how many cards have been passed out or signed
- What has been the associates' behavior since the cards appeared
- Is the associate morale low
 - what are the issues

UNION REPS WANT
to TALK to MANAGEMENT
ABOUT REPRESENTING
ASSOCIATES - CATEGORY 3

Call the Union Hotline at 501-273-8300.
Be prepared to provide the following information:

- Name and title of caller
- Facility Manager's name
- Facility number, city, state
- When did the call/visit occur
- Who was approached
- What union organization do they represent
- What position is the rep
- What did the rep say
- Who was present
- How did management respond

KNOW YOUR TIPS

As a member of Wal-Mart's management team, you are a representative of the company. Anything you do or say is binding on the company. It is important you understand what is considered legal and illegal conduct before, during, and after a union organizing campaign.

All you need to know are your TIPS.

TIPS

Threaten
Interrogate
Promise
Spy

Know your TIPS. As long as you do not threaten, interrogate, promise, or spy on your associates, Wal-Mart, through your efforts, will be able to share its views on unionization in an open, honest and legal manner.

T - THREATEN

- You cannot threaten or imply the company will take adverse action of any kind for supporting the union.
- You cannot threaten to terminate or coach associates because of their union activities.
- You cannot threaten to close the facility if a union is voted in.
- You cannot threaten to transfer associates to other locations because of their union affiliation.
- You cannot threaten associates with loss of their wages and benefits during negotiations.
- You cannot threaten associates with loss of their job if they sign a union authorization card.
- You cannot threaten associates by saying, "With the union there will be a strike."
- You cannot threaten to penalize associates who actively support the union for violations of company policies which non-union associates are permitted to commit without being disciplined.
- You cannot make work assignments with the intent of causing an associate who has been active on behalf of the union to quit his/her job.
- You cannot take any action that is intended to impair the associate's job or pay because of his/her activity on behalf of the union.
- You cannot intentionally assign work or transfer associates so that those active on behalf of the union are separated from those you believe are not interested in the union.
- You cannot reduce hours of associates with the intention of curtailing the union's strength of organizing.

I - INTERROGATE

- You cannot interrogate or ask associates their position concerning unions.
- You cannot ask associates how they are going to vote in an election.
- You cannot ask associates if they or anyone else signed a union authorization card.
- You cannot ask associates if they are going to the union meeting or who else may be attending.
- You cannot ask associates their opinion of the union organizer.
- You cannot visit associates' homes for the purpose of asking questions about the union or urging them to reject the union.

P - PROMISE

- You cannot promise associates a pay increase, better benefits, or special favors if they vote against the union.
- You cannot promise associates a promotion if they vote against the union.
- You cannot promise associates all the concerns they brought to management before the election will be corrected to their advantage if they vote against the union.
- You cannot engage in favoritism of associates who are pro-company.

S - SPY

- You cannot spy on any union activities the associates may be involved in, such as attending union meetings, nor can you have another person do this for you.
- You cannot attend a union meeting, even if invited.

HOW YOU SHOULD RESPOND to ASSOCIATES' QUESTIONS ABOUT UNIONS

Every time an associate asks you a question concerning the union, it is important you ...

- First, thank the associate for coming to you and asking a question.
- Second, state Wal-Mart's position on unions.
- Third, answer the question. If you do not know the answer, tell the associate you do not know. Assure the associate you will find the answer and get back with him/her shortly.

Many union organizers will purposely tell associates not to discuss unionization with you or ask questions. Watch for the disappearance of normal communication. If associates ask you questions, answer them honestly. If you do not know the answer, call the UNION HOTLINE at 501-273-8300 to get the answer and then follow up with the associate.

SAMPLE QUESTIONS AND ANSWERS

WAL-MART'S POSITION ON UNIONS

Q - What is Wal-Mart's position on unions ?

A - At Wal-Mart, we do not believe we need third-party representation. We value the open communication we have between management and our associates. You can come and talk to me anytime about your job or any concerns you may have.

QUESTIONS AND ANSWERS

UNION ORGANIZERS/UNION PROMISES

Q - What is a union organizer ?

A - Most unions have a staff of representatives called "organizers." These individuals are paid by the union to organize a company.

Q - Am I under any obligation to talk with a union organizer ?

A - No. Associates are under no obligation to talk with a union organizer.

Q - Are union organizers the only people who will try to get me to sign a card ?

A - No, the union organizer will use pro-union associates inside the facility to try and obtain your signature on an authorization card.

Q-The union organizer "promised" me an increase in wages and benefits. Can an organizer guarantee these will happen ?

A- No. Union organizers can and will make promises to associates in order to obtain their signatures on union authorization cards. If an organizer promises a particular benefit, ask for that benefit in writing. You should know - the organizer will not put the promise in writing.

Q - Why would union organizers tell me all the things they can do for me when in reality they can't ?

A - Union organizers will tell you whatever they have to if it will help get your signature on a union authorization card. If a union representative does make you promises, your best bet is to get it in writing.

Q - Can a union guarantee me job security and prohibit Wal-Mart from terminating or coaching an associate who violates company rules ?

A- No. Unions may claim they can provide "job security," but in actuality they cannot. All associates are subject to performance coachings, up to and including terminations, if they do not meet our company's expectations.

Q - Can a union have a member of management removed because the union or associates think the manager is unfair ?

A - No. Only the company has the authority to decide who its management will be.

QUESTIONS AND ANSWERS

UNION AUTHORIZATION CARDS

Q - What is an authorization card ?

A - A union authorization card is a legal document which, when signed by an associate, gives the union the authority to become his/her legal representative in all matters pertaining to his/her wages, hours, and working conditions.

Q - Am I under any obligation to sign a union authorization card ?

A - Absolutely not. No one can require you to sign a union authorization card. In fact, it is unlawful for a union organizer or other associate to threaten you into signing a card.

Q - What are authorization cards used for ?

A - Signed authorization cards are used by the union to either petition the National Labor Relations Board for an election or to try to gain representation without an election.

Q - If I signed an authorization card, do I have to vote for the union ?

A - NO! Even if you signed a card, you can vote for whomever you want in the election. The election is a secret ballot process. No one will know how you voted unless you tell them.

QUESTIONS AND ANSWERS

UNION MEETINGS

Q - I heard there is a union meeting tonight. Do you want me to go and report back to you who was there and what was said ?

A - If you would like to attend the meeting tonight, that is your choice. If you want to tell me about the meeting tomorrow you absolutely can. However, I must tell you that it would be illegal for me to ask you any questions about the meeting, but you can tell me anything you want to.

DECERTIFICATION

Q - Why shouldn't we try a union for a year and see what they can do for us, and then if we don't like them, tell them to leave ?

A - It's not that easy. You voted a union in and you will have to vote the union out. But you cannot do so for at least one year and sometimes longer. Also, associates would be responsible for the entire legal cost of the decertification process. Wal-Mart could not help with any of the legal expenses.

ASSOCIATES' RIGHTS TO OPPOSE UNIONS

Q - Can I oppose the union ?

A - Yes! You have the legal right to oppose the union. You also have the right to let other associates know your opinion and can communicate that opinion in whatever manner you choose.

Q - I'm planning to make leaflets to show my support for the company. Can I use the copy machine in the manager's office ?

A - The law prohibits the company from assisting your efforts to oppose the union. However, you certainly have the right to actively campaign against the union. It's just that Wal-Mart cannot be involved.

QUESTIONS AND ANSWERS

UNION ELECTIONS

Q - Will anyone know how I vote in the election ?

A - No. The election is a "secret ballot."

Q - Do I have to vote if there is an election ?

A - No, you are not required to vote, but I would certainly encourage you to vote. The outcome of the election could have a tremendous impact on your job and working environment.

Q - How is the outcome of the election determined ?

A - The outcome of the election is determined by the number of votes actually cast, not the number of associates eligible to vote. That is why your vote is so important. The winner must have 50% plus one of the votes cast.

Q - If the union wins the election, which associates does it represent?

A - If the union wins the election, it will represent every associate in the bargaining unit who is eligible to vote. Not only does it represent those associates who voted for the union, it also represents those who voted against the union, as well as those who failed to vote. That is why your vote is so important.

QUESTIONS AND ANSWERS

UNION ELECTIONS (continued)

Q - Will I lose my job if I vote for the union ?

A - No.

Q - Why is it important every eligible associate vote in an election ?

A - Your vote could decide whether or not your facility will be represented by a union. Even though you may have signed a union authorization card, the election is your final chance in deciding if you want to accept the responsibility of expenses incurred through dues, fees, fines, and assessments and whether or not you want to continue representing yourself to the management team or pay the union to speak on your behalf. It is one of the most important decisions you will ever make in your professional career.

Q - What happens the day after the election if the union is voted in ?

A - Nothing! It is business as usual. The union and Wal-Mart will proceed with negotiating the details of the contract. Until a contract is reached, all associate wages and benefits are "frozen." They cannot be increased or decreased without the union and the company agreeing to such action.

Q - If the union wins the election, do I have to join the union ?

A - That depends. The union will try to negotiate with the company to require all associates who work in the facility to join the union and pay union dues or be terminated. Naturally, the company would oppose such a demand by the union.

QUESTIONS AND ANSWERS

UNION FEES

Q - Does it cost money to be a member of a union?

A - Yes. In fact, over a period of time it can cost a great deal of money. Unions survive on the money they receive from their members in the form of dues, fees, fines and assessments. That is why they want you to become a member of their union.

Q - What are union dues ?

A - Dues are money you pay to "belong" to a union on a monthly basis. They vary in amount from union to union. Generally, they can range from \$20 to \$50 per month.

Q - What are initiation fees ?

A - An initiation fee is the initial cost charged by a union to the associate for the "privilege" of joining a union.

Q - What are union fines ?

A - Fines are charged against members by unions for violations of rules of the union constitution and bylaws. For instance, you may be fined for crossing a picket line, failing to attend a union meeting, or for conduct unbecoming a union member. When a union member is found guilty of having committed an offense, most unions "discipline" members by fining them for the offense.

QUESTIONS AND ANSWERS

UNION FEES (continued)

Q - What are assessments ?

A - These are the "extra" costs of unionization to the associates. They are expenses over and above the payment of normal dues, fees and fines. The most common reasons to charge members assessments are for strike funds, money for political contributions, and to help the union with its operating costs. These fees are not voluntary. The union will deduct them automatically whether you agree with them or not.

Q - What is "checkoff" ?

A - "Check-off" is a procedure whereby union dues, fees, fines and assessments are deducted from the associate's paycheck by the company and given to the union as opposed to being collected by the union. Generally, this is the first item the union tries to negotiate for in a contract. Unions have been known to forego demands for greater associate wages and benefits to obtain "check-offs."

QUESTIONS AND ANSWERS

NEGOTIATIONS/BARGAINING

Q - Is it possible an agreement between the union and Wal-Mart could result in less wages and benefits than I currently have ?

A - Yes. Negotiations are much like the game show "LET'S MAKE A DEAL." You could get more, you could get the same, or you could get less.

Q - If the union and Wal-Mart are not able to agree during bargaining, what will happen?

A - There are two options: Leave things the way they are, or strike. Regardless, you will be responsible for paying dues, fees, fines and assessments.

Q - Can the union "fix" anything or "force" Wal-Mart to do anything ?

A - By law, Wal-Mart does not have to agree to any union demands.

Q - What is "checkoff" ?

A - "Check-off" is a procedure whereby union dues, fees, fines, and assessments are deducted from the associate's paycheck by the company and given to the union as opposed to being collected by the union. Generally, this is the first item the union tries to negotiate for in a contract. Unions have been known to forego demands for greater associate wages and benefits to obtain "check-offs."

QUESTIONS AND ANSWERS

STRIKES

Q - If a strike is called, does Wal-Mart continue to pay wages and benefits to striking associates ?

A - No. Once a strike begins, all wages stop. You may retain some benefits; however, you would be responsible for paying the entire amount, which includes your portion and the portion the company pays.

Q -Can I collect unemployment compensation while on strike ?

A - When striking over economic reasons (wages and benefits), most states do not allow employees to collect unemployment compensation.

Q - Does the union provide strike benefits ?

A - Some unions provide strike benefits, others do not. It could be as little as \$50 a week.

Q - If I go out on strike, can I be replaced ?

A - Yes. If the union calls an economic strike (over wages and benefits), you can be permanently replaced by the company.

Q - Can I come to work if I decide I do not want to strike anymore ?

A - Yes, provided you have not been permanently replaced. However, you may face the prospect of being fined by the union for crossing the picket line.

DOs

- Do tell associates we do not believe they need third-party representation.
- Do tell associates we believe in the Open Door policy and are willing to discuss any subject with them.
- Do tell associates by signing a union authorization card, they may have authorized the union to become their legal representative in all matters pertaining to wages, hours, and working conditions.
- Do tell associates if they have already signed a union authorization card, it does not mean they must vote for the union in an election. An election is a secret ballot process. • Do tell associates if a union is voted in, everything (their wages, benefits and working conditions) would go on the bargaining table. It is much like the game show LET'S MAKE A DEAL! They could get more, they could get the same, or they could get less. Regardless, they will be responsible for dues, fees, fines, and assessments.
- Do tell associates the law permits the company to permanently replace them if there is a strike.
- Do tell associates the union cannot make Wal-Mart agree to anything it does not want to during negotiations.
- Do share any personal experiences you may have had with a union with associates. •• Do tell associates they can actively campaign against the union, you just cannot help them in any manner.

DON'Ts

- Don't threaten associates with the loss of their jobs, wages or benefits.
- Don't interrogate or question associates on their positions concerning unions.
- Don't promise associates pay increases, promotions, benefits or favors.
- Don't spy on union activities your associates may be involved in.
- Don't threaten to close or move a facility if the union is elected in.
- Don't discipline or transfer associates for actively supporting a union.
- Don't ask associates how they intend to vote.
- Don't ask associates at the time of hiring if they belong to a union.
- Don't prevent associates from soliciting union membership during their free time at work (breaks, lunches, off the clock).
- Don't ask associates if they or anyone else has signed a union authorization card.
- Don't ask associates if they are going to a union meeting or who else may be attending.
- Don't engage in favoritism of associates who are pro-company. Don't visit associates' homes for the purpose of asking questions about the union or urging them to reject the union.

SAM'S CLUB

SUPERVISOR'S HANDBOOK

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I. SAM'S POSITION

We intend to strongly oppose the union's efforts to organize our Club. There are no unions anywhere in Sam's and we do not want Club___ to be the first and only. Sam's has never had a union election among its 65,000 partners. It is important for you to understand our position and to do your part to help our partners remain non-union. Our position must be clear:

- We strongly believe that unionization is not in our partners' best interest or in our Company's best interest.
- Sam's management philosophy assumes that partners want work and responsibility. Sam's philosophy encourages Company loyalty, pride in excellence, a sense of ownership in the Company, trust, and motivation to do the best job possible. Managers show partners respect and we can expect partners to give a fair day's work for a fair day's pay.
- Sam's provides competitive wages, benefits and a unique profit-sharing plan. Raises are based on how each partner performs not on what a union can negotiate for everyone.
- We do not believe that any part of the wages we pay our partners should go into the pockets of outside union organizers who are here to enrich themselves at our partners' expense.

Sam's is new to this area and we all have a lot to do to make sure we grow and prosper. This is a time when all our partners must work together to help increase our productivity, and keep Sam's competitive.' Unions threaten our ability to do these things by creating conflict and by misleading partners with false promises. Already our partners have been promised big

changes that no union can deliver. We are not the enemy of our partners. We believe in treating our partners with respect and to provide them opportunities for their growth.

It is your job to see to it that our partners are not misled by union organizers. Our partners must understand that union promises are only promises. The only way for this Club to prosper and for our jobs to be secure is delivering quality products and service to our customers. Unions only interfere with this.

II. THE RIGHT TO OPPOSE UNIONS

It is not necessary for you to become an expert on labor law for this campaign. However, it will help you to have some general information on the legal rights that our partners have.

- The law recognizes that supervisors are part of management. Sam's managers are supervisors under the law. You will be representing management in our effort to help Sam's and its partners remain union-free. Sam's expects you to do your part as a loyal member of our management team.
- The law also protects the right of partners NOT to join or support a union.
- The law gives Sam's managers and partners the right to express opinions, state facts and make arguments against the union.

III. UNION AUTHORIZATION CARDS

It is important to realize that many partners sign cards not because they really want a union, but because they are tired of being pressured to sign by union organizers and by partners

who support the union. Sometimes partners don't really understand what a union card means. You should tell them that if Club ____ is organized, the Union will expect partners who signed cards to join the union and to pay union dues. They may also have to pay initiation fees and assessments.

Sadly, some partners actually vote for a union on election day because they think they promised to do so when they signed a card. You should make sure this does not happen. Signing a card does not mean you must vote for a union. Voting is in secret. Each partner should vote the way that's best for him, even if it means voting NO UNION after he has signed a card.

IV. NLRB ELECTION PROCEDURES

The union has petitioned for an election: At this time, the date and time for the election have not been determined. NLRB rules allow a campaign just like a political election. Sam's partners are the voters. The choice on the ballot will be "Yes" - for union representation -- and "No" - against the union.

- NLRB elections are by secret ballot, and the union needs a majority of the votes cast to win. That means that if partners who oppose the union don't vote, it increases the union's chances of winning.
- Management partners, confidential partners, security guards, and temporary partners are not eligible to vote.

A few weeks prior to any election, an eligibility list containing names and home addresses of the voters must be supplied to the NLRB by the Company. A copy of this list will be given to the union by the NLRB. This means that union organizers may attempt to visit

partners at their homes. It does not mean that our partners have to permit them to come into their homes or talk to them on the telephone.

V. A REVIEW OF SOME RULES

Sam's Partner Handbook contains several rules that you should know and apply.

Partner solicitation or distribution - Sam's partners may not engage in solicitation during working time. Solicitation means asking for help or support for a cause such as a charity, a political candidate or a labor union. This rule must be uniformly and consistently enforced. Solicitation is allowed only during nonworking time such as before and after work, during meal time or other breaks.

Sam's partners may not distribute written materials of any type for any purpose during working time in areas where work is performed, except what is necessary to carry out their assigned job duties. Partners may distribute written materials on nonworking time in nonworking areas. Sam's management may distribute written material to partners when requested to do so by the Club Director.

Outsider solicitation or distribution - Sam's has a long standing rule against solicitation or distribution of written material on Sam's property by outsiders who are not partners. Working time is for work and outsiders should not be allowed to interfere with partners trying to do their jobs. Therefore, outsiders may not solicit or distribute written material to partners on working time -- either inside the Club or on the sidewalk outside the Club. Furthermore, outsiders are not permitted into any area of the Club which is not open to the general public, such as the partner's break room, the receiving area, the meat and bakery preparation areas, behind the membership desk or in the administrative office area.

By Non-Partners:

We have experienced incidents in the past in which non-partners have come into private areas of our Clubs or interfered with partners in working and shopping areas of the Club during partners' work time. In some instances, we have had to escort these outside union organizers out of the Clubs. These guidelines are intended to assist you in the proper administration of the no-solicitation/distribution policies. The guidelines concern activities in the following areas:

- A. aisles and other shopping areas
- B. partners' break rooms
- C. work areas not opened to the public
- D. parking lots and sidewalks

A. Aisles and Other Member Areas

The situation here is clear. Outside organizers are not permitted to distribute literature in the shopping and selling areas of the Club at any time or to solicit partners in these areas during their working time. If the outside organizers engage in such activities, they should be firmly asked to leave and escorted at least to the point where their departure can be observed. If they refuse to leave, the organizer should be kept under close surveillance and a decision made as to whether to call the police. In the past, most organizers have left when firmly requested to do so.

Along these lines, we do not want partners to have the notion that outside union organizers can interfere with our right to run our Clubs. You should be firm but polite in dealing with outside union organizers.

B. Break Rooms

Outside organizers are not allowed in partner break rooms at any time, just as other members of the public are not allowed in such areas. If they are found in the break rooms, they should be asked to leave and the procedure outlined above should be followed. In any of these situations, where outside organizers have engaged in activities in our Clubs exceeding their legal rights, a record of such activity should be kept.

With respect to the break rooms, please note the distinction between partners and outside union organizers. Partners may use the break rooms for solicitation and distribution of literature during their nonworking time. Outside organizers, in contrast, have no right to be there at any time.

C. Work Areas Not Open to the Public

Outside union organizers have no right to be present in a work area which is not open to the public such as the stock room and the loading dock. They should immediately be instructed to leave if they are found in these areas.

D. Parking Lots and Sidewalks

This is an area in which we are likely to find substantial outside organizer activity, including passing out leaflets to customers or partners as they enter or leave the Club on the sidewalks immediately in front of the Club or placing literature on cars in the parking lots.

Outside organizers may not engage in activity amounting to harassment of partners or customers, obstruction of entrances or exits to the Clubs or to the parking lot, or in threatening or other behavior that is likely to intimidate or interfere with customers. They have no right to approach on-duty partners while our partners are assisting customers outside the Club. They

have no right to place or affix leaflets or posters to the doors or walls of our buildings. If any such activity occurs, you should instruct the outside organizers to immediately cease the activity, remove the leaflets and make a log of the occurrence.

VI. EXPECTED UNION CAMPAIGN ACTIVITIES
AND THE PROPER RESPONSE

- UNION PARTIES AND MEETINGS:

During an election campaign, Union organizers become very friendly with partners all of a sudden. The Union will hold parties, meetings and all sorts of get togethers. They will invite partners out for a beer after work and offer to give them rides. Most partners can see this for what it is. Our response should be to point out that the Union organizers are acting like they want something -- and they do! They want partners' dues badly. The organizers get bonuses and promotions when their organizing is successful. We should not spy on Union meetings.

- UNION ENTRY INTO THE CLUB:

We have seen that Union organizers will come into the Club to solicit partners. They may come in later to create a disturbance or call attention to the Union. Organizers who are members can shop but we will not permit them to interfere with partner's work, distribute literature or disrupt the business. If these things happen you should call the Club manager to have them removed.

- BULLETIN BOARDS:

"Club" bulletin boards may only be used by management. They should not be used to display union organizational materials, pro-union materials produced by partners or anti-union materials produced by partners.

- COMPLAINTS AND UNFAIR LABOR PRACTICE CHARGES:

This union often initiates unfair labor practice charges and makes complaints during a campaign. They then publicize the charges in an effort to impress partners and stir up controversy. You should not feel threatened by this or any other union tactic. You can and should continue to supervise your partners as you normally would. Partners still have a responsibility to perform their work; a union campaign in no way changes that. If you are doing your job the Club will back you up whatever the union says. However, remember that you represent the Club in the eyes of the partners. What you say and do affects how they feel about Sam's and may influence their thinking about the need for a union.

VII. WHAT YOU CAN DO TO HELP KEEP SAM'S NON-UNION

The campaigns run by unions often contain a great deal of propaganda and promises intended to divide partners from management. The Union will say that management is unfair and that partners need a union for protection or better wages or benefits. You have already seen some of this and there will be more to come. Our campaign will be based on truth and fact, and will be responsive to the questions that are on the minds of our partners.

The facts show that our partners do not need a union. They will be better off without one. You are the most important source of facts for your partners and you represent the Club in their eyes. The most effective thing that you can do to help maintain a union-free environment is to be fair and to maintain good communication with your partners. You should talk to your partners freely. Don't be afraid to start conversations with them about the Union:

- talk to partners about why the Club is opposed to a union and why you are opposed to it.

- Labor unions normally insist that a dues checkoff provision be included in the contracts they negotiate. Under checkoff, a member's dues are automatically deducted from his or her paycheck each month and paid directly to the union. Partners never see this money.
- Union dues are increased often. It is not unusual for unions to promise a smaller amount of dues to win a partner's vote and then to increase the dues later after the union is established.
- Dues are only one way unions collect money from their members. There can also be initiation fees, assessments, and fines. The union never tells partners about these. In fact, Local 400 members were asked in 1992 for a period of months to pay double the amount of their weekly dues as a special assessment.
- The National Labor Relations Board has recognized the right of unions to fine members who do not obey union rules. Partners need to read and understand the Union's rules before they vote.
- Unions often solicit members for political contributions. Many unions are seeking to expand the checkoff clause to include political contributions to union supported candidates.

IX. STRIKES

With a union there is always a possibility of a strike. Labor strikes sometimes occur when partners can least afford them.

- The UFCW has a long history of going out on strike.
- When partners engage in an economic strike:

- they receive no pay or benefits from the Company and usually little or no strike benefits from the union,
- they can be permanently replaced by other partners who are willing to work, and
- in many cases they are not eligible for unemployment benefits.
- Frequently unions expect their members to support strikes by other unions by engaging in "sympathy strikes." A "sympathy strike" takes place when partners honor another union's picket line and refuse to go to work.
- When partners go on strike, those that need to work to support their families will have to cross the picket line. This is often unpleasant and sometimes dangerous.

X. UNION PROMISES

Unions may make big promises to partners about wages and job security to get their votes, but unions don't provide one penny in wages and they can't create a single new job.

- The Club creates jobs and pays wages and salaries. In the last ten years, Sam's has opened 427 Clubs, creating many new jobs and opportunities for promotion.
- Unions may make big promises to partners to get their votes, but unions can guarantee nothing.
- In collective bargaining, there is an obligation to bargain in good faith. Bargaining is a two-way street. The Club does not have to agree to what the union has promised partners.

- If a union has promised wage increases that are not good for Sam's, what happens when Sam's won't agree to them? A strike is one possibility.
- The union cannot even guarantee that our partners will continue to enjoy all the Club benefits they now have. Some of these could actually be lost in negotiations.

Consider what has happened recently in many industries in this country. Many unionized companies have gone out of business or suffered significant job losses. Companies close to us have closed their doors. This should make our partners think long and hard about the union's promises of job security.

The number of unionized stores is declining, not growing. As more and more union stores close, the union's membership shrinks.

- ! If unions were such a good thing for partners, their membership would not be decreasing.
- ! The pattern is unmistakably clear. Unionized facilities are either closing their doors or their partners are deciding they don't need or want a union; at the same time non-union operations are expanding, providing job opportunities for new partners and job security for existing partners.

The unions need new members to help pay union expenses. This campaign is not a spontaneous action by our own partners. It is a campaign by professional outsiders who are concerned about their jobs - not yours.

XI. BENEFITS OF A UNION-FREE ENVIRONMENT

- Sam's partners are eligible for merit increases based on their individual performances.
- They pay no dues, fines or assessments.

- Our partners have the valuable right to deal freely and directly with management. They don't have to take their problems to a union steward.
- In addition, our partners already enjoy a wide variety of benefits, such as:
 - Profit sharing
 - Life insurance coverage for full-time partners at no cost to the partner.
 - Medical and dental insurance coverage for full-time partners.
 - Paid personal/sick leave.
 - Paid vacations beginning after the first year of service; up to three weeks for full-time partners depending on length of service
 - Six paid holidays.
 - Three paid bereavement days.
 - Pay for jury duty.
 - Free membership to Sam's.

All of these benefits were given by Sam's. No union had anything to do with them.

Sam's is committed to improving our partners' welfare.

XII. CONCLUSION

This is an important time in our Club's history. We are committed to winning this campaign so that Sam's record of having no unions will remain intact. We believe it is in the best interest of everyone to keep Sam's union-free. In large part, it will be up to you to convey this message to our partners. Your effective participation in the campaign is critical. Sam's is counting on you.