

**LETTER OF UNDERSTANDING
BETWEEN
THE COLATION OF LABOR UNIONS
AND
KAISER PERMANANTE**

This Letter of Understanding ("LOU") is entered into between Kaiser Foundation Health Plan of the Northwest and Kaiser Foundation Hospitals ("Kaiser Permanente") and the Coalition of Labor Unions, Including International Longshore and Warehouse Union, Local 28; Oregon Federation of Nurses and Health Professionals, Local 5017; Oregon Nurses Association; Service Employees Union, Local 49; and United Food and Commercial Workers Union, Local 555 ("Coalition")

RECITALS

As Kaiser Permanente did not meet its 2011 PSP/AIP financial operating margin gateway; and,

As the consequence of failing to meet the gateway means that there is no payout under the PSP/AIP plans; and,

As Kaiser Permanente would like to recognize the efforts of its employees through a discretionary bonus; and,

As the parties to this LOU would like to enter into an agreement to cover all members of the Coalition without delay;

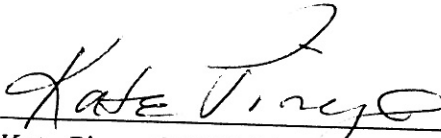
Therefore, the parties agree to the following:

AGREEMENT

- 1) Eligible employees must have been classified and working as a regular (coded above 1 hour) or on-call (coded 1 hour) employee in an active status on December 31, 2011, to receive a discretionary bonus.
- 2) A discretionary bonus will be paid out to eligible regular employees in an amount of \$550.00. A discretionary bonus will be paid out to eligible on-call employees in an amount of \$225.00. This bonus will not change or impact employees' regular rate of pay for overtime or any other purpose.
- 3) Said payout will be calculated and paid on or about March 23, 2012.

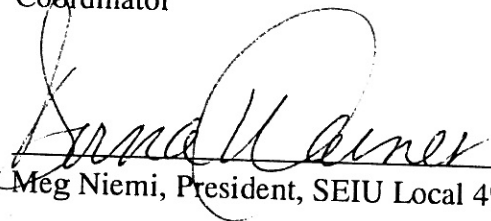
- 4) This payout is the final amount of this 2011 discretionary bonus.
- 5) This is a one-time discretionary bonus and does not set precedence for future bonuses or any other agreements between the parties.

Executed by the parties in Portland, Oregon, on the dates shown below.



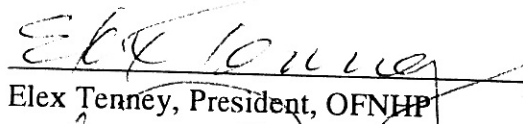
Kate Pingo CKPU, National
Coordinator

2-23-2012
Date



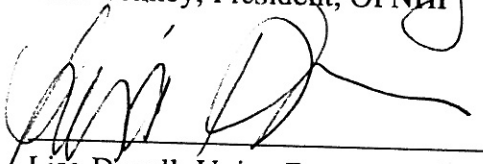
Meg Niemi, President, SEIU Local 49

2/23/2012
Date



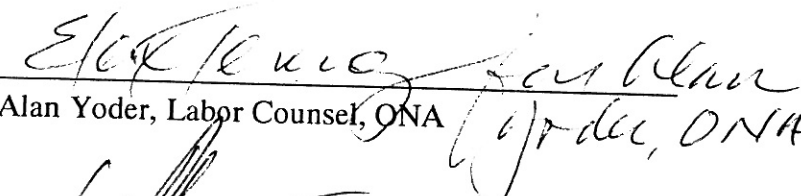
Elex Tenney, President, OFNHP

2/23/2012
Date



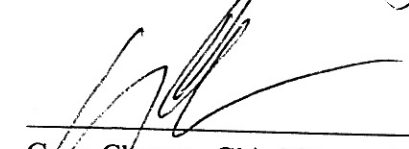
Lisa Dupell, Union Representative, UFCW 555

2/23/2012
Date



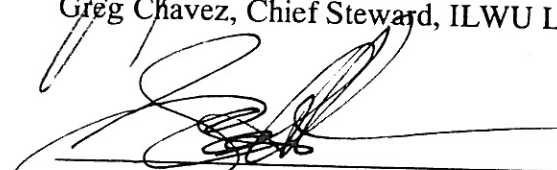
Alan Yoder, Labor Counsel, ONA

2/23/2012
Date



Greg Chavez, Chief Steward, ILWU Local 28

2/23/12
Date



Scott Allan, Dir. - Employee and Labor Relations
Kaiser Permanente Northwest

2/23/12
Date