

WAREHOUSE
AGREEMENT

BETWEEN

CANADA DRY DISTRIBUTING COMPANY
OF
WILMINGTON, DELAWARE

AND

TEAMSTERS LOCAL UNION NO. 326

February 2, 2015 – February 1, 2019

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THIS AGREEMENT made and entered into as of the ____ day of ____ 2015 by and between the Canada Dry Distributing Company of Wilmington, for and with reference only to its plant located at 650 Ships Landing Way, New Castle, Delaware, 19720, and to the extent permitted by the law, any other beverage distribution facility opened by the Employer in the State of Delaware on or after the date hereof, to replace the facility at 650 Ships Landing Way, New Castle, Delaware, (hereinafter referred to as “the Employer”) and the General Teamsters Local No. 326, affiliated with the International Brotherhood of Teamsters (hereinafter referred to as the Union or the “Local Union”).

ARTICLE 1

UNION RECOGNITION

The Employer recognizes the Union as the sole collective bargaining agent for all full time and all regular part time warehouse employees employed at the Employer’s New Castle facility and agrees that during the term of this Agreement it will recognize no other Union.

New employees shall be subject to a sixty (60) working days “probationary period”. An additional thirty (30) working day period may be extended, upon written notification and agreement between the Employer and Union.

Probationary employees may be terminated by the employer, with or without cause during the probationary period. Such discharge shall not be subject to the grievance and arbitration procedure.

ARTICLE 2

UNION SECURITY

All current employees in the job classification covered by this Agreement must become members of the Local Union within thirty (30) days of the execution of this Agreement. As a condition of continued employment, they must remain members in good standing of the Union.

All new employees in the job classification covered by this Agreement who are hired thereafter shall as a condition of employment become and remain members in good standing in the Union on or immediately after the sixtieth (60th) day following the beginning of said employment. Members in good standing shall be defined to mean covered employees who tender the periodic dues and initiation fee as required to attain or retain Union membership.

An employee who as failed to acquire, or thereafter maintain, membership in the Union as herein provided, shall be terminated seventy-two (72) hours after the Employer has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be, offered to such employee on the same basis as all other members and further, that the Employee has had notice and opportunity to make all dues or initiation fee payments.

Upon receipt of proper written authorization from an employee, the Employer agrees to deduct from the wages of said employee, and to forward to the Local Union office, each month, dues, assessments and initiation fees as listed by the Union on its monthly billing, which shall be furnished to the Employer once a month. It is understood that any authorization of payroll deductions shall be voluntary on the part of the employee and may be cancelled by written notice to the parties concerned.

The Employer shall add to the list submitted to the Local Union the names and social security numbers of regular new employees hired since the last list was submitted and delete the names of employees who are no longer employed. All Union dues and Initiation fees shall be remitted in one lump sum no later than the twenty-first (21st) of the month in which it was deducted.

The Union agrees to indemnify and save the Employer harmless against any and all claims, demands, suits, and other forms of liability that might arise out of or by reason of action taken or not taken in respect to deduction of dues and initiation fees made pursuant to the provisions of this Article.

ARTICLE 3 **JOB ASSIGNMENT**

All current warehouse employees shall have the right to remain working on their current shift. All future shift openings shall be subject to seniority bid, provided the employee can perform the work.

Should future operational changes provide opportunity for dedicated work performing a specific task, the Employer agrees to discuss such tasks for the purpose of posting for employee bid.

This shall in no way prohibit the Employer from assigning additional/other duties to any employee regardless of classification.

If the position of driver becomes available, qualified warehouse employees shall be given first preference before hiring from the outside. Any employee becoming a driver shall retain their original seniority date for the purposes of fringe benefits but shall receive a new date for purposes of seniority among the drivers. Any employee moving to the driver classification shall relinquish their warehouse seniority and shall be subject to the provisions of the driver contract.

The Company shall establish a "re-pack" classification. Any employee working in the "re-pack" classification shall be paid their existing general warehouse rate except those "red circled" (J. Wallace, S. Deaver). The bid for this job assignment shall occur twice per calendar year.

ARTICLE 4 **WORKDAY/WORKWEEK**

The workweek shall be any five (5) consecutive days in the Monday - Sunday period, with time and one half (1 ½x) to be paid for the Sixth (6th) day, if worked, following the employee's regular five (5) day schedule, and double (2x) to be paid for the seventh (7th) day, if worked, following the employee's regular five (5) day schedule; provided however that said premium pay shall be owing only if the employee works all of his prior scheduled days in such week (unless any day not so worked is a day for which the employee is nevertheless required to be paid under the terms of this Agreement or the absence has been approved by the Company). Work on the sixth (6th) and seventh (7th) days shall be offered in seniority order to qualified employees whose scheduled workweek does not include such day(s), and if enough qualified employees do not agree to work, the said work may be required of qualified employees in reverse order of seniority.

The starting times for the day shift shall be between 5:00AM and 12:00 noon, and the starting times for the night shift shall be between 3:00PM and 9:00PM.

Once established an employee's starting time may not be changed without one (1) week's notice, unless mutually agreed by the parties.

ARTICLE 5 **HOLIDAYS**

There shall be nine (9) paid holidays, New Years Day, Martin Luther King's Birthday, Memorial Day, Labor Day, Presidents Day, Easter Monday, July 4th, Thanksgiving Day, and Christmas Day. If the holiday occurs on a Saturday, the employee shall receive an extra

days pay. If the holiday falls on a Sunday, it shall be celebrated on the following Monday. Employees working on any of the said paid holidays, shall receive three times (3x) their normal rate of pay for the day (inclusive of the holiday pay). If a holiday falls within an employee's vacation, the employee shall receive an additional days pay. Holiday pay for the Warehouse Employee not working on the holiday shall be eight (8) hours pay.

Employees hired on or after February 2, 2003 with one continuous year of employment with the Employer, shall receive one (1) paid sick day and two (2) paid personal days for each full calendar year, with two (2) years of continuous employment with the Employer one (1) paid sick day and three (3) paid personal days for each full calendar year; and with three (3) years of continuous employment with the Employer, two (2) paid sick days and three (3) paid personal days for each full calendar year. Employees currently receiving five (5) paid personal/sick days shall receive two (2) paid sick days and three (3) paid personal days.

Personal days may only be taken upon six (6) working days advance notice to the Employer and at a time acceptable to the Employer. Sick leave days can only be taken for bona fide illness or injury. The Employer may require the employee to provide a Physicians note certifying any such injury or illness, in the event such injury or illness for two (2) or more consecutive days. Any unused personal/ sick leave days, shall be paid for by the Employer at the end of that calendar year, provided the employee is employed by the Employer on December 31 of that year. Personal day and sick leave pay shall be calculated the same as holiday pay.

Holiday pay is conditioned upon the employee working his last scheduled workday before the holiday and his first scheduled workday after the holiday. An employee working his last scheduled workday before the holiday and his first scheduled workday after the holiday will be guaranteed 8 hours pay for the last scheduled workday before the holiday and the next scheduled workday after the holiday.

ARTICLE 6 **VACATIONS**

Vacations are to be granted, consistent with the needs of the business, from January 1 through Thanksgiving Day week (with the exception of those weeks in which a paid holiday occurs). Vacations shall be selected in order of seniority. Once the vacation choice period has closed, vacations will be awarded on a first request basis at the discretion of the Company. The following is the schedule of weekly paid vacation entitlements:

| | |
|---|-----------------|
| After one (1) year of continuous employment | One (1) week |
| After three (3) years of continuous employment | Two (2) weeks |
| After five (5) years of continuous employment | Three (3) weeks |
| After ten (10) years of continuous employment | Four (4) weeks |
| After fifteen (15) years of continuous employment | Five (5) weeks |

Employees entitled to two (2) or more weeks of paid vacation, shall be entitled to a maximum of one (1) such week during the period of May 1 through September 30.

Employees entitled to three (3) or more weeks of paid vacation, shall be entitled to a maximum of two (2) such weeks during the period May 1 through September 30.

One employee from the night shift and one employee from the day shift shall be entitled to be on vacation in the same week, during any eligible vacation week.

A week's paid vacation shall equal forty (40) hours times the employee's straight time hourly rate.

Vacation pay shall be on the payday immediately preceding the vacation.

ARTICLE 7

WAGES

1. All hours worked by an employee in excess of forty (40) in a week, shall be paid at the rate of time and one-half. Paid time shall be used in the calculation of 40 hours.
2. Each employee on the payroll on the date of the Contract ratification and eligible to participate in the Contract ratification vote shall receive an eight hundred fifty dollar (\$850) one (1) time lump sum bonus.

Any employee hired after February 2, 2009, shall receive no less than the following hourly wage rates:

a) Hourly increases (except as set forth below) shall be as follows:

| | | |
|---------------|---------------|---------------|
| <u>2/2/16</u> | <u>2/2/17</u> | <u>2/2/18</u> |
| \$.45 | \$.45 | \$.50 |

- b) The starting rate shall be increased to \$13.00 per hour, effective 2/2/09. Any employee on the payroll as of that date still employed as of May 27, 2009, shall be increased to \$13.00 per hour, retroactive to 2/2/09 (before giving effect to the increase set forth in the subparagraph (a) hereof).

Any warehouse employee employed by the Company prior to 12/31/00, and still on the Company's payroll on the below listed dates, shall receive an additional \$.24 per hour increase on 2/2/09 and then again on 2/2/10.

ARTICLE 8 **UNIFORMS**

The Employer may require all employees to wear the designated uniform and Canada Dry emblem supplied by the Employer. The Employer shall assume the cost of the uniform (which shall remain its property) and may control their issuance and use. The Employer shall also be responsible for the repairing of all uniforms.

When the Employer provides safety equipment for employees' use, employees will be required to use it.

ARTICLE 9 **SHOP STEWARD**

The Employer recognizes the right of the Union to designate a Shop Steward and an alternate.

The authority of the Shop Steward shall be limited and shall not exceed the following duties and activities:

- a) The investigation and presentation of grievances with his Employer or the designated Employer representative in accordance with the provisions of the Collective Bargaining Agreement.
- b) The collection of dues when authorized by appropriate Union action.
- c) The transmission of such messages and information, which shall originate with, and are authorized by the Union or its officers, provided such messages and information.

1. Have been reduced to writing; or,
2. If not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business. Job Stewards and alternates have no authority to take strike action, or any other action interrupting the Employers business, except as authorized by official action of the Union. The Employer recognizes these limitations upon the authority of the Shop Steward and alternates, and shall not hold the Union liable for any unauthorized acts, provided the Union does not ratify nor condone such unlawful acts and takes all reasonable measures to remedy the same. The Employer in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event that a Steward or designated alternate has taken unauthorized strike action, slowdown or work stoppage in violation of this Agreement.

Upon approval of the immediate supervisor, which shall not be unreasonably withheld, the Job Steward, or their designated alternate shall be permitted reasonable time to investigate, present, and process grievances on the company property without loss of time or pay during their regular working hours without interruption of the Employers operation by calling group meetings: and where mutually agreed to by the Union and Employer, off the property or other than during their regular schedule without loss of time or pay. Such time spent in handling grievances during the Steward's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the "Job Steward".

ARTICLE 10

GRIEVANCE AND ARBITRATION

Section 1

The Union and the Employer agree there shall be no strike, lockout, tie-up or legal proceedings without first using all possible means of a settlement, as provided for in this Agreement, of any controversy which might arise.

Section 2

- a) Disputes and grievances may first be taken up by the Steward, and settled in accordance with this Agreement and if no settlement is reached, then taken up between the Business Agent of the Local Union and the Employers representative.
- b) All Grievances must be made known to the other party in writing within ten (10) working days after the reason for such grievance has occurred. Provided, however, that those grievances alleging that the Employer did not pay the proper contractual rate of pay or the employee was not paid for the proper amount of hours which he actually worked may be filed within ten (10) working days of the date on which the employee became aware of the cause of such grievance.
- c) The time limitation of ten (10) working days is applicable to an Employer taking disciplinary action against an employee except in cases of dishonesty. In those instances, the Employer may take appropriate action within ten (10) working days after the completion of the Company investigation.
- d) With respect to grievances filed under this Article, the parties agree that within thirty (30) days of such written notice by the Union or the Employer, the grievance must be resolved or submitted to arbitration unless otherwise mutually agreed, whereupon the parties shall select a mutually agreeable and impartial arbitrator from a list of arbitrators submitted by the American Arbitrators Association. In the event they are unable to agree, the arbitration shall be in accordance with the rules for voluntary labor arbitration of the American Arbitration Association, except as specifically herein modified.
- e) In the case of discharge or suspension grievances, the Union shall refer the matter to an impartial arbitrator selected through the American Arbitration Association for expedited arbitration within thirty (30) days if the grievance can not be resolved by the parties. Unless mutually agreed by the parties, the Arbitrator shall be selected using the American Arbitration Association's expedited labor arbitration process. The Arbitrator's award shall be rendered no later than seventy two (72) hours from the closing of the hearing unless mutually agreed to by the parties.

Section 3

Failure to comply with the final Arbitrators' decision withdraws the benefits of the no strike, no lockout provision of this Agreement.

Section 4

- a) The decision of the Arbitrator shall be specifically limited to the matter submitted to him and he shall have no authority in any manner to amend, alter, or change any provision of this Agreement. The decision of the Arbitrator shall be final and binding on both parties. The expenses of the arbitration, including the Arbitrator selected, hearing room, court reporter, and transcription of the proceedings shall be shared equally by the Employer and the Union.

ARTICLE 11 **MANAGEMENT RIGHTS**

All rights customarily and traditionally exercised by the Employer to operate its business and direct its employees are hereby expressly reserved by and to the Employer except and only to the extent that the terms of this Agreement specifically limits said rights, in which event the terms of this Agreement shall control. These Management Rights include, but are not limited to, the right to locate, operate and manage the business in all respects, to determine policies and to direct employees; to establish, cut, split, consolidate, change, or eliminate routes; to establish, change or eliminate reasonable work rules, job descriptions, procedures and the like, as it in its sole discretion determines is necessary to meet the needs of its customers or meet competitive conditions; to hire or lay off employees; to suspend, discharge or otherwise discipline employees for just cause; to determine product lines, distribution and volume; to determine the qualifications for a position and take steps to determine if an individual is capable of meeting those qualifications; to require employees to submit to tests for the presence of alcohol or illegal drugs; to sell or otherwise dispose of the assets of the business free of the limitations and liabilities of this Agreement: to discontinue operations. This listing of specified rights is for the purpose of example and is not intended to be, nor shall be, restrictive of nor a waiver of any rights of the Employer not listed herein.

ARTICLE 12 **MUTUAL UNDERSTANDING**

The Employer, and the Union and the employees covered by this Agreement recognize that the opportunity for employment with the Employer depends on the continued and successful operation of the Employer's plant. To this end, the Employer, the Union and the employees agree to work together in the best interest of all concerned.

ARTICLE 13
ACCIDENTS AND INJURIES

All employees in case of accident or injury are to report the same to the office of the Employer, securing the names and addresses of all witnesses to the accident, no matter whether said accident be trifling in character or not. In the event of failure to report said accident or injury, said employees may be disciplined by the Employer. All accidents and injuries must be reported to the Employer on the same day on which they occur if possible. Otherwise, such accident or injury must be reported on the next regular workday.

ARTICLE 14
HIRING

When the Employer needs additional employees in the classification under this agreement, the Employer shall give the Local Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Local Union. Violations of this Subsection shall be subject to the grievance procedure.

ARTICLE 15
SCOPE OF THE AGREEMENT

Except as otherwise herein provided, all operations and work covered herein shall be performed exclusively by the employees covered by this Agreement. Notwithstanding the foregoing, such operations and work may be performed by non bargaining unit employees, in the event all bargaining unit employees (x) with the ability to do the work, and (y) available for work (i.e. not on vacation, sick, disabled, or on compensation, etc.), have been afforded the opportunity to do the work on the day(s) in question. Employees covered by this Agreement may be assigned to non-bargaining unit work, but only as in the past.

In addition, nothing herein contained shall be deemed to prohibit the Employer from transferring such operations or work (in whole or in part, and temporary or permanently) to any other business entity or location owned and/or controlled by the Employer or to any parent, subsidiary or affiliate of the Employer. In any such event, any employee laid off as a result thereof, shall be placed on a preferential hiring list, for a period of one (1) year, at the entity or location to which such operations or work are transferred. Such preferential hiring rights shall be (i) subject and subordinate to the terms of any collective bargaining

agreement covering such entity or location (ii) apply to only positions for which the employee is qualified, and (iii) shall terminate if the employee declines any job offer at any such entity or location.

The employee shall have seven (7) days after receiving any such job offer to accept the same and commence work. If such job offer is so accepted, the employee shall retain his prior seniority (exclusive of the period of lay-off) for the purposes of vacation and eligibility for sick leave, jury duty pay, bereavement pay, etc. , (if such benefits exist). In the event the Employer seeks to subcontract such operations or work to an unrelated third party (as opposed to permanently selling, assigning, or transferring such operations or work, which shall at all times remain the absolute right of the Employer), and if the Union shall not consent to the same, the Union may submit the issue of the reasonableness of such subcontracting to arbitration under Article 11 hereof.

ARTICLE 16

TRANSFER OF COMPANY TITLE OR INTEREST

In the event (i) the operation of the Employer at 650 Ships Landing Way, Twin Spans Business Park, New Castle, Delaware and to the extent permitted by law, any other beverage distribution facility opened by the Employer, within the jurisdictional boundaries of Local 326 on or after the date hereof , to replace the facility at 650 Ships Landing Way , Twin Span Business Park, New Castle, Delaware, is sold, leased, transferred or taken over by receivership or bankruptcy, and (ii) the new owner, lessee, transferee, or operator also operates out of the plant at 650 Ships Landing Way , Twin Spans Business Park, New Castle, Delaware, to the extent permitted by law, the new operator shall continue to be subject to the terms and conditions of this Agreement for the life thereof.

The Employer shall give notice of this Agreement to such new operator, with a copy to the Union, and upon so doing, the Employer's further obligation under this Agreement shall cease.

ARTICLE 17

CREDIT UNION CHECKOFF

The Employer agrees to deduct on a weekly basis, from the base wage rate for the Credit Union designated by the Union, an amount specified by the employee who is working under this Agreement, and who has signed and delivered to the Employer the proper legal authorization for such deductions. The weekly amount once specified cannot be changed for six (6) months. An individual may withdraw from the Credit Union deduction anytime during the year. However, re-enrollment may only be made after six (6) months from the date authorization was withdrawn.

It is further provided that Credit Union deductions will only be made in the weeks an employee has sufficient monies earned, recognizing that Union dues have first priority. Payments shall be forwarded to the Credit Union once a month within ten (10) days after the final deduction is made each month.

ARTICLE 18

WORK STOPPAGES

- a) The parties agree that all grievances and questions of interpretation arising from the provisions of this Agreement shall be submitted to the grievance procedure for determination. Accordingly, except as specifically provided in other Articles of this Agreement, no work stoppage, slowdown, walkout, or lockout shall be deemed permitted or authorized by this Agreement except:
1. Failure to comply with an arbitrator's decision under the grievance procedure contained in this Agreement.
 2. Failure to make health and welfare and pension payments in the manner required by this Agreement after the Arbitrator's decision; and

The Local Union shall give the Employer a seventy-two (72) hour prior written notice of the Local Union's authorization of strike action which notice shall specify the Arbitrator's decision.

- b) It is mutually agreed that the Local Union will, within two weeks of the date of the signing of this Agreement, serve upon the Employer a written notice listing the Union's authorized representatives who will deal with the Employer, make commitments for the Local Union generally, in particular, those individuals having the sole authority to act for the Local Union in calling or instituting strikes or any stoppages of work which are not in violation of this Agreement. The Local Union may from time to time amend its listing of authorized representatives by mail. The Local Union shall not authorize any work stoppage, slowdown, walkout, or cessation of work in violation of this Agreement.

It is further agreed that in all cases of an unauthorized strike, slowdown, walkout, or any other cessation of work which is in violation of this Agreement the Union shall not be liable for damages resulting from such unauthorized acts of its members, provided, the same is neither ratified nor condoned by the Union and the Union takes all reasonable measures to remedy the same.

ARTICLE 19

PROTECTION OF RIGHTS

Section 1

Picket Lines

It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action nor shall such employee be permanently replaced in the event an employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of the Union party to this Agreement.

Section 2

Except in situations where the Employer has been granted distribution rights, it shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action nor shall such employee be permanently replaced if any employee refuses to perform any

service which the Employer undertakes to perform as an ally of a company or persons whose employees are on strike, and which service, but for such strike, would be performed by employees of the company or person on strike.

ARTICLE 20 **BONDS**

Should the Employer require any employee to give bond, cash bond shall not be compulsory, and any premium involved shall be paid by the Employer.

The primary obligation to procure the bonds shall be on the Employer. If the Employer cannot arrange for a bond within ninety (90) days, he must so notify the employee in writing. Failure to so notify shall relieve the employee of the bonding requirement. If proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make their own bonding requirements, standard premium only on said bond to be paid by the Employer. A Standard premium shall be that premium paid by the Employer for bonds applicable to all other of its employees in similar classifications. Any excess premium is to be paid by the employee. Cancellation of a bond after once issued shall not be cause for discharge unless the bond is cancelled for cause which occurs during working hours, or due to the employee having given a fraudulent statement in obtaining such bond.

ARTICLE 21 **INJURY**

An employee who is injured on the job, and is sent home, or to a hospital, or who must obtain medical attention, shall receive pay at the applicable rate for the balance of his regular shift on that day. Ability to perform work shall be determined by the Company's doctor provided, however, that the employee may seek an alternate determination at the employee's expense from a doctor of the employee's choosing. If the employee's doctor and the Company doctor disagree as to the employee's ability to work, The Union and Company shall follow the procedure for resolving medical determination conflicts provided for in Article 33 (b). In the event of a work related injury that causes a loss of time from work, the employee will be subject to drug and alcohol testing.

The Employer agrees to provide any employee injured transportation at the time of the injury, from the place of the injury to the medical facility and return to the job, or to their home, if required by the fastest available means.

ARTICLE 22
MILITARY CLAUSE

Employees enlisting or entering the military or naval service of the United States, pursuant to the provisions of The Military Selective Service Act of 1967, as amended, shall be granted all rights and privileges provided by the Act.

The Employer shall pay the difference between an employee's regular earnings and the compensation received for any leave of absence for training in the military reserves or National Guard, but not to exceed fourteen (14) days in any one year. In addition, employees shall receive credit for military time as days worked for all purposes under the Agreement other than wages or payments of benefits.

ARTICLE 23
POSTING

Section 1

Posting of the Agreement

A copy of this Agreement shall be posted in a conspicuous place available to the employees at the facility.

Section 2

Union Bulletin Boards

The Employer agrees to supply space on a bulletin board with suitable space for the Union. Postings and notices by the Union on such boards are to be confined to official business of the Union.

ARTICLE 24
UNION ACTIVITIES

Any employee member of the Union acting in any official capacity whatsoever shall not be discriminated for his acts as such officer of the Union so long as such acts do not interfere with the conduct of the Employer's business, nor shall there be any discrimination any employees because of union membership or activities.

ARTICLE 25
INSPECTION PRIVILEGES AND
EMPLOYER IDENTIFICATION

Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, collection of dues, and ascertaining that the Agreement is being adhered to, provided, however, there is no interruption of the Employer's working schedule.

ARTICLE 26
SEPARABILITY AND SAVINGS CLAUSE

If any Article or Section of this Agreement or any Supplements or Riders thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement and of any Supplements or Riders thereto, or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

ARTICLE 27
JURY DUTY

All employees actually summoned for jury duty will be granted the time off up to a maximum of ten (10) days per calendar year to perform such service.

Employees being compensated under this provision shall be compensated in accordance with the holiday formula minus any jury duty fee they may receive.

When such employees report for jury service on a scheduled workday, they will not unreasonably be required to report for work that particular day.

Time spent on jury duty service will be considered time worked for purposes of Employer contributions to health and welfare and pension plans, vacation eligibility and payment,

holidays and seniority, in accordance with applicable provisions of this Agreement to a maximum of ten (10) days for each contract year.

ARTICLE 28 **LEAVE OF ABSENCE**

Any employee desiring a leave of absence from his employment without discrimination or loss of seniority rights and without pay shall secure written permission from the Employer and Union. The maximum leave of absence shall be for ninety (90) days and may be extended for like periods. Permission for same must be secured from both the Union and Employer and the same shall be at the discretion of both. During the period of absence, the employee shall not engage in gainful employment. Failure to comply with this provision shall result in the complete loss of seniority rights for the employee involved.

ARTICLE 29 **TIME OFF FOR UNION ACTIVITIES**

The Employer agrees to grant the necessary and reasonable time off to one employee, without discrimination or loss of seniority rights and without pay, to any employee designated by the Union to attend a labor convention or to serve as an elected or appointed officer, business agent or organizer, provided forty-eight (48) hours written notice is given to the Employer by the Union, specifying the approximate length of time he may be off.

Time off during any leave of absence shall be included in the total length of service for determining the number of weeks vacation which the employee shall be entitled to upon his return to employment with the Employer, but shall not be considered as time for purposes of earning a vacation in any year.

ARTICLE 30 **SENIORITY**

Section 1

There shall be one master seniority list and seniority rights for employees shall prevail.

- a) Regular Employee –A regular employee is one who has obtained seniority with the Employer.

Section 2

- a) Seniority shall be terminated only by:
1. Discharge
 2. Resignation
 3. One year layoff
 4. Failure to respond to a notice of recall as set forth herein
 5. Failure to attain or comply with leave of absence provisions as set forth herein.
 6. Receipt of first retirement check
- b) The Union shall be entitled to a seniority list each six months upon request. Within thirty (30) after the signing of this Agreement , and at least annually thereafter, the Employer shall post in a conspicuous place at the employees' work place, and shall mail to the Union, a list of the regular employees covered by this Agreement arranged according to their seniority. Protests to any employee's seniority date or position on such list must be made, in writing, to the Employer within thirty (30) calendar days after such seniority date or position first appears, and if no protests are timely made, the dates and positions posted shall be deemed correct. Any such protest, which is timely filed, may be submitted to the Grievance Process.
- c) Any employee on the seniority list who is absent because of work related illness or injury, shall continue to accrue seniority during such absence for a period of up to three (3) years for the purpose of determining his place on the seniority list. Any employee on the seniority who is absent because of a non-work related illness or injury, shall continue to accrue seniority during such absence for a period of up to one (1) year for the purpose of determining his place on the seniority list. However, upon being able to return to work, he shall immediately inform the Employer of his return date.
- d) If an employee who is on layoff is recalled, said employee shall be given notice of recall mailed to their last known address by registered or certified mail or telegram with verification of delivery. The employee shall be obligated to report within seven

(7) calendar days of the receipt of their recall, fourteen (14) calendar days if then gainfully employed. In the event the employee fails to comply with the above, he shall lose all seniority rights under this Agreement.

- e) One (1) shop steward shall be granted super-seniority for layoff and recall provided he is licensed to perform the available work. Any additional application of super-seniority for the steward must be justified as being directly related to the proper performance of the steward's duties as steward and permitted by applicable law.
- f) Subject to Section 1, when it becomes necessary to reduce the working force, the last employee hired shall be laid off first, and when the force is again increased, the employees are to return to work in the reverse order in which they are laid off.
- g) The Employer shall notify the shop steward in advance of layoff or of recall.

ARTICLE 31

MAINTAINENCE OF STANDARDS

Section 1

Protection of Conditions

- a) Except as otherwise provided in this Agreement, the Employer agrees that all conditions of employment relating to wages, hours of work, overtime differentials, general working conditions and bonuses shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement and conditions of employment shall be improved wherever specific provisions for improvement are made elsewhere in this Agreement.

This provision does not give the Employer the right to impose or continue wages, hours, and working conditions less than those contained in this Agreement.

Section 2

Extra Contract Agreements

The Employer agrees not to enter into any agreement or contract with his employees covered by this Agreement, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreement shall be null and void.

ARTICLE 32

DISCHARGE OR SUSPENSION

Section 1

The Employer shall not discharge nor suspend an employee except for just cause. Except where the provisions of this Article provide for immediate discharge, the Employer shall not suspend or discharge an employee without first having given the Union notice by facsimile transmission, telegram, or mailgram of their intent to discharge or suspend such employee.

A representative of the Local Union must be in personal contact with the Employer within twenty four (24) hours after the Union has received notice by facsimile transmission, telegram, or mailgram of its intent to discharge or suspend the employee.

Section 2

- a) Discharge or suspension must be for just cause, and written notice of such discharge or suspension specifying the exact nature of the cause for said action must be given by the Employer to the employee, and a copy of such written notice given to the Local Union. Just cause shall be deemed to include (but shall not be limited to); and grounds for immediate discharge are:
 1. Calling or participating in an unauthorized strike or walkout.
 2. Drinking and/or using illegal drugs during working hours (including lunch or break time), or being under the influence of alcohol, drugs, or a controlled substance during such working hours. An employee shall be considered under the influence of drugs or a controlled substance, if he tests positive for the same, and either (x) the use or possession of the drugs or controlled substance is unlawful, or (y) he doesn't have a then valid and current prescription for the same, issued by a duly licensed physician.

An employee testing positive for drugs or a controlled substance in a "random" test, shall be given the option of seeking appropriate services and rehabilitation programs for a first offense, in lieu of discharge, unless (i) the employee was under the influence of the drug or the controlled substance while on duty, or (ii) the random test was performed while the employee was on duty. In addition, an employee will not be disciplined if he (i) acknowledges a drug,

controlled substance or alcohol problem voluntarily , prior to being subject to discipline for such problems and prior to being advised that they are scheduled to take a drug , controlled substance, or alcohol test, (ii) seeks appropriate services and rehabilitations programs, (iii) shall not previously have acknowledged to the Employer such drug, controlled substance, or alcohol use problem, and (iv) shall not have previously exercised the option hereinabove described. All such services and programs shall be at the employee's sole cost and expense. Employees electing to undergo such services and programs must provide proof of successfully completing the same and pass all subsequent tests, which the Company in its sole discretion may require, as a condition of continued employment.

3. Theft or Dishonesty.
 4. Fighting or physical assault during such working hours.
 5. Carrying unauthorized passengers in Employer's vehicle.
 6. Insubordination
- b) An employee may request an investigation as to his discharge, suspension, or warning notice. Should an investigation prove that an injustice has been done to an employee, he may be reinstated as provided for in this Agreement. The Arbitrator designated under this Agreement, or any mutually designated authority shall have the authority to order full, partial, or no compensation for lost time.

ARTICLE 33

EXAMINATION AND IDENTIFICATION FEES

- a) Physical, mental, or other examinations required by a government body or the Employer shall be promptly complied with by all employees; provided, however, the Employer shall pay for such examinations. The Employer shall not pay for any time spent at the place of examination or examinations.
- b) The Employer reserves the right to select its own medical examiner or physician for the above described examinations. The Union may, if it believes an injustice has been done an employee, have said employee reexamined by a physician at the Union's expense. If there is a disagreement as to the employee's physical or mental condition, the two (2) examiners shall mutually select a third (3rd) impartial medical examiner or physician within seven (7) days, whose opinion shall be final and binding on the Employer, the Union and the employee. Such

third (3rd) impartial examiner shall be required to physically examine the employee and all of the employee's previous relevant medical records and history, including the findings of the first two (2) examiners, and based upon such examination, to give an opinion as to whether or not the employee is physically or mentally capable of performing the work. The expense of the third (3rd) examiner shall be equally divided between the Employer and the Union.

ARTICLE 34 **IDENTIFICATION**

Should the Employer find it necessary to require employees to carry or record full personal identification, such requirement shall be complied with by the employees. The cost of such personal identification shall be borne by the Employer.

ARTICLE 35 **POLYGRAPH**

No employee, or applicant for employment, shall be requested or required to take any form of lie detector test as a condition of employment.

ARTICLE 36 **MEAL PERIOD**

The meal period for Warehouse Employees shall be thirty (30) minutes in length and shall be between the fourth (4th) and sixth (6th) hours after the employee starts his shift (or at such other time as is agreeable to both the Employer and the employee).

Employees scheduled to work six (6) or more hours shall receive thirty (30) minutes of paid break time during their shift.

Employees scheduled to work four (4) or more but less than six (6) hours shall receive fifteen (15) minutes of paid break time during their shift.

Employees scheduled to work less than four (4) hours shall receive no paid break time during their shift.

ARTICLE 37

PAY PERIOD

Section 1

All regular employees covered by this Agreement shall be paid in full each week. Not more than one (1) week's pay shall be held on an employee. Where less than one (1) week's pay is now held, Employer may not increase amount held until change has been agreed to by the Union.

When the regular payday occurs on a holiday, the Employer shall pay the employees on the regular workday immediately preceding that holiday.

Section 2

Each employee shall be provided with an itemized statement of gross earnings and an itemized statement of all deductions made for any purposes.

ARTICLE 38

FUNERAL LEAVE

- a) Any employee having a death in his/her family, which shall be defined as an employee's spouse, mother, father, sister, brother, child, relative for whom employee has legal guardianship (provided employee presents the Employer with proof of legal guardianship), mother-in-law, father-in-law, grandparents (1 day), or domestic partner as defined by Federal or State law (whichever State has jurisdiction) whichever is more advantageous to the employee, shall be given up to three (3) work days lost, with pay at the time of death.
- b) The relatives designated in (a) of this section shall include brothers and sisters having one parent in common.
- c) Death Certificate or other satisfactory proof of death may be requested by the Employer.

ARTICLE 39
POLITICAL ACTION

Upon receipt of written authorization from employee(s), the Employer agrees to deduct from the wages of the employee(s), their voluntary contributions to the Teamsters Local 326 political action committee, or any other political action fund designated by the Local Union. The Employer will make these deductions on a weekly basis and forward the amounts deducted once each month to the location designated by the Local Union.

ARTICLE 40
HEALTH AND WELFARE AND LIFE INSURANCE

Employees shall be enrolled in and covered by the Employers Health and Welfare Program, subject to all the terms and conditions as then provided by the same. An employee who is absent from work due to a non work related illness or injury, shall continue to receive coverage until the first day of the month following the sixth month of continued absence from work due to a non work related illness or injury. An employee who is absent from work due to a work related illness of injury, shall continue to receive coverage until the first day of the month following the twelfth month of continued absence from work due to a work related illness or injury. A return to work of a duration of two weeks or less will be considered a continuation of the original absence.

ARTICLE 41
RETIREMENT

Employees shall be enrolled in and covered by the Employer's Pension Program, subject to all the terms and conditions as then provided by the same.

ARTICLE 42
SEASONAL HELP

The Employer shall have the right to hire and retain seasonal helper employees during the period May 1 through September 30, and November 1 through December 31 of each year, on the following terms and conditions:

1. Such employees shall not be deemed part of the bargaining unit, nor entitled to any of

the benefits or protections provided by this Agreement, except they shall be paid not less than \$10.10 per hour.

2. No such employee shall be entitled to work on any day on which a regular employee, who is a member of the bargaining unit is laid off for a lack of work and is capable of doing the work performed by the seasonal employee; and
3. No such employee is permitted to work premium overtime hours after the completion of their regular shift on any day that a regular employee who is part of the bargaining unit and (i) is capable of doing the available work, and (ii) started work that day at the same time as the seasonal employee, is denied such premium overtime hours.

Any such seasonal employee shall be given first opportunity to qualify for any regular bargaining unit job opening (subject to the probationary period provision contained herein), except that if such seasonal employee passes such a probationary period and qualifies for the regular bargaining unit job, his seniority date for all purposes shall be deemed to be the date he first worked as a seasonal employee for the Employer in that year.

ARTICLE 43 **DURATION**

Section 1

The Agreement shall be in full force and effect for February 2, 2012, through and including February 1, 2015 and shall continue from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to the date of expiration.

Section 2

Where no such cancellation or termination notice is served and the parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice of at least sixty (60) days prior to *February 1*,

2019, or *February 1*, of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3

The above Collective Bargaining Agreement cannot be modified, or any provision waived, except in writing signed by both parties, and the right to present proposals or request bargaining on any matters, whether or not discussed during the negotiations which led to the Collective Bargaining Agreement, is hereby waived by the Employer and the Union for the term of the Collective Bargaining Agreement.

ENGINEERED STANDARDS

ARTICLE 44

The Employer may implement “engineered standards” for pickers and repack, but only 1.) With the agreement of the Union, or 2.) With an Award by the Arbitrator finding that new standards are reasonable, and 3.) With the simultaneous implementation of eight (8) hours of work guarantee for those whom such standards shall apply. “Engineered Standards” are defined as shown in the attached Exhibit A. Discipline for failure to meet the “Engineered Standards” is show in the attached Exhibit B.

Should the Employer implement a Hybrid Delivery System (a system whereby the Employer uses “Class A” vehicles which utilize a lift gate to service both large and small format customers, the Employer may implement Engineered Labor Standards as defined in Exhibit A herein to determine appropriate loading standards for the Hybrid Delivery System. The Employer shall have the right to employ an industrial engineer of its choosing and at its own expense to determine the appropriate Engineered Labor Standards for the Hybrid Delivery System subject to the first paragraph of this Article.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this _____ day of _____, _____, to be effective as of *February 2, 2015* except as to those areas where it has been otherwise agreed between the parties.

IN WITNESS WHEREOF the undersigned duly execute this Agreement and Supplemental Agreement (and Riders, if any) set forth herein.

FOR THE UNION

GENERAL TEAMSTERS LOCAL UNION NO. 326
Affiliate of International Brotherhood of Teamsters

BY: _____

TITLE : _____

DATE: _____

FOR THE COMPANY

Canada Dry Distributing Company of Wilmington, Del

BY: _____

TITLE: _____

DATE: _____

APPENDIX A

COMPANY ATTENDANCE POLICY

The following is the attendance policy for Canada Dry, New Castle, Delaware, which is based on a rolling 12-month period, not a calendar year:

| | | | |
|---------------|------------------|---|------------------------|
| <u>Absent</u> | 5 Days* | - | Verbal Warning |
| | 7 Days* | - | Written Warning |
| | 9 Days* | - | Three-Day Suspension |
| | 12 Days* | - | Subject to Termination |
| <u>First</u> | No Call/ No Show | - | Written Warning |
| <u>Second</u> | No Call/ No Show | - | Subject to Termination |

Call Off: You must contact your supervisor or another manager in the company. Failure to do so will be considered a no call/ no show.

- Two or more consecutive days with medical documentation will count as one offense.
- Personal days scheduled in advance and approved by your supervisor will not count as an offense.
- Vacation, jury duty, military leave, death in the family, or job related injury will not count as an offense.
- The use of a paid sick day will not count as an occurrence. However, you must contact your supervisor later that day (before 3 PM) to report your status for your next shift. Employees are required to notify their supervisor or leave a message on the voice mail system (number designated by the department) at least thirty (30) minutes before their scheduled starting time if they will not be at work on a particular day.
- Any paid personal day not scheduled in advance, or not approved by your supervisor will count as an occurrence.

- An employee, who leaves work prior to the end of his/her shift (including mandatory overtime) provided that he/she has worked at least two hours will be charged with 2/3 of an occurrence. An employee leaving work prior to the end of his/her mandatory overtime without management approval shall be charged with an 1/3 occurrence.
- Arriving to work ten (10) minutes after starting time, will be considered a late start. Three late starts will equal one (1) occurrence. If an employee notifies his/her supervisor that he/she will be more than one (1) hour but less than three (3) hours late after his/her scheduled start time and does report to work, the employee will be charged 1/3 occurrence.

If the employee notifies his/her supervisor that he/she will be three (3) hours or more late to work after his/her scheduled start time and the employee is not permitted to work by the Employer, he/she will be charged 2/3 occurrence. If work is available for him/her when he/she does report to work and the Employer, in his/her sole and unreviewable discretion, permits him/her to do it, in such case, the employee will be charged 1/3 an occurrence. In the event that there are two (2) or more employees that arrive at the same time, the work, if made available, will be made available to the senior employee.

- Each full day is one (1) occurrence.
- No employee shall be required to work in excess of eleven and one half hours (11 ½), exclusive of lunch and inclusive of overtime, during any single shift. Nothing contained herein shall prevent an employee from working in excess of eleven and one half hours (11 ½), exclusive of lunch and inclusive of overtime, during any single shift if done so by the employee on a voluntary basis.

EXHIBIT A

ENGINEERED LABOR STANDARDS

Engineered labor standards are the key components of any workplace management system. A proven methodology developed using fundamental Industrial Engineering principles, along with several edge tools to develop realistic values for all areas of operations.

An engineered labor standard is a scientifically determined time value based on a well defined method that represents optimal efficiency. The value is an objective measurement that serves as the basis for productivity analysis and the making of sound business decisions.

The process of developing labor standards may include the following activities:

- Process/ Methods Identification and Definition
- Work Measurement using Work Sampling
- Work Measurement using Continuing Studies
- Work Measurement using Time Studies
- Methods & ROI Analysis
- Comprehensive Validation Methods
- Implementation Planning and Strategies

EXHIBIT B

Canada Dry New Castle Loading Standards / Repack, Conventional & Bulk Picking

Procedures:

Cases per man-hour will be calculated when the employee begins the pick/repack process and the employee completes the pick/repack process.

If any significant time delay occurs during the picking/repack process it is the employees responsibility to bring the reasons for the lost time to the attention of the supervisor recording the time in at the finish of the picking/repack process. This information will be recorded on the pick ticket and initialed by both parties.

Cases per man-hour by individual employee will be determined by total cases picked/repacked divided by the total pick/repack time. (Breaks and lunch not included)

Daily pick/repack averages for the prior workweek will be totaled for each employee and available during the following week.

Averages for the four (4) week period will also be based on the total cases picked/repacked divided by the total hours spent picking /repacking cases in the four (4) week period.

No employee may fall below eighty (80%) percent of the standards on any given day.

Any employee falling below the minimum standard on a daily or four (4) week period will be subject to write up for poor work performance.

Any employee who does not pick/repack on a regular basis will have their pick/repack averages calculated in ten (10) pick day increments in lieu of four (4) weeks regardless of the amount of weeks involved.

Continued write ups for poor work performance will result in actions as described under Employee Accountability.

EXHIBIT B (CONTINUED)

Employee Accountability

Daily

1st Offense- Three (3) occurrences for falling below 80% of the standard on a daily basis. Verbal warning by supervisor -write up to file

2nd Offense- Three (3) additional occurrences for falling below 80% of the standard on a daily basis. Written reprimand to employees file

3rd Offense- Three (3) additional occurrences for falling below 80% of the standard on a daily basis. Three (3) day suspension.

4th Offense- Three (3) additional occurrences for falling below 80% of the standard on a daily basis. Termination for cause.

Four Week Period

1st Offense- One (1) occurrence for falling below the standard based on a four-week average. Verbal Warning by Supervisor – Write up to file.

2nd Offense- One (1) occurrence for falling below of the standard based on a four-week average. Written reprimand to employee's file.

3rd Offense- One (1) occurrence for falling below of the standard based on a four-week average. Three (3) day suspension.

4th Offense- One (1) occurrence for falling below of the standard based on a four-week average. Termination for cause.

Discipline for Daily and the (4) Weekly periods will be monitored independently

Poor work performance write ups will be removed twelve (12) months after the date of occurrence except when an employee reaches his/her third (3rd) offense. In that case the removal period will be extended six (6) months.

Periods of layoff, prearranged leaves of absence, workman's compensation or disability leaves in excess of one week will extend any such twelve (12) month period and the six (6) month period by a like amount.

EXHIBIT B (CONTINUED)

Pattern Of Continued Poor Work Performance

Apart from the policy, if an employee develops a pattern of poor performance, they will be subject to the following action:

Upon notice of existence of a pattern of poor performance by the Employer. Verbal Warning by Management

Continuation of the existence of a pattern after verbal counseling. Written Warning

Continuation of the existence of a pattern after written warning. Three (3) day Suspension

Continuation of the existence of a pattern after suspension. Termination for Cause

Notice of poor work performance patterns shall include but will not be limited to the following:

The same day of the week in succeeding weeks

After any type of discipline

Before or after a holiday

Before or after a vacation

Before or after a weekend

Before or after a personal holiday