

Collective Bargaining Agreement

Between

PEPPER CONSTRUCTION COMPANY

And

AUTOMOBILE MECHANICS' LOCAL 701 IAM&AW

August 1, 2019 to July 31, 2022



Pepper Construction
Company
8/1/16 – 7/31/19

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PEPPER CONSTRUCTION
COMPANY
8/1/2019 - 7/31/2021

AGREEMENT COVERING FOREMEN, MECHANICS, HELPERS AND APPRENTICES AND ALL OTHER EMPLOYEES COMING UNDER THE JURISDICTION OF THE AUTOMOBILE MECHANICS LOCAL NO. 701, INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS, AFL-CIO.

ARTICLE 1 - WORKING RULES:

The intention of the following rules is to continue the harmonious relations existing between PEPPER CONSTRUCTION COMPANY, hereinafter referred to as the "Company," and Automobile Mechanics Local No. 701, IAM&AW., AFL-CIO., 450 Gundersen Drive Carol Stream Illinois 60188, phone 708-482-1720, hereinafter referred to as the "Union."

ARTICLE 2 - RECOGNITION

Local No. 701 having been certified by the National Labor Relations Board in accordance with Section 8-A of the Labor Management Relations Act of 1947, it is agreed that the provisions as set forth in paragraphs (a), (b) and (c) of this Article shall be effective:

(a) All present employees in the bargaining unit must become members of the Union on or after thirty one (31) days of the date of the execution of this Agreement and must maintain membership in the Union during the life of this Agreement as a condition of employment.

(b) New employees in the bargaining unit must become members of the Union on or after thirty one (31) days from the date of hire and must remain members of the Union during the life of this Agreement.

(c) Any employee in the bargaining unit who fails to maintain membership in the Union because of non-payment of initiation fees or dues shall be summarily discharged by the Company upon receipt of written notice and demand from the Union; provided however, that nothing in this Agreement shall be construed so as to place any obligation upon the Company to discriminate in regard to hire or tenure of employment on any terms or conditions of employment against any employee for non-membership in the Union -



(1) if the Company has reasonable grounds for believing that such membership was not available to the employee on the same terms and conditions generally applicable to other employees or,

(2) If the Employer has reasonable grounds for believing that membership was denied or terminated for reasons other than the failure of the employee to tender the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership.

ARTICLE 3 – MINIMUM RATES OF PAY

Annual Increases

<u>CLASSIFICATION</u>	<u>EFFECTIVE AUGUST 1, 2019</u>	<u>EFFECTIVE AUGUST 1, 2020</u>	<u>EFFECTIVE AUGUST 1, 2021</u>
<u>FOREMAN</u>	\$1.17	\$1.21	\$1.24
<u>MECHANIC</u>	\$1.24	\$1.28	\$1.31
<u>PAINTER / WELDER</u>	\$1.24	\$1.28	\$1.31
<u>HELPER</u>	<u>70% OF JOURNEYMAN RATE</u>		

Minimum Wage Table

<u>CLASSIFICATION</u>	<u>EFFECTIVE AUGUST 1, 2019</u>	<u>EFFECTIVE AUGUST 1, 2020</u>	<u>EFFECTIVE AUGUST 1, 2021</u>
<u>FOREMAN</u>	\$40.24	\$41.45	\$42.69
<u>MECHANIC</u>	\$42.52	\$43.79	\$45.11
<u>PAINTER / WELDER</u>	\$42.52	\$43.79	\$45.11
<u>HELPER</u>	<u>70% OF JOURNEYMAN RATE</u>		

Apprentice % of Journeyman Rate

1 st six months	50%
2 nd six months	55%
3 rd six months	60%
4 th six months	65%

5 th six months	70%
6 th six months	80%
7 th six months	85%
8 th six months	90%
Thereafter	100%

PREMIUM PAY FOR FIELD WORK:

Employee performing field work will be compensated an additional fifty (\$.50) cents per hour for entire day only.

NIGHT SHIFT DIFFERENTIAL:

It is mutually agreed that if and when a night shift is established the hourly wage rate shall be negotiated between the proper officials of the Company and the Union.

NO REDUCTION:

Employees who were receiving above the minimum hourly wage rate for their respective classification at the expiration of the previous agreement shall suffer no reduction and shall be paid the amounts of the increases negotiated herein.

ARTICLE 4 - CLASSIFICATIONS:

FOREMAN:

Foreman shall be considered the first man above the head mechanic or mechanic and shall give the orders to the head mechanic or mechanic. He may be paid a monthly rate as long as the monthly rate is not below the rate he would have received had he been working the hourly rate.

HEAD MECHANIC:

A head mechanic is an employee assigned to lead and direct the work of the mechanics, helpers and apprentice mechanics who shall be assigned work under his leadership and direction.

JOURNEYMAN MECHANIC-WELDER-PAINTER:

Journeyman mechanic is hereby defined to be all -around journeyman who can do all necessary mechanical work either inside or outside the plant as may be required by the business of the Company. This shall also include any other type of skilled work, such as, welder, painter, etc.

APPRENTICE MECHANIC:

An Apprentice mechanic may do any work that the Employer shall put him on under the supervision of the foreman, head mechanic or mechanic, provided, however, that an advanced apprentice mechanic (defined as one who has started his fourth year

apprenticeship) may be permitted to work alone. The Company shall set up a system of training for the apprentice who shall during his four years apprenticeship be put on all kinds of work commonly known as mechanic's work so that at the end of his apprenticeship he shall be a full-fledged, qualified, journeyman mechanic. No apprentice shall be allowed to remain on one kind of work more than six months. A ratio of one apprentice to the Company and one for each three (3) additional mechanics shall be allowed.

HELPER:

A helper is hereby defined to cover all remaining unskilled employees not covered in the classification of journeyman mechanic or apprentice mechanic, namely, washers, greasers, etc. Such employees when not engaged in their regular work may help out the mechanic on any other job and while so doing will be free to use mechanics tools and equipment under the direct supervision of a mechanic.

NEW EMPLOYEES:

New employees hired in any classification will be granted a sixty (60) day trial period. New employees shall receive the contract rate for their classification from the date of hire.

ARTICLE 5 - HEALTH AND WELFARE FUND:

Effective 08-1-2019 - **\$307.00** per week per employee

Effective 08-1-2020 - **\$317.00** per week per employee

Effective 08-1-2021 - **\$337.00** per week per employee

The Company shall contribute the amount stated above for each employee covered by this Agreement who performs any work in such week into the Automobile Mechanics Local No. 701 Union & Industry Welfare Fund for the payment of health and welfare benefits as determined by the Board of Trustees. Payment shall be made so as to reach the Health and Welfare Fund office no later than the 10th of the following month.

Any disagreement with respect to the eligibility, time and method of payment, payments during periods of employee illness or disability, methods of enforcement of payment and related matters shall be determined by such Trustees. The Fund shall in all respects be administered in accordance with the Trust Agreement drawn. The method and amount of payment shall be as follows:

(a) The contribution stated above shall be contributed for each employee covered under the collective bargaining agreement for any week in which such employee performs any service for the Company, even when such service is not performed under the terms of the collective bargaining agreement. This shall apply to new employees from the date of hire.

(b) If an employee is absent because of **non-occupational illness or injury**, the



Company shall continue to make the required contribution, stated above, for a period of twelve (12) full weeks.

(c) If an employee is absent because of **occupational illness or injury**, the required contribution, stated above, shall be made until the employee returns to work or for a period of thirty-three (33) weeks, whichever period is shorter.

(d) The obligation to make the above contribution shall continue during periods when the collective bargaining agreement is being negotiated and during periods when the employee is not performing a direct service for the employer due to fringes outlined in this agreement, such as vacations, military leave, ect.

(e) All leaves of absence when granted by the Employer in addition to the requirements of the parties shall be conditioned upon the Employer and the employee making satisfactory arrangements for paying the weekly contribution, stated above, to the Health and Welfare Funds, and at all times the payment shall be made by the Employer for the period of such granted leave of absence.

ARTICLE 6 - PENSION FUND:

Effective 08-1-2019 - \$195.00 per week per employee
Effective 08-1-2020 - \$205.00 per week per employee
Effective 08-1-2021 - \$215.00 per week per employee

The Company shall pay the amount stated above each week for each employee covered by the Automobile Mechanics Local No.701 Pension Fund. Payments shall be made so as to reach the Pension Fund office no later than the 10th of the following month.

The Pension Plan shall be administered by the Board of Trustees composed of an equal number of Employer Trustees and Union Trustees. Employer Trustees to be made up of those groups paying into said Pension Fund. The Employer's liability and method of payment is limited as follows:

(a)The amount stated above each week per employee shall be contributed for each employee covered under the collective bargaining agreement for any week in which such employee performs any service for the Employer, even when such service is not performed under the terms of the collective bargaining agreement. This shall apply to new employees from the date of hire.

(b) If an employee is absent because of non -occupational illness or injury, the Employer shall continue to make the required contribution, stated above, for a period of four (4) weeks.



- (c) If an employee is absent because of occupational illness or injury, the required contribution, stated above, shall be made until the employee returns to work or for a period of twenty-six weeks, whichever period is shorter.
- (d) The obligation to make the above contribution shall continue during periods when the collective bargaining agreement is being negotiated and during periods when the employee is not performing a direct service for the employer due to fringes outlined in this agreement, such as vacations, military leave, ect

ARTICLE 7 - WORK SCHEDULE :

Eight (8) hours shall be the standard work day and forty (40) hours shall be the guaranteed minimum work week, Monday to Friday inclusive. When a starting time is established, the employee shall start each day at the same time.

An employee shall forfeit his weekly guarantee in that week in which he takes off a regularly scheduled work day on his own accord or where an employee is discharged for cause.

NIGHT SHIFT:

Where night shifts are worked the forty (40) hours shall be worked in five (5) nights, Monday, Tuesday, Wednesday, Thursday and Friday inclusive.

Where night shift employees work overtime, the night shift differential shall be included in pay calculations according to the method prescribed in Article 8 hereof. Vacation and holiday pay shall be at the night shift rate.

Description of Night Shift:

Night shift shall mean any shift that starts before 6:00 a.m. or ends after 6:00 p.m., but the night shift rate shall not apply when day men are working after 6:00 p.m. and being paid overtime for the same.

ARTICLE 8 - OVERTIME

Time and one-half (1-1/2) shall be paid for all time worked in excess of eight (8) hours per day or night and/or forty (40) hours per week. Work performed on Saturday will be at time and one-half (1-1/2) regardless of the number of hours worked in the work week, Monday through Friday.



SUNDAY WORK

Double time (2 times) the employee's regular rate of pay shall be paid for all work performed on Sunday.

HOLIDAY WORK:

Work performed on holidays covered under Article 9 shall be paid at the rate of triple time (3) - (straight time for the holiday and additional double time (2) for the hours worked on the holiday). A holiday shall be counted as a day worked in computing overtime.

When men are called for overtime work either before or after their regular shift which work is not consecutive with the beginning or end of their regular shift, they shall be paid for at least four (4) hours work at one and one-half (1-1/2) times the employee's regular rate of pay except Sundays when double (2) time applies, and holidays when triple (3) time applies.

Overtime shall be rotated among employees of each classification as evenly as practicable. In no case shall any employee coming under this agreement take time off for overtime worked.

ARTICLE 9 - HOLIDAYS

All employees coming under this Agreement shall receive eight (8) hours pay at their regular straight time rate for the following holidays regardless of the day of the week on which the holiday shall fall; providing however, that each such employee to be eligible for holiday pay, shall have worked the scheduled work day prior to and the scheduled work day immediately following the holiday unless excused by the Employer:

- | | |
|------------------------|-----------------------|
| New Year's Day | Labor Day |
| Memorial Day | Thanksgiving Day |
| July Fourth | Christmas Day |
| ½ Day – New Year's Eve | ½ Day – Christmas Eve |

The same conditions shall apply to night shift.

Holiday work shall be rotated among the qualified employees in each classification as evenly as practicable.

Any employees who are required to work on one of the above holidays shall be paid at the rate of Straight time for the holiday plus additional double time (2 times) for the hours worked on the holiday. To receive pay for these holidays the employee must work the working day before and the working day after the holiday unless he presents, in advance, a reasonable ground acceptable to the Company for not working the day before or the day after the holiday.

Where any of the holidays specified in this article fall on days Monday through Saturday and by Federal or State Laws and/or by proclamation are designated to be observed on a different day,

the day so named shall become the observed holiday under the terms of this agreement and be paid for as such.

A holiday shall be counted as a day worked in computing overtime.

Any of the above listed holidays falling on Sunday, the day observed by the state, nation, or by proclamation, shall be observed as such.

ARTICLE 10 - VACATIONS

Full vacation pay shall be given to employees at their regular rate of pay before starting on their vacation

All employees, members of Automobile Mechanics Local No. 701, employed by the Company for one (1) year shall receive one week vacation with forty (40) hours pay during the vacation period of that year.

All employees, members of Automobile Mechanics Local No. 70 I, employed by the Company for two (2) years shall receive two (2) weeks' vacation with eighty (80) hours pay during the vacation period of that year.

All employees, members of Automobile Mechanics Local No. 70 I, employed by the Company for ten (10) years shall receive three (3) weeks' vacation with one hundred twenty (120) hours pay during the vacation period of that year.

All employees, members of Automobile Mechanics Local No. 701, employed by the Company for twenty (20) years shall receive four (4) weeks' vacation with one hundred sixty (160) hours pay during the vacation period of that year.

Vacation pay, less proper deductions, shall be given to the men upon leaving for vacation.

VACATION PERIOD:

Vacation period shall be between January 1st and December 31st and shall be picked according to seniority and job classification.

HOLIDAY FALLING IN EMPLOYEE'S VACATION PERIOD:

When one of the holidays designated in this agreement falls within an employee's scheduled vacation period, the employee shall be granted either an additional day's pay or an additional day off with pay to be added to his vacation. Employee must notify the company prior to taking vacation of his choice either an additional day's pay or an additional day off with pay.

All employees who have been in the employ of the company for one year or more, if laid off or discharged, shall immediately receive one week's vacation pay if the employee has earned vacation and not taken the same.



All employees who have been in the employ of the Company for two years or more, if laid off or discharged, shall immediately receive two weeks' vacation pay if the employee has earned the vacation and not taken the same.

All employees who have been in the employ of the Company for twelve years or more, if laid off or discharged, shall immediately receive three weeks' vacation pay if the employee has earned the vacation and not taken the same.

EMPLOYEE'S QUITTING:

Quitting employees must give the Company at least one week's notice of intention to quit in order to qualify for pro-rata vacation.

PRO-RATA VACATION:

An employee who completes eighteen (18) months or more of service from the date of employment, upon being laid off, discharged or voluntarily leaving the service of the Company, shall not only receive his vacation pay if he has acquired one, two, three or four weeks, but shall also receive a pro-rata share of the extra months he may have coming, which shall be figured by months; - fifteen (15) days or more shall be counted a full month; less than fifteen days shall not be counted. For example -

After 18 months service, the pro-rata share shall be 3 1/3 hours vacation pay for each month.

After 2 years' service, the pro-rata share shall be 6 2/3 hours vacation pay for each month.

After 10 years' service, the pro-rate share shall be 10 hours vacation pay for each month.

After 20 years' service, the pro-rata share shall be 13 1/2 hours vacation pay for each month.

To determine whether an employee shall be entitled to any pro-rata vacation pay, the Company shall figure the total number of months from the employee's original starting date and check his respective vacations against the number of years. For example -

Employee worked 27 months from date of employment during which period he received his earned vacation for the two years (24 months), leaving a pro-rata share of 3 months.

ARTICLE 11 - SENIORITY:

In laying off men or in returning men to work after a layoff, seniority shall prevail by departments in accordance with job classification. Any employee laid off shall carry his seniority for at least one year and the Company shall not only notify the employee that they wish him to return to work if such is the case but they shall also notify the Union that they are offering the laid off employee the opportunity to return to work. An employee when recalled shall report for work within five (5) working days from the date of notification.



LAYOFF:

In laying off an employee or employees, the Company shall give one week's notice of such layoff.

ARTICLE 12 - GRIEVANCES:

Should any differences arise with reference to the application or interpretation of the terms of this agreement or over the discharge for cause of any employee which cannot be satisfactorily adjusted by the proper official of the Company and a representative of Local No. 701, and if the same cannot be satisfactorily adjusted therefore, it may be referred to arbitration under Article 13 hereof.

There shall be no strike or lockout until the two last referred to fail to agree. In no case shall there be any sympathy strike with any other organization or organizations during the life of this agreement.

Notwithstanding, any other provision of this agreement to the contrary, if the Company fails or refuses to remit the monthly Health and Welfare of Pension Fund contribution herein provided within twenty (20) days after a notice of delinquency is mailed to the Company via certified mail by the Administrator of the Health and Welfare and/or the Pension Fund, then in such event, the Union without the necessity of giving any other or further notice shall have the right to strike or take such other legal action as it shall deem necessary or appropriate during the period that any delinquency shall continue, and it is further agreed that in the event any such action is taken by the Union, the Company shall be responsible to the employees for any losses of any Health and Welfare and/or Pension benefits resulting therefrom.

The Union shall not have the right to strike, as herein provided, if the Company notifies the Administrator of the Pension and/or Health & Welfare Funds, in writing, that a dispute exists concerning the amount of or liability for such contributions and the Company agrees to and does commence to avail themselves of the grievance procedure the Union shall have the right to strike as hereinabove provided.

Grievances must be presented to the appropriate supervisor and to the Union, in writing, within 31 days of the date of the grievance first arose.

WARNING NOTICES:

The Employer shall give the employee a warning notice, in writing, of such



unsatisfactory work or conduct, and the proper official of Local No. 701 shall be given a copy of the warning notice. A third notice shall subject the employee to discharge.

ARTICLE 13-ARBITRATION

Section 1. In the event of inability to satisfactorily adjust any matters made subject to arbitration by Article 8 hereof, the matter shall be taken up with the proper official of the Company and if the grievance cannot then be settled the matter shall be referred to an arbitration committee by either party serving a notice with a 30-day limit. The Company and the Union shall each select one arbitrator, and the two shall attempt to agree upon a third or neutral arbitrator. Failing to agree upon a third or neutral arbitrator, it is agreed that a request shall be made on either the American Arbitration Association or the Federal Mediation and Conciliation Service for the appointment of an arbitrator. The arbitrator's fee and expenses shall be borne equally to the parties to this Agreement.

Section 2. Notwithstanding any other provisions of this Agreement to the contrary, if the Company fails or refuses to remit the monthly Health and Welfare Fund or Pension Fund contributions herein provided within twenty (20) days after a notice of delinquency is mailed to the Company via certified mail by the Administrator of the Health and Welfare and/or the Pension Fund then, in such event, the Union without the necessity of giving any other or further notice shall have the right to strike or take such legal action as it shall deem necessary or appropriate during the period that any delinquency shall continue, and it is further agreed that in the event any such action is taken by the Union, the Company shall be responsible to the employees for any losses of any Health and Welfare and/or Pension benefits resulting therefrom.

Section 3. The Union shall not have the right to strike, as herein provided, if the Company notifies the Administrator of the Pension and/or Health and Welfare Funds, in writing, that a dispute exists concerning the amount of or liability for such contributions and the Company agrees to and does commence to avail themselves of the grievance procedure as set forth in this Agreement. In the event the Company refuses to use the grievance procedure the Union shall have the right to strike as hereinabove provided.

ARTICLE 14 - JURY DUTY:

An employee who is summoned and reports for jury duty shall be paid by the Company an amount equal to the difference between the wages he would have earned by working and the amount paid by the Court. The Company's obligation to pay an employee for jury duty is limited to being summoned once in any calendar year.

To receive such payment the employee must furnish the Company with prior notice that he has been summoned for jury duty and must furnish satisfactory evidence that he performed



jury duty on the days for which he claims such payment.

The provisions of this paragraph are not applicable to any employee who volunteers for jury duty without being summoned.

ARTICLE 15 – FUNERAL LEAVE

In the event of a death in the family (father, mother, spouse, son, daughter, brother or sister) a regular employee shall be entitled to a maximum of three (3) days off to attend the funeral. The compensable day or days must fall within the employee's regularly scheduled work week, Monday through Friday; all leaves end with the day of the funeral.

ARTICLE 16 – NATIONAL GUARD AND MILITARY RESERVE CALL-UP

An employee who is a member of the National Guard or other military reserve unit and who is ordered to report for emergency military duty, shall be paid by the Company an amount equal to the difference between the wages he would have earned by working and the amount paid for such military call-up,

The Company's obligation to pay an employee for such service is limited to a maximum of ten (10) working days in any calendar year.

Such emergencies as referred to herein mean civil disorders, riots, floods, etc.

Such call-up does not include the normal two (2) week summer training session that the employee is compelled to attend.

ARTICLE 17- TOOL AND TOOL INSURANCE:

TOOLS: Employees shall furnish tools up to and including 3/4" drive, and drive socket set and/or box wrenches to and including 1-1/2", needed under their job classification, however, the general practice of each individual shop concerning tools shall prevail.

The Company shall furnish all cutting tools, such as, drills, taps, hacksaw blades, reamers etc.

TOOL INSURANCE:

Section 1. The Company shall maintain an insurance policy or assume the cost risk for loss of employee's personal tools or tool box on Company premises due to theft by break-in and entry (includes Company filing a police report), including fire and explosion or other circumstances acceptable to the Company, The Company will attempt to settle loss claims under this section within sixty (60) days,



Section 2. For employees to be covered under this Article it is understood that each employee must furnish the Company with a complete inventory of his personal tools (including manufacturers), subject to verification by the Company, and must keep such inventory current. The employee shall retain a copy of such inventory for his own protection,

Section 3. The Company truck shall be considered as Company premises when at the employee's residence, on a job site or Company property, and when privately owned vehicles are used on Company business, they shall be considered as Company trucks, (Under this section, employees are required to notify police of such theft.)

Section 4. Employees shall exercise reasonable care and precaution in the safeguarding of their personal tools and should adhere to reasonable Company rules regarding such safeguarding.

ARTICLE 18 - SHOP STEWARD

A steward may be appointed for each shop or shift at the discretion of the Union. In case of any minor difficulty in the shop, the steward shall be permitted to take time to adjust same without pay deduction.

No member of Automobile Mechanics Local No. 701 shall be asked to work where his personal safety or his life may be in danger.

ARTICLE 19 -CHANGES IN WORK HOURS OR WAGES

If there should be any changes in working hours or wages due to national or state laws during the life of this Agreement, that part of the Agreement pertaining to hours and wages only shall be immediately reopened and adjusted between the Company and the Union.

ARTICLE 20 - SUBSTANCE ABUSE POLICY

The following is the sole and exclusive substance abuse policy for members of Automobile Mechanics Union Local 701, IAM&AW (hereafter referred to as the Union) working for PEPPER CONSTRUCTION, (hereafter referred to as the Company).

1 - PURPOSE

The Company and Union agree that it is in the best interests of both parties and all employees to maintain a drug-free and alcohol -free workplace. Both parties recognize drug and alcohol abuse as illnesses which can be treated. Both parties agree that the primary purpose of this policy is to allow employees to receive treatment for these illnesses, and not for discipline,



2 - DEFINITIONS

Drugs means illegal drugs which include any substance which an individual may not sell, use, possess or distribute under the laws of the State of Illinois or the federal government. The drugs covered under this definition are:

Amphetamines Barbiturates Benzodiazepines Cannabinoids

Cocaine Methadone Methaqualone Opiates

Phencyclidine Propoxyphene

Alcohol means beverages containing alcohol which, when consumed, can produce intoxication.

Possess means to have on one's person or personal effects.

Company property means any office, plant, shop, parking lot or vehicle owned and/or operated by the Company.

3 – USE POSSESSION, SALE OR DISTRIBUTION

The use possession, sale or distribution of illegal drugs, narcotics or alcohol is prohibited on Company property or while on duty for the Company and are grounds for immediate discharge.

4 - DRUG/ALCOHOL TESTING

Section 1. Current employees shall not be tested for drugs or alcohol unless the Company has reasonable suspicion to believe that an employee is under the influence of drugs or alcohol.

A. **Under the influence** shall mean that an employee is affected during working hours by drugs or alcohol in a manner that causes observable and unusual impairment in the performance of job duties consistent with the symptoms of drug/alcohol abuse.

B. **Reasonable suspicion** shall be established where Company supervisors who are trained in the detection of drug and alcohol abuse reasonably believe that an employee is under the influence as defined above. Reasonable suspicion is not third party observation or reports.



C. The observations of a trained supervisor that result in any Employee being required to take a drug or alcohol test must be reduced to writing within twenty four (24) hours of the time these observations were made. A copy of this written observation shall be provided to the Union.

Section 2. There shall be no random drug testing, nor shall there be any drug/alcohol testing for any other reasons or by any other methods than those stated in this policy.

Section 3. All drug testing shall be performed by a laboratory currently certified by the **National Institute for Drug Abuse (NIDA)** in accordance with the following procedures:

A. Drug testing shall be by urinalysis using **Enzyme Multiplied Immunoassay Technique (EMIT)**.

B. Tested employees will be provided a split sample.

C. There shall be a strict chain of custody for all samples. Specimen containers shall be sealed and labeled in the presence of the employee immediately after providing the sample. The employee shall write his/her social security number across the labeled containers.

D. Samples may be checked to prevent tampering or substitution. Under no circumstances, however, shall the employee be required to provide the sample while under the direct observation of any other person.

E. Any positive test result shall be confirmed the Gas Chromatography-Mass Spectrophotometry (GC-MS). Any positive test results obtained in violation or contradiction to this Policy shall be invalid and shall be treated as a negative result.

F. The threshold limits for urinalysis (EMIT) and confirmatory (GC-MS) test results being considered positive shall be those as currently established by the United States Department of Health and Human Services (HHS).

G. In reporting a positive test result, the laboratory shall state the specific substance(s) for which the test is positive and shall provide the quantitative results of both the screening and the GC-MS confirmation test. All positive test results must be reviewed by the certifying scientist or laboratory director and certified as accurate. Should the results be reviewed by a Medical Review Office he/she must be a physician trained in pharmacology.

Section 4. Alcohol testing shall be by breathalyzer. The threshold limits for breathalyzer test results being considered positive shall be those as currently established by the State of



Illinois for determining driving under the influence of alcohol for drivers of passenger cars.

Employees involved in a reportable accident where there is reasonable suspicion to believe that the employee was under the influence of drugs and/or alcohol shall be required to take a drug/alcohol test within 32 hours of the time of the accident.

Section 5. The Company shall pay the full cost of all testing.

Section 6. Any employee subject to drug/alcohol testing shall be given a copy of this policy prior to being tested. The Union shall be advised when an employee is to be tested for drugs or alcohol.

Section 7. Employees testing negative for drugs or alcohol shall be returned to work with no loss of pay, benefits or seniority.

5 - DRUG/ALCOHOL TREATMENT

Section 1. Employees testing positive, or who voluntarily come forward seeking treatment, shall be offered enrollment in a drug/alcohol treatment program as an alternative to discharge/discipline. They shall receive treatment benefits under the Local 701 Health and Welfare Fund.

Section 2. A professional diagnostician shall interview the employee and determine whether in-patient or out-patient treatment is required. The employee must enter the treatment program within 72 hours from the time that the positive test results were made known to him/her, or twenty-four (24) hours from receipt of the determination from the diagnostician, whichever comes first.

Section 3. If it is necessary for an employee to be off work to receive this treatment, he/she shall be given an unpaid leave of absence of up to forty-five (45) days during which time the Company shall continue to pay Health and Welfare and Pension contributions as provided in the collective bargaining agreement.

6 - RETURN TO WORK

Section 1. The Company shall reinstate an employee who is off work to receive drug or alcohol treatment provided that:

- A. the employee submits a physician's statement certifying he/she has successfully completed the treatment program, and



B. the employee is released to return to work within forty-five (45) calendar days from the date that he/she began the treatment, unless satisfactory evidence is presented to grant an extension.

Section 2. If required as part of his/her treatment program, an employee who has returned to work must attend follow-up ("aftercare") treatment sessions as long as deemed medically necessary by the supervising physician. The Company may make reinstatement to work conditional on the employee attending these meetings.

Section 3. Employees who return to work after having successfully completed the treatment program are subject to drug/alcohol testing in accordance with #4 of this Policy. An employee who after having returned to work from a treatment program, tests positive for drugs/alcohol again shall be subject to immediate discharge.

Section 4. Employees shall accumulate seniority while on leave for drug/alcohol treatment if they successfully complete the treatment and return to work.

7 - RECORD KEEPING AND SEARCHES

Section 1. All records pertaining to an employee's testing or treatment for alcohol/drug abuse shall be kept strictly confidential, and shall not be revealed by the Company to anyone unless written consent is first secured from the employee.

Section 2. Employee's personal affects (tool boxes, lunch boxes, clothes, persons, etc.) shall be free from Company searches unless written consent is first secured from the employee.

8 - DISCIPLINE

Section 1. The Company may terminate any employee who:

- A. Uses, possesses, sells or distributes illegal drugs or alcohol on Company property or while on duty for the Company;
- B. Refuse to submit to alcohol or drug testing when administered in accordance with this policy.
- C. Refuses to participate in alcohol or drug treatment administered in accordance with this policy after testing positive for alcohol or drugs.
- D. Fails to successfully complete the treatment program.

Section 2. The Company shall not take any adverse action against an employee because of his/her participation in a treatment program.



9 - OTHER

Section 1. Nothing in this policy shall limit or remove any rights of employees under the collective bargaining agreement or any state or federal laws.

Section 2. The Company agrees to hold the Union harmless and to bear any expenses incurred by the Union in defending litigation arising out of the employer's activities in carrying out this drug/alcohol testing policy.

Section 3. Neither the Company nor union shall make any changes to this policy or its administration without prior written consent from the other party.

ARTICLE 21 – IAM NATIONAL PENSION PLAN

The Employer shall contribute to the IAM National Pension Fund for each hour in which said employees in all job classifications covered by this agreement performs any service for the Company under this agreement

Effective August 1, 2019.....\$0.00 increase (\$7.50 per hour)
Effective August 1, 2020.....\$0.00 increase (\$7.50 per hour)
Effective August 1, 2021.....\$0.00 increase (\$7.50 per hour)

The maximum contribution shall be for forty (40) hours in a regularly scheduled work week, whether five (5) eight-hour or four (4) ten-hour work days. If the employee is only paid for a portion of an hour, contributions will be made by the employer for the full hour. These contributions shall apply to new employees from their date of hire.

The obligation to make the above contribution shall continue during periods when the Collective Bargaining Agreement is being negotiated and during periods when the employee is not performing a direct service for the Employer due to vacations, holidays, personal days, approved leaves of absence or absences for jury duty or funeral leave taken in accordance with the terms of this Agreement. The employer shall also make contributions whenever an employee receives severance pay, vacation pay at termination, or vacation pay in lieu of time off.

If an employee is absent due to a non-occupational illness or injury, the Employer shall continue to make the required contribution for a period of ten (10) work days.

If an employee is absent due to an occupational illness or injury, the Employer shall continue to make the required contribution until the employee returns to work or for a period of one hundred thirty (130) work days, whichever period is the shorter.



The Employer adopts and agree to be bound by, and hereby assent to, the IAM National Pension Fund Amended and Restated Trust Agreement, including all amendments there to, whether adopted before or after the date of this agreement (“Trust Agreement”) which is incorporated into this agreement and made part thereof, and the Plan rules adopted by the Trustees of the Fund (“the trustees”) in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust Plan may be amended from time to time.

This agreement shall remain in effect until the Employer is no longer required to make contributions to the Plan. Subsequent rate increases may be implemented through a separate Letter of Agreement or renewal Collective Bargaining Agreement between the bargaining parties.

The parties may increase the Contribution Rate and/or add job classifications or categories of hours for which contributions are payable. The parties acknowledge that the Trustees may terminate the participation of the employees and the Employer in the plan for reasons including, but not limited to, if the successor collective bargaining agreement fails to renew the provisions of this pension Article or reduces the Contribution Rate.

This Article contains the entire agreement between the parties regarding pensions and retirement under this plan and any contrary provision in this agreement shall be void. No oral or written modification of this Agreement shall be binding upon the Fund unless agreed to in writing by an authorized representative of the Fund. No grievance procedure, settlement or arbitration decision with respect to the obligation to contribute shall be binding upon the Fund, unless the Fund has agreed to be a party to such proceeding.

ARTICLE 22 – DUES AND INITIATION FEE

The company where so authorized and directed in writing by an individual employee subject to this contract upon form of authorization in conformity with the provisions of the Labor Management Relations Act of 1947, shall deduct initiation fees and dues from the pay of such employees the first pay day of the current month, and shall remit the same to the Secretary-Treasurer of the Union not later than the fifteenth (15th) day of the current month.

ARTICLE 23 - TRAINING FUND

In order to provide for professional training and skill development of Apprentice Technicians, the Employer shall participate in the Mechanics' Local #701 Apprentice Training and Skill Development Fund as a contributing Employer.

As a contributing Employer, the Employer shall have all rights and privileges provided by the Program, provided that they maintain their contributions in accordance with the terms of this Article.



The Employer shall contribute, via a separate designated check, into the Mechanics' Local # 701 Training Fund the amount stated below, per week, per member.

Effective 8/1/2019	\$2.00 per week, per employee
Effective 8/1/2020	\$2.25 per week, per employee
Effective 8/1/2021	\$2.50 per week, per employee

Payments shall be made no later than the tenth (10) of the following month, on the following basis:

1. The amount per employee per week shall be contributed for any week in which an employee performs any service for the Employer. This shall apply to new employees from their date of hire.
2. The obligation to make the above contributions shall continue during periods when the employee is not performing a direct service for the Employer due to fringe benefits outlined in this Agreement such as vacations, jury duty, etc.
3. If an employee is absent because of illness or injury, the employer shall continue to make the required contribution for a period of thirteen (13) weeks.

ARTICLE 24- DEFINED CONTRIBUTION PLAN

The Employer agrees to become a Contributing Employer to the Mechanics' Local No.701 Union and Industry Defined Contribution Plan for all its employees who are working under this Agreement.

Section 1. Salary Deferral Deductions. The Employer agrees to deduct from the Employee's regular paycheck and forward such deferrals to the Plan in the following amount and manner:

- (a) The Employer will make authorized weekly pre-tax deductions of a specified percentage of the employee's current earnings for each pay period ("salary deferral deductions"). The Employer shall notify the Mechanics Local 701 Union and Industry Defined Contribution Plan, within a reasonable time not to exceed thirty (30) days, of any newly hired employee within the bargaining unit. All employees covered by this Agreement will be automatically enrolled at a fixed salary deferral percentage of 3% from their pre-tax wages unless the employee affirmatively elects otherwise.
- (b) Such salary deferral deductions are required to be remitted to the Plan by the Employer and must be sent to:

Mechanics' Local No.701 Union and Industry



Defined Contribution Plan
361 S. Frontage Road, Suite 199
Burr Ridge, IL 60527

Or such other address as the Trustees may require.

- (c) All such salary deferral deductions shall be remitted to the Plan as soon as administratively practicable but in no event later than the fifteenth (15th) day of the month following the pay period for which the deductions are made.
- (d) In the event the Plan allows for loans to participants, the Employer agrees to make deductions from the employee's wages of any monthly amount required by the Plan to pay back a loan taken from the Plan by the employee. Such amounts will be deducted and remitted to the Plan in accordance with paragraphs (a), (b) and (c).
- (e) The Employer agrees to maintain and abide by any salary deferral election form provided by the employee to the Employer and to provide the Trustees of the Plan with all compensation and other data needed for the Trustees to administer the Plan in accordance with the terms of the Plan and applicable law.
- (f) The Employer agrees to be bound by, and hereby assents to the Declaration of Trust for the Plan to be established by the Trustees of the Plan.
- (g) This Article contains the entire understanding between the Employer and the Union for the participation of this group of employees in the Plan. No oral or written modification of this Article shall be binding unless agreed to in writing by the Union and Employer and assented to in writing by Trustees of the Plan. The Employer and Union agree that no grievance procedure, settlement, or arbitration shall be binding on the Trustees of the Plan. The Union and Employer acknowledge that the Trustees of the Plan may require the execution of a Participation Agreement prior to, or as part of, an Employer's participation in the Plan.
- (h) This Agreement shall become effective upon its acceptance by the Trustees of the Plan. No employee salary deferral deductions shall be deducted until notification of acceptance by the Trustees of the Plan.
- (i) The Employer and Union agree that except as specifically provided herein, the terms of the Declaration Trust Agreement, will control the operation and administration of the Plan.

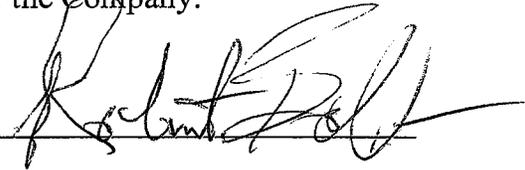


- (j) The Employer agrees to provide the information and certifications required by the Trustees to monitor compliance with the Plan, the Declaration of Trust and applicable law, including compensation and other information regarding all Bargaining Unit employees of the Employer. If the Employer fails to comply with Sections 401(a)(4), 410(b) and 401(k) of the Internal Revenue Code, or if the Plan is top-heavy with respect to the Employer's employees, or if the Employer fails to provide information, certifications or additional sums required by the Trustees, the participation of the Employer's employees shall terminate. In addition, the Trustees may in their discretion terminate an Employer's Participation in the Plan at any time upon 60 days written notice.

ARTICLE 25 - DURATION OF AGREEMENT:

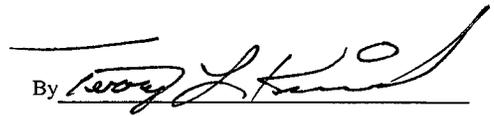
THIS AGREEMENT shall be in effect from the 1st Day of AUGUST, 2019 through the 31st Day of JULY, 2021 and shall continue automatically from year to year thereafter unless notice in writing is given by either party desiring a change sixty (60) days before the expiration date of any year.

For the Company:

By 

Date 10-23-19

For the Union:

By 

Date 16 OCT 19





IAM NATIONAL PENSION FUND

MODEL LANGUAGE FOR ADOPTING REHABILITATION PLAN PREFERRED SCHEDULE

SUPPLEMENTAL AGREEMENT BETWEEN

[Automobile Mechanics' Local 710]

AND

[Pepper Construction Company]

This Supplemental Agreement between Automobile Mechanics' Local 701 ("Union") and Pepper Construction Company ("Employer") supplements the parties' collective bargaining agreement (the "CBA") dated from August 1, 2019 through July 31, 2021 or the Employer's participation agreement with the IAM National Pension Fund (the "Fund") dated N/A. For this Supplemental Agreement, further references to the CBA include participation agreements.

Effective August 1, 2019 [Date the Preferred Schedule is adopted by the bargaining parties] ("Adoption Date"), Employer will contribute to the Fund under the schedule of additional contribution rates required under the Preferred Schedule of the Rehabilitation Plan adopted by the Board of Trustees of the Fund on April 17, 2019 (the "2019 Rehabilitation Plan"), which is incorporated by reference into this Supplemental Agreement.

The Employer's current contribution obligations under the CBA are:

YEAR	CONTRACTUAL CONTRIBUTION RATE
Year Supplemental Agreement is adopted: Year 1: August 1, 2019	\$ 7.50 per Hour
Year 2: August 1, 2020	\$ 7.50 per Hour
Year 3: August 1, 2021	\$ 7.50 per Hour
Year 4:	\$ per
Year 5:	\$ per

- Effective on the Adoption Date, and on each Adoption Date anniversary, the Employer's contribution rate otherwise obligated under the CBA will increase by a compounding 2.5% while the Rehabilitation Plan remains in effect.
- Additional Employer contributions per participant will be rounded to the nearest cent as follows: When rounding, one ½ cent and greater will be rounded up, less than one ½ cent will be rounded down.

All remaining provisions of the CBA remain in effect to the extent they are consistent with the 2019 Rehabilitation Plan.

AGREED TO this 16th day of October, 20 , by and between:

Union

Employer