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**LABOR** K# 9803

# **AGREEMENT**

**BETWEEN**

**S.B.** FOOT TANNING  
COMPANY  
Red Wing, Minnesota  
and

# **LOCAL 335**

**UNITED FOOD & COMMERCIAL  
WORKERS INTERNATIONAL  
UNION, Red Wing, Minnesota**

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**PLANT RULES - to Promote Safety,  
Plant Efficiency, and To Improve  
Plant Working Conditions**

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**April 1, 2010**

**- SAFETY FIRST -**



## TABLE OF CONTENTS

046 - 089

AGREEMENT .....	2
Section I – Parties and Purposes .....	2
Section II – Recognition and Security.....	3
Section III – Wages.....	4
Section IV – Hours and Overtime.....	6
Section V – Paid Holidays .....	12
Section VI – Seniority.....	14
Section VII – Dismissals.....	23
Section VIII – Sanitary Conditions .....	24
Section IX – Military Service .....	25
Section X – Vacations.....	25
Section XI – Grievance Procedure.....	31
Section XII – Bereavement Leave .....	34
Section XIII – Jury Duty .....	35
Section XIV – Pension Plan.....	36
Section XV – Appendices.....	37
Section XVI – No Strike / No Lockout Clause .....	37
Section XVII – Term of Agreement.....	37
APPENDIX A – Base Rates .....	39
APPENDIX B – Maintenance Engineer Classifications ...	42
APPENDIX C – Incentive Standards.....	45
APPENDIX D – Group Insurance .....	45
Health & Welfare Fund Major Benefits grid.....	48
APPENDIX E – Vending Monies.....	50
PLANT RULES.....	50
Letters of Understanding.....	54
Letters of Understanding - Exhibits .....	55
INDEX.....	62

## AGREEMENT

THIS AGREEMENT, Made as of April 1, 2010 by and between the S. B. FOOT TANNING COMPANY, a Minnesota corporation, having its principal place of business at Red Wing, Minnesota, hereinafter referred to as the "Employer" or "Company", and LOCAL 335, UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION, an unincorporated labor organization, having its principal place of business at Red Wing, Minnesota, hereinafter referred to as the "Union". It is to be understood that wherever the words he or his are used it is for ease of reading only and these words are to be interpreted as referring to either gender.

### WITNESSETH:

#### Section I - Parties and Purposes

1. It is the intent and purpose of the parties hereto that this Agreement shall promote industrial and economic relations between the Company and its employees and set forth the basic agreement covering rates of pay, hours of work and other conditions of employment to be observed between the parties hereto, and to facilitate the peaceful adjustment of differences that may arise from time to time between the parties and to promote harmony and efficiency, to the end that the Employer, the employee, the Union, the investor and the general public may be mutually benefited.

2. The word "Company" as used herein, shall mean and include the S. B. FOOT TANNING COMPANY, having the management and operation of its tannery in Red

Wing, Minnesota, and the word "Employer", as used herein, shall have the same signification.

3. The word "Employee", as used herein, shall mean and include all employees in the employ of the Company, except office employees, salesmen, technical assistants, supervisors, superintendents, watchmen and guards, and executives.

4. The word "wage" or "wages", as used herein, shall mean and include all compensation of every kind and description paid or agreed to be paid to employees for their labor.

## **Section II - Recognition and Security**

1. The Company recognizes the Union as the sole collective bargaining agency for all its employees covered by the Agreement and will continue such recognition during the life of this contract.

2. The Company agrees that it will retain in its employment only those employees who are and remain members in good standing with the Union, and that it will require all new employees as a condition of employment to become members of the Union within thirty (30) calendar days after hiring date. Employees who tender to the Union initiation fees and dues uniformly required by the Constitution and By-laws of the Union as a condition of acquiring or obtaining membership shall be deemed to have complied with the obligation imposed by this Section.

3. Nothing in this contract shall be construed as taking away the unquestionable and exclusive duty and right of the Employer to manage, develop, and direct its working forces, including the rights to determine

qualifications of employees, regulate the method of production and kinds of machinery and apparatus or equipment to be used. The Employer's decisions on all such matters shall be final, provided, however, that the Employer shall at no time engage in practices or adopt rules or regulations that will conflict with this Agreement.

4. The Employer agrees, upon written authorization from such of its employees as are members of the Union, to deduct from each employee's pay, twice in each month, the prescribed dues of the Union and to remit immediately upon demand to the duly designated office of the Union. A maximum of two (2) months' dues will be withheld in the event no withholding was made during the preceding month.

### Section III - Wages

1. It is agreed that the schedule of wage rates appearing in Appendix A shall be the rates paid to all fully qualified workers. However, starting pay of new employees shall be 50 cents less than the rate for a Pool job for thirty (30) calendar days or until fully qualified on the job they are performing, whichever comes first.

2. All workers employed on the second shift shall receive shift premium of forty (40) cents per hour in addition to their regular hourly rate. Workers on the third shift shall receive shift premium of fifty-five (55) cents per hour in addition to their regular hourly rate. For purposes of payment of shift premium, employees working on shifts with regular starting times of 5:00 a.m., or later, shall be first shift, regular starting times of 1:00 p.m. or later, shall be second shift, and regular starting times of 8:30 p.m. or later, shall be third shift.

3. Assigned rate shall be paid for time spent in meetings called by the Company for information purposes not related to Union business and for work on the Company's annual inventory.

4. The principle of equal pay for equal work shall prevail. Compliance with job descriptions and standards shall determine the equality of work.

5. A. Any employee assigned to a job who may be transferred to other work for reasons of benefit to the Company shall receive his assigned rate, or his earnings on the job to which he is transferred, whichever is greater. In addition, such employee is to be paid any shift premium lost because of the transfer.

6. Any employee who sustains an injury while working which requires professional medical attention shall receive his assigned rate for his normal work hours lost in order to obtain medical attention on the day of the injury. If the doctor gives the employee a written statement telling the employee not to return to work that day, the employee will be paid his assigned rate for the remainder of his shift.

7. Any employee working on a job or position that is permanently discontinued, or any employee displaced because the person whose job or position was permanently discontinued exercised seniority rights, shall receive the rate for the job he moves into. If such rate is less than his former earnings, the employee whose job or position was permanently discontinued shall receive the rate of the job eliminated for up to three (3) months, and any employee displaced because the person whose job or position was permanently discontinued exercised seniority rights, shall

receive the rate of the job bumped from for up to one (1) month.

#### **Section IV - Hours and Overtime**

1. The workweek shall not exceed forty (40) hours per week, consisting of five (5) days of eight (8) hours each. It is agreed that the regular workweek shall begin on Monday.

2. The Company may decide to work a schedule of four days, or less, per week. The Company has the right to work two four-day weeks, as a minimum, annually. In addition, for each year that the Company does not work any such four-day weeks, two such weeks shall be carried forward to the next year, or years. No more than four such weeks may be carried forward in total and, therefore, such schedule shall not exceed six weeks in any calendar year. This shall not be construed as a guarantee of forty hours per week, nor shall it be construed as limiting the Company's exclusive right to decide to discontinue work for a full week or longer. This further recognizes that the nature of the process is such that a discontinuance of work for a full week or longer does not mean that each department can be closed during a calendar week or weeks, but rather that work shall not be stopped for less than five consecutive days.

3. Except as otherwise provided herein, all times worked in excess of eight (8) hours per day or forty (40) hours in any one (1) week shall be paid for at one and one half (1-1/2) times the regular hourly rate. No employees shall receive hourly overtime and weekly overtime for the same overtime hours.

4. One and one half (1-1/2) times the regular hourly rate shall be paid for all hours worked on any Saturday shift as defined in paragraph 6 of this Section.

5. Except as herein otherwise provided, work done on any Sunday shift as defined in paragraph 6 of this Section, legal holidays, or days celebrated as such, shall be paid for at two (2) times the regular rate. For purposes of this Agreement, legal holidays shall be New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving, December 24, Christmas, December 31 and one floating holiday.

6. It is agreed that all work regularly beginning between 8:00 p.m. Friday and 7:59 p.m. Saturday shall be considered Saturday work. It is agreed that all work regularly beginning between 8:00 p.m. Saturday and 7:59 p.m. Sunday shall be considered Sunday work. All third shift work regularly beginning 8:00 p.m., and after, on a Sunday, is to be considered Monday work and the same pattern will follow for each day of the week. Overtime, as has been the case, does not change an employee's regular beginning time. For the purpose of this section, legal holidays shall be considered the same as Sundays.

7. Employees shall not refuse to work overtime in their department, provided the Company gives notice of its desire for overtime work the day previous.

A. Provided further, that in no case shall employees be required to work more than forty-eight (48) hours in any week with the exception noted in subparagraph D below. In the event the Company has failed to give notice the previous day of its desire for overtime

work, a refusal on the part of any employee to work overtime shall be no cause for discipline nor for discharge.

B. The Company will try to notify employees by the end of the first shift on Thursday if work is to be required on the following Saturday. If the Company gives an employee proper notice of Saturday overtime work, and if that overtime would result in the employee working more than forty-eight (48) hours in that week, the employee must work the overtime unless he notifies his supervisor by the end of the work shift on Thursday of his desire to work no more than forty-eight (48) hours during the work week. Third shift employees must make their intentions known by the end of the work shift on Friday.

C. If the Company gives an employee proper notice of overtime work, and if that overtime would result in the employee working more than forty-eight (48) hours before Saturday, the employee must work the overtime unless he notifies his supervisor by the end of the work shift on Tuesday of his desire to work no more than forty-eight (48) hours during the work week. If the employee does not want to work more than forty-eight (48) hours during the week, and has properly followed the procedure detailed above, management will schedule the employee for the rest of the week so that the employees work hours do not exceed that limit. This may mean that a less senior employee is offered, or scheduled for, overtime ahead of a more senior employee who has notified management that he does not want to work more than forty-eight (48) hours during the week.

D. Employees, by department, may be required to work an accelerated work week of over forty-eight (48) hours and up to fifty-two (52) hours in a week for up to

thirteen (13) weeks per calendar year. This will be tracked by department, not by employee. Accordingly, if an individual employee has transferred to another department during a calendar year, it is possible that employee may be required to work more than forty-eight (48) hours, not to exceed fifty-two (52) hours, in more than thirteen (13) weeks during a calendar year. When the Company chooses to schedule an accelerated work week, all required work hours will be scheduled Monday through Friday during such week. Voluntary overtime may still be worked on a Saturday or Sunday during such week. If all overtime in a department during any week is voluntary, this does not qualify as having used one of the thirteen (13) accelerated weeks.

The Company agrees that once a week is officially declared an accelerated week, it shall remain so and be used as one of the thirteen (13) accelerated weeks.

8. When there is daily overtime on a job:

A. The employees that are assigned to that job shall be asked first to work the overtime in accordance with their plant seniority. As the Vacation Reliever replaces a vacationer, he assumes the position and seniority of the employee he is replacing, as of the time the vacationer leaves, for purposes of daily or weekly overtime schedules on that job.

B. Then the rest of the qualified employees assigned to a job in the department where the overtime occurs shall be asked to work the overtime in accordance with their plant seniority. Vacation Relievers shall be considered assigned to the department that the vacationer they are scheduled to replace is assigned to. If a vacation

reliever is not replacing anyone, he shall have overtime rights ahead of Floorhands in the department in which they are working for the day, if they have more plant seniority.

C. Then any unassigned qualified employees working in the department where the overtime occurs shall be asked to work the overtime in accordance with their plant seniority.

D. Then any other unassigned qualified employees will be asked to work the overtime in accordance with their plant seniority.

E. If an employee is off work due to illness and would like to work overtime the next day, the employee must let his supervisor know at least one (1) hour before the end of his scheduled work day that he wants to be asked to work next day overtime.

9. A. If overtime is worked at the end of the second shift on a Friday, the work shall be considered Saturday overtime if the overtime extends for four (4) hours or more. Anything less will be considered daily overtime and will be administered that way. The same system would be used if overtime occurred at the end of the second shift on a Saturday.

B. If overtime is worked before the beginning of the third shift on a Sunday evening, the work shall be considered Sunday overtime if the overtime extends for four (4) hours or more. Anything less will be considered daily overtime and will be administered that way.

10. When there is Saturday or Sunday overtime follow the provisions of Paragraphs 8(A), 8(B), and 8(D) of Section IV of this agreement first. Whenever Saturday or

utility breakdown or Acts of God. If feasible, the Company will make an attempt to contact employees to notify them that no work is available. In addition, the Company shall not be required to provide pay or work for such employees laid off or disciplined. For purposes of this paragraph, an employee must accept reasonable work.

11. Maintenance Engineers called in for short repair or emergency jobs shall receive a minimum of three (3) hours pay at their base rate. For Maintenance Engineers who have worked at least eight (8) hours on the day they are called in, or if called in on a Saturday, Sunday or holiday, the minimum referred to above shall be paid at appropriate overtime rates of pay as outlined in Section IV of this agreement.

#### **Section V - Paid Holidays**

1. A. All employees covered by this Agreement who have been employees for longer than thirty (30) calendar days shall be paid for the following eleven (11) holidays not worked, regardless of the day of the week on which said holidays fall; basis of payment shall be eight (8) hours pay at the employees' assigned rate: New Years Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving, December 24, Christmas, December 31 and one floating holiday. Miscellaneous pool employees shall be paid the rate of the job they spent the majority of their time on the day before the holiday. If their time the day before the holiday was divided equally between two or more jobs, they will receive the rate of the highest paying job. The date for the floating holiday shall be determined not later than January 15 of each year by mutual agreement between the Company and Union. If no agreement is reached, the

Sunday overtime occurs under the provisions of 8D of Section IV, the Company will post a list of jobs (known at that time and which are available for work) by the end of the first shift on Thursday. Employees must sign and accept the work to be eligible. Other work which becomes known to the Company on the Friday or Saturday will be filled with employees according to the contractual provisions.

General clean up and general work shall be considered as belonging to the employees of the department where the work occurs. Paragraph 8(B) and 8(D) shall be followed for that type of work. If shift work is involved, and there is no work for the employee on their regular shift, the assigned employee is entitled to work overtime on a different shift. In order to do so, the employee must have more seniority and must replace the least senior employee on a shift that the employee is available for. (In the process of exercising for work, there may be cases where a more senior employee does not get the overtime due to an employee being unavailable to work a particular shift.)

In the event an employee reports for work on any work day and he has not been notified the previous work day not to report for work, the Company shall have the following two choices:

- a) send the employee home and pay the employee for four (4) hours at the employee's prevailing base rate or,
- b) guarantee such employee eight (8) hours reasonable work in some department of the plant at the rate of pay for the type of employment provided.

There is no requirement to provide pay or work, as detailed above, if no work is available due to a major

paid holidays will be administered the same as one day at a time vacation days.

2. Holidays paid for but not worked shall not be used for the computation of overtime, nor shall such hours not worked be included with worked hours for overtime purposes.

3. Any employee, covered by this Agreement, who does not work both the regularly scheduled work-day immediately preceding the holiday and the regularly scheduled work-day immediately following the holiday, shall not be paid for such holiday unless excused by the Plant Manager for good reasons. In case of lay-off, holiday pay will be paid if the lay-off occurs within four (4) weeks prior to the holiday. In cases of non-compensable injury or illness, holiday pay will be paid if the same occurs within eight (8) weeks of the employee's initial absence. In case of leave of absence, no holiday pay will be paid.

4. All monies due the employees for paid holidays shall be paid on the next full payroll following the holiday.

### **Section VI - Seniority**

1. With the exceptions herein provided for, plant seniority shall be followed for all employees, subject to ability, fitness and qualifications as determined by the Company. Plant seniority shall be defined as total continuous service with the Company.

2. Any employee, except Maintenance Engineers, who has completed ninety (90) calendar days of service with the Company shall be considered a regular employee. Maintenance Engineers who have completed one hundred and eighty (180) calendar days of service with the

Company will present three alternative dates, from which the Union will choose the date for the floating holiday.

B. If a paid holiday falls on Saturday, it will be celebrated on the preceding Friday. If a paid holiday falls on Sunday, it will be celebrated on the following Monday. If paid holidays fall on a consecutive Friday and Saturday, the Saturday holiday will be celebrated on the preceding Thursday. If paid holidays fall on a consecutive Sunday and Monday, the Sunday holiday will be celebrated on the following Tuesday. Employer and Local 335 shall have the authority to change dates of celebration of paid holidays upon mutual agreement. Employer and Local 335 shall also have the authority to change vacation shutdown days, upon mutual agreement, in order to coordinate with holidays.

C. The July 4th holiday shall be scheduled as follows: The Company will give a day off for the 4th of July holiday at a different time. All employees working in departments which come before the Drying Department in the process will celebrate their holiday on the Friday before vacation shutdown.

All employees working in the Drying Department or after in the process will celebrate their holiday on the Monday following vacation shutdown. Those employees who are working during the vacation shutdown will get time off for the 4th of July holiday in the same manner as employees do for other holidays. If there is no vacation shutdown, all employees will get time off for the 4th of July holiday in the same manner as employees do for other holidays.

D. Effective 1/1/01, in the event a paid holiday falls within an employee's chosen week of vacation, those

replacing the employee with the least plant seniority in that job. If exercising for more than the remainder of the shift, the following day the employee must go to the shift with the least senior employee on a job to be determined through the above stated procedure.

C. If displaced from his department, an assigned employee may exercise his plant seniority to claim any job that he is qualified to perform by replacing the employee with the least plant seniority in that job.

D. An employee, who exercises his plant seniority to claim a job under the provision of paragraphs 4 (A), 4 (B), 4 (C) or 5, shall return to his assigned job when it reopens, or to any other job which he subsequently claimed which reopens. A job shall be considered as having reopened if a vacancy occurs for any reason during the twelve (12) month period from the date the employee exercised to claim a job.

E. Employees may not exercise onto Posting of Interest jobs, except under the provisions of paragraph 5 of this section.

5. A. When an employee is being temporarily laid off (90 calendar days or less) and there are other employees with less plant seniority still at work, the employee to be laid off shall have the right to replace the employee with the least plant seniority, and shall be given a reasonable opportunity to try out on the job to prove his qualifications. An employee may replace another employee who is assigned to the following jobs only if fully qualified without need for further training: Color Mill Operator, Finish Mixer, Pre-Mixer, Semi-Truck Driver, Dye Weigher, Whole Side Shaver Operator, Posting of Interest

Company shall be considered a regular employee. During said probationary period of ninety (90) or one hundred and eighty (180) calendar days, respectively, the services of such employee can be discontinued by the Company without consideration of seniority and without the Company's action in respect to such employee being the subject of a grievance. In the event a lay-off is imminent, the Company shall first lay off all employees who have not accumulated ninety (90) days of service with the Company. All benefits, except health insurance, shall become effective on the thirty-first (31st) day of employment. Health insurance benefits shall become effective on the first day of the month following the 90<sup>th</sup> day of employment.

3. An employee shall become an assigned employee when he has been selected and qualified for a job under the provisions for job posting in paragraph 13. He shall revert to an unassigned status if he chooses to refrain from exercising his seniority rights when eligible to do so, signs off from a job, or is removed from a job.

4. An assigned employee may exercise his seniority as follows:

A. If he is without work on his regular job within four (4) hours of the start of his regular shift, he may exercise his plant seniority to claim any job in his department on the same shift that he is qualified to perform.

B. If an assigned employee is notified before the start of his normal shift that there will be no work on his regular job, the employee must exercise for work in his own department if there is a less senior employee working on a job which the exercising employee is qualified to do. The employee may exercise his plant seniority to claim any job in his department that he is qualified to perform by

be considered as already having had a chance to "prove his qualifications." As a result, such employee shall not be allowed to exercise his plant seniority for that particular job. That employee will be allowed five (5) working days to exercise his plant seniority to obtain a permanent job before being placed in the pool. If the employee chooses to refrain from exercising his plant seniority to obtain a permanent job, he will be placed in the pool.

8. A. In the event a job which was permanently discontinued should reopen for any reason within twelve (12) months of being discontinued, the employee who was displaced from the discontinued job shall have the option to return to it. If the employee decides to return to the reopened job, then all affected employees that had been exercised upon shall have the option to return to their jobs. All employees must advise the Company of their decision immediately, and the job they vacate shall be filled by posting.

B. In the event the employee signs and accepts a job posting within the 12-month period, that employee will not have the right to return to the discontinued job if it should reopen.

9. If an employee chooses to exercise his seniority to obtain a job, he must do so upon becoming eligible and must be qualified, as determined by the Company (with simple verbal instructions) to perform the job at the time he exercises his seniority. An employee shall not be considered qualified on a job if he has not performed that job within the last two (2) years.

10. It is specifically understood that all work in process in the Splitting, Coloring and Drying Departments

jobs, or any other jobs with similar training periods that are established after the effective date of this paragraph.

B. In the event a lay-off exceeds 90 calendar days, when an employee is being laid-off and there are other employees with less plant seniority still at work, the employee to be laid-off shall have the right to replace the employee with the least plant seniority, and shall be given a reasonable opportunity to try out on the job to prove his qualifications. An employee may replace another employee who is assigned to the following jobs only if fully qualified without the need for further training: All Posting of Interest jobs.

6. An assigned employee who runs out of work on his job after the start of his shift may replace an unassigned employee or assigned Floorhand within the same department for the balance of the shift, provided that he has more plant seniority than the unassigned employee or assigned Floorhand.

7. A. All employees either eliminated or exercised on in accordance with paragraph 7 shall be notified in writing of the effective date.

B. When the Company determines that a job, a position, or an entire operation, has been permanently discontinued, the assigned employee who is displaced, and any other employee who is displaced as the result, may exercise his plant seniority for any job, with the exception that follows, and that job shall become his permanent job. The employee shall be given up to ten (10) working days to prove his qualifications to the satisfaction of the Company. An employee, who has previously tried a job within the past year and has been disqualified by management, shall

shall be completed by the regular employees on the jobs in such departments in the event of a discontinuance of work.

11. An employee shall lose seniority for the following reasons:

A. Voluntary quit.

B. Discharge for proper cause.

C. Failure to report for work within five working days after being recalled from lay-off.

A certified recall letter to the employee's last known address appearing in the Company records which is returned undeliverable shall be determined a voluntary quit. When laying off an employee, the Company shall stress the importance of an employee keeping the Company informed of the employee's correct address and telephone number. At least twice per year the Company shall post a notice, for a period of one week, stressing the importance of making prompt address and telephone changes. The Company agrees to give special consideration to those with extenuating circumstances, beyond the employee's control, which made it impossible for the employee to report for work or contact the Company.

D. Overstaying a leave of absence without permission of the Company.

E. Being off work because of lay-off for 12 consecutive months.

F. Absence from work for 3 consecutive days without reporting in.

G. Being off work for any reason for 24 consecutive months.

12. The Company may grant a leave of absence to any employee, and such leave shall be evidenced in writing

and signed by the Company, a copy of such leave shall be furnished to the Union. In no case shall such leave be granted for more than ninety (90) calendar days at one time. Group insurance coverage shall continue in effect during leave of absence. However, the employee will be responsible for premium sharing of insurance benefits during a leave of absence.

13. A. Any employee may apply for job openings which shall be posted by a notice on the plant bulletin boards for a period of 5 working days, except in cases of new equipment where the job is filled by seniority from those performing the same operation. Subject to ability, fitness, and qualifications, the Company shall fill the vacancy by selecting the employee from the list of applicants who has the greatest plant seniority. If there is any question as to whether or not an employee is qualified, then such employee shall be given a reasonable opportunity to try out on the job to prove his qualifications.

B. A job posting to fill the vacancy created by an employee transferring to another job through the above procedure shall be posted by the Company upon said transfer with the following exception. A job posting to fill the job of an employee who is trying the job of Color Mill Operator, Sample Mill Operator, Spray Machine Mixer, Semi-Truck Driver, Dye Weigher, Whole Side Shaver Operator, Finish Mixer, or any other jobs with similar training periods that are established after the effective date of this paragraph, shall not be posted by the Company until ten days after said transfer. If the transferred employee wishes to return to the particular vacancy that he created, he shall then sign the said posting and will be given the job. If he is disqualified from the job by the Company within

thirty (30) days of transfer, he shall return to his former job. Any employee applying for job openings shall retain his overtime rights on the job he is vacating until the day his job opening is removed from the bulletin board.

C. In the event an employee has gone 90 calendar days without being moved into his new job, beginning on the 91<sup>st</sup> day, such employee will receive an additional 25% of the rate of the new job, or the job he is currently performing, whichever is higher.

D. An employee may not be the top signer on more than two (2) job postings at the same time. If an employee is top signer on two (2) postings, the employee must make a decision as to which posting the employee wishes to pursue after trying out one of the jobs for five (5) working days.

E. An employee is limited to five (5), the number of times in a calendar year that he may bid on a job, have the greatest plant seniority, and not be assigned to that job. After the fifth time, the employee will not be allowed to sign a posting until the beginning of the next calendar year. The previous two sentences shall not apply to those employees whose names are signed to postings by Stewards in accordance with paragraph 14 of this section. Employees can only bid and be assigned to job postings three (3) times per calendar year. Employees will not be eligible to sign another posting until the beginning of the next calendar year.

F. Vacation Relievers, Shipping Clerks, and Leather Sorters; shall not be eligible to sign for regularly posted job openings for a period of two (2) years after being assigned to the job. Openings for these jobs shall be posted as Posting of Interest jobs.

14. It shall be the responsibility of the departmental steward to notify absent employees of job openings and the steward may, upon instructions from the absent employee, sign such employee's name to the posting. The Steward shall write the word "for" before the absent employee's name and sign his initials after the absent employee's name. In the event such employee is selected for the job, he must be available and capable of taking the posted job within twelve (12) weeks of the date that the posting is removed from the bulletin board. If an absent employee is overlooked, the Union President has the right to add their name to the posting after the posting has been removed from the board. This paragraph shall also apply to job elimination.

15. Whenever an employee is trading for another shift, he must ask the most senior employee on that shift. If the most senior employee declines, then he must ask the second most senior employee on down until someone accepts. Whenever trading for shifts, the employee's seniority is carried with him. Supervision must be informed and approve of such change before it occurs.

16. Local 335 members who transfer to a Company hourly or salaried position within S.B. Foot Tanning Company are eligible to return to the Bargaining Unit within one (1) year and their seniority shall be restored to their original date of hire. The Bargaining Unit job vacated by the employee who transfers will be posted and filled as a permanent job opening. The employee may return to his former assigned Bargaining Unit job within ninety (90) calendar days. After ninety (90) calendar days, the employee returning to the Bargaining Unit will be assigned work in the pool. Furthermore, once an employee transfers

to a Company hourly or salaried position, the employee shall not be permitted to work on production jobs.

17. Employees of the Company who are officers or representatives of the Union shall be given time off without pay to take care of Union business, provided that reasonable notice is given to the Company. All Union business shall be determined by the Local Union President and total number of employees who can be off on any one day for such Union business is limited to a maximum of seven. If the Company or Union finds this arrangement unworkable at any time, the arrangement will be void at the end of existing Agreement and the Company and Union will resume negotiating a new arrangement.

18. The Company shall furnish the Union with a seniority list, departmental and plant-wide. Such seniority list shall not be revised more than twice in any one (1) year.

### **Section VII - Dismissals**

1. No employee shall be discriminated against because of Union activities nor shall a member of the Union be discharged for Union activities. No Union activities shall be carried on in the plant on Company time. The Company shall have the right to discharge any employee for just cause. Should an employee contend that a dismissal is not for just cause, the matter shall be adjusted under the procedure for settlement of grievances; provided however that the Company shall have the absolute right to discharge any employees for the following reasons: intoxication on the job or in the Company's plant; willful sabotage of the plant equipment or goods finished or in process; theft of property of the Company or any employees of the Company.

2. No past record of any employee shall be used for disciplinary purposes provided a period of two (2) years has passed since the latest item of a disciplinary nature was added to his record.

### **Section VIII - Sanitary Conditions**

1. The Company agrees to maintain sanitary conditions at the highest possible level under all the circumstances existing in the plant, with the understanding that all of the employees and the Union will cooperate in every respect to maintain such sanitary conditions and will obey all rules and regulations covering such conditions. Repeated violations of sanitary rules will be sufficient cause for discipline or discharge.

2. The Company shall continue to make reasonable provisions for the safety and health of its employees at the plant during the hours of their employment. The Company further reserves the right to enforce reasonable safety rules for the operation of the plant. Violations of the safety rules will be sufficient cause for discipline.

3. Employees may directly or through the Union make suggestions or recommendations to the Management for promotion of safety and sanitation, health, recreation, education and welfare of the employees, and other similar matters of mutual interest to employees and the Company.

4. Employees whose work requirements demand rubber boots shall be furnished three (3) free pair of boots yearly, if the work so requires; other at cost. Employees whose work requirements demand rubber gloves shall be furnished six (6) free pair of rubber gloves yearly; others at cost. Aprons and canvas gloves shall be furnished free.

5. All used and worn-out boots, gloves and other equipment furnished by the Company shall be turned in to the Company before any new equipment is issued.

6. The Company agrees to supply Maintenance Department employees with the tools and equipment management deems necessary for the performance of their tasks. All Maintenance Department employees who require any new tools or equipment shall return used or worn out tools or equipment to the Company. Employees are responsible for such tools and equipment. In case employment is severed for any reason, such tools or equipment will be returned to the Company in a reasonably good state and condition, considering the length of service during which such tools or equipment were used. In case any employee, upon severance from the employment of the Company, fails to do so, deduction for the full value thereof shall be made by the Company from the pay of such employee.

### **Section IX - Military Service**

The Company agrees to conform with all laws applicable to the re-employment of employees covered herein following their discharge or release from active duty with the Armed Forces, provided further that he is physically able to do the work and does not have a dishonorable discharge nor a bad conduct discharge.

### **Section X - Vacations**

1. The vacation year shall be from January 1 through December 31.

2. Time off for vacations and pay for vacations shall be as follows:

A. Employees who will have completed one year of continuous service with the Company on or before June 30 of the vacation year shall be entitled to one week off for vacation during the vacation year. Vacation pay shall be 2% of the employee's gross earnings during the calendar year immediately preceding the vacation year.

B. Employees who will have completed two (2) years of continuous service with the Company on or before September 30 of the vacation year shall be entitled to two weeks off for vacation during the vacation year. Vacation pay shall be 4% of the employee's gross earnings during the calendar year immediately preceding the vacation year.

C. Employees who will have completed eight (8) years of continuous service with the Company on or before September 30 of the vacation year shall be entitled to three weeks off for vacation during the vacation year. Vacation pay will be 6% of the employee's gross earnings during the calendar year immediately preceding the vacation year.

D. Employees who will have completed fifteen (15) years of continuous service with the Company on or before September 30 of the vacation year shall be entitled to four weeks off for vacation during the vacation year. Vacation pay shall be 8% of the employee's gross earnings during the calendar year immediately preceding the vacation year.

E. Employees who will have completed twenty-five (25) years of continuous service with the Company on or before September 30 of the vacation year shall be entitled to five weeks off for vacation during the vacation year. Vacation pay shall be 10% of the employee's

gross earnings during the calendar year immediately preceding the vacation year.

3. Eligibility and rules for taking vacation one day at a time:

A. Employees who will have completed at least two (2) years of continuous service with the Company on or before September 30 of the vacation year shall be entitled to take one week of vacation one day at a time. If an employee wishes to do so, the employee must make that intention known to the Company by November 1 of the year preceding the vacation year.

B. Employees replaced by Vacation Relievers may take only one week of vacation one day at a time. The Company may restrict the number of employees allowed to use one day of vacation to one employee per day from each of the following four groups:

1. Blue Sort, Splitting and Coloring Depts.
2. Drying Department
3. Conditioning department
4. Finishing, Packaging, Sorting and Shipping Departments and Materials Warehouseman and Semi-Truck Driver

Maintenance Department employees may take all of their vacation, other than vacation shutdown weeks, one day at a time. Existing limits remain in effect; no more than two employees from the Maintenance Department on any one day. One maintenance employee shall be allowed to take the entire week preceding the scheduled shutdown week(s) and one maintenance employee shall be allowed to take the entire week following the scheduled shutdown week(s). In order to be eligible to do so, maintenance

department employees must take the entire week (5 days) as vacation. In doing so, those employees would not be required to work the day preceding or following the week(s) of shutdown, as well as Saturday or Sunday as outlined in Section X Paragraph 3D.

C. Any employee wanting to take a single day of vacation in January, February or March must schedule that day five working days prior to taking such vacation day. Beginning March 1st of the vacation year, employees may sign up for single vacation days for the period April 1 through December 31. Employees may claim days, in plant seniority order, through March 15th. No employee can sign up for more than three (3) consecutive days, and no more than three (3) days out of any five (5) consecutive workdays. However, an employee can sign up for all five (5) days during the sign up period. After March 15th, employees must schedule single vacation days five (5) working days prior to taking such vacation days. After March 15th, employees who are signed up will be awarded those days off, and cannot be displaced by more senior employees. Any unused days of vacation as of December 1st, will be paid for during the last pay period of the year. In the event an employee does not use all of his one-day-at-a-time vacation during the vacation year, the employee may choose to carry over up to two (2) days into the next vacation year. It will be the employee's responsibility to complete a vacation carry-over form and submit the form to the H.R. Manager by December 1. The days carried over will be paid at straight time rate during the vacation year whether used or not.

D. Employees taking vacation one day at a time will not be required to work on a Saturday or Sunday if

they take the Friday before or Monday after as a single vacation day. Employees taking a full week of vacation will not be required to work on a Saturday or Sunday prior to the week of vacation. An employee may work the Saturday or Sunday, however, the employee must notify the supervisor that the employee wants to do so. If the employee does not notify the supervisor, the supervisor is to assume that the employee does not wish to work on that Saturday or Sunday.

E. Employees taking vacation one day at a time will be able to use a vacation day when absent due to illness.

4. Vacation pay will be given when vacations are taken. If the Company approves an employee working in lieu of taking time off for vacation, that vacation pay will be given to the employee in June of the vacation year. Effective 4/1/00, all vacation days that an employee decides not to use will be paid at 1.5 times the regular vacation rate of pay.

5. A. Nothing in this Section shall be construed as taking away the right of the Company to shut down its plant or any part of its plant for vacation purposes. Plant shutdown for vacation purposes shall be scheduled between June 1 and July 31, and/or over Christmas and New Years, and the total amount of shutdown for vacation purposes shall not exceed two (2) weeks. The Company shall give reasonable notice of its intention to shut down for such purposes.

B. If the plant shutdown is taken over Christmas and New Years, all employees working in departments which come before the Drying Department in the process

will take vacation on the day before vacation shutdown begins for all employees. All employees working in the Drying Department or after in the process will take vacation on the day following vacation shutdown for all employees. If the plant shutdown is taken over Christmas and New Years, the number of vacation days that will be taken is limited to five (5).

C. Two (2) employees, from each vacation group which utilizes a Vacation Reliever, will be allowed to schedule vacation each week during the months of June, July, and August.

If college or high school students are hired, they shall have a special probationary period and benefits provision. The probationary period for these employees shall be 120 days. These employees shall not be entitled to any holidays or health and welfare benefits. After satisfactorily completing the probationary period, these employees shall be made whole for purposes of holidays.

6. An employee whose service with the Company is terminated because of retirement, death or voluntary quit after the start of the vacation year, shall be paid any vacation pay due to him for that vacation year that has not been paid to him at the time of termination. If termination of employment is due to voluntary quit, it is requested that an employee give at least two (2) weeks of notice to management. In any event, an employee must work the entire shift on their last day of work, unless excused by management. If the employee does not work the entire shift on their last day of work, and has not been excused by management, management is not required to pay the employee any unused vacation pay.

7. An employee, who has completed at least one full year of employment as of January 1 of the vacation year; and who has worked at least 50 percent of the regularly scheduled hours of employment to which his seniority entitled him during the calendar year preceding the vacation year, shall be paid vacation pay for each week of vacation which shall not be less than 40 times the employee's base rate as of January 1 of the vacation year.

**Section XI - Grievance Procedure**

1. The Union shall appoint and certify in writing to the Company an employee to act as Steward in each area. The same procedure shall be followed on any changes made by the Union in certifying a different employee to act as Steward in an area.

2. The Union shall appoint and certify to the Company a Grievance Committee and a Bargaining Committee of not more than five (5) members each from among its members employed by the Company. In conference between the Grievance Committee and the Company, the Committee may be accompanied by the representatives of its own choosing.

3. Should any employee have a grievance or any dispute arise in any department as to the interpretation of or adherence to the terms and provisions of this Agreement, there shall be an earnest effort to settle such differences through the following procedure:

A. Within five (5) working days after the occurrence of the alleged grievance or dispute the employee or employees involved shall submit the matter in writing and present the written grievance to the department supervisor, or shift supervisor, or the grievance is deem

waived. Within three (3) working days following receipt of the written grievance by the supervisor, a conference shall be held between the supervisor of the department and employee or employees involved. If employees so desire, they may be accompanied in such conference by the Department Steward. If the grievance involves a matter of earnings, then the five (5) day period shall begin at the date on which the pay check for the period covering the disputed matter was received. If a question of immediate lay-off with seniority considerations is involved, then the employee should consult with his supervisor in an effort to clarify the matter prior to the filing of a grievance.

B. If no satisfactory adjustment is then arrived at with the supervisor, then by a conference between the employee or employees involved and the Plant Manager or his representative, with such conference to be held within (3) working days of the previous meeting with the supervisor on the preceding step. If employees so desire, they may be accompanied in such meetings by the Department Steward and/or a member of the Grievance Committee.

C. If no satisfactory adjustment is then arrived at with the Plant Manager, then by a conference between the Grievance Committee and the Plant Manager or his representative at a meeting to be held within (5) working days of the previous meeting on the preceding step. The Company's answer at this step, accepting or rejecting the grievance, will be given to the Grievance Committee in writing.

D. If no satisfactory adjustment is then arrived at with the plant Manager then by a conference between the Grievance Committee or its representatives and the General

Manager of the Company' or his representative, such meeting to be held within five (5) working days of the previous meeting on the preceding step. The Company's answer at this step, accepting or rejecting the grievance, will be given to the Grievance Committee and its representatives in writing. The Union's answer at this step, dropping the grievance or continuing onto arbitration, will be given to the General Manager of the Company or his representative in writing.

E. If the difference is not adjusted by the above procedure, within a reasonable time thereafter, not exceeding five (5) working days, it shall be referred to a Board of Arbitration. The Board of arbitration shall consist of one (1) member to be selected by the Company and one (1) member to be selected by the Union. Such members shall be selected within seven (7) working days from the date of receiving a written request by either party for arbitration. The two (2) selected members shall hold a meeting and select a third member within five (5) days after their first meeting. If they cannot agree upon the third member within this time, the parties shall obtain a list of seven arbitrators from the Federal Mediation and Conciliation Service from which the neutral shall be selected by the cross off method, with the party requesting the arbitration making the first strike. A decision of a majority of the Board of Arbitration shall be final and binding upon all parties of this Agreement.

4. Unless the time limitations on the various steps of the grievance procedure are extended by mutual consent, the failure to process a grievance within the time specified shall automatically invalidate the grievance for further processing.

5. If expense is incurred in connection with the services of the third member of the Board, such expenses shall be shared equally by the Company and the Union.

6. The parties to this Agreement mutually agree to cooperate with all reasonable diligence in the adjustment and settlement of disputes and grievances, both in negotiations and in arbitration where negotiations fail. There shall be no strikes, lock-outs, slow-downs, nor stoppage of work while a grievance is in process of adjustment.

### **Section XII - Bereavement Leave**

1. The Employees covered by this Agreement shall be granted up to three (3) working days funeral leave for the purpose of attending the funeral of a member of the employee's immediate family, which shall be recognized as the employee's spouse, child, father, mother, brother, sister, mother-in-law or father-in-law. If an employee has stepchildren who are children of the employee's current spouse, a stepchild shall be recognized as a child for purposes of this paragraph. Basis of payment for such days shall be for regular scheduled hours (not to include daily overtime that was not scheduled the day previous) at the employee's assigned rate. It is understood and agreed that funeral leave pay will be granted only for those regular work days which come between and including the day of death and the day of the funeral, and, accordingly, may involve reimbursement for less than three (3) days.

2. An employee who attends the funeral of his grandparent or grandchild shall be paid for up to two (2) working days. It is understood and agreed that funeral leave pay will be granted only for those regular work days which

come between and including the day of death and the day of the funeral, and accordingly, may involve reimbursement for less than two (2) days. An employee who attends the funeral of his spouse's grandparent, his brother-in-law, sister-in-law, daughter-in-law, son-in-law, or step-parent on a regular workday, shall be paid for that day so long as the deceased is related through a legal relationship. Basis of payment for such day shall be for regular scheduled hours (not to include daily overtime that was not scheduled the day previous) at the employee's assigned rate.

3. The definition of regular work day includes scheduled, non-voluntary, overtime on a Saturday or Sunday.

### **Section XIII - Jury Duty**

1. Any employee called for jury duty will be paid for time lost while on jury duty service, minus the amount actually paid to him for such jury service, provided the employee made a reasonable effort to be on the job when not actually performing jury duty. Basis of payment for such days shall be for regular scheduled hours (not to include daily overtime that was not scheduled the day previous) at the employee's assigned job rate. Pay shall not be for over forty-eight (48) hours in any one week.

2. The following will be considered as reasonable effort:

A. Any employee who reports for jury duty but who is not chosen for service shall return to work for any remaining portion of his shift, if that portion exceeds four (4) hours.

B. Any first or second shift employee who reports for jury duty and who is chosen to serve will return to work at the beginning of his assigned shift the day following his release from jury duty.

C. Any third shift employee who is required to report for Jury Duty, and is scheduled to work the preceding night, shall be excused from work that night. If the third shift employee is not chosen to serve on a jury, he shall return to work that night. If the third shift employee is chosen to serve on a jury, he shall not be required to work that night.

D. Payment for time lost because of adherence to the foregoing procedures shall be on the basis set forth in Section IV. No employee shall receive more than twelve (12) hours jury pay (computed on the basis set forth in Section IV) for a single day of jury service.

#### **Section XIV - Pension Plan**

1. All employees who are participants in the pension plan have a 401(k) plan with a 16 2/3% match of the first 6% deferred. Effective April 1, 2010 the match will be changed to 33% of the first 6% deferred for all new deferrals. Effective April 1, 2011 the match will be changed to 50% of the first 6% deferred for all new deferrals.

2. All employees who are not participants in the pension plan have a 401(k) plan with a 50% match of the first 6% deferred. Effective for calendar year 2010, such employees will receive a contribution of 1% of wages earned which will be deposited in the 401(k) plan after the end of each calendar year. Such contribution is to be made prior to the end of the first calendar quarter of the new year.

Effective for calendar year 2011 the contribution amount will be increased to 2% of wages earned.

3. Effective 1/1/02, the pension benefit is \$30.50 times years of credited service per month.

4. If an employee retires between the ages of 62 and 65, with at least twenty (20) years of service there shall be no penalty for early retirement. Further, if an employee retires between the ages of 59.5 and 62 with at least twenty (20) years of service the penalty for early retirement shall be 5/18% per month for each month an employee retires prior to age 62. If an employee retires and does not meet the requirements detailed above, the full early retirement penalty from age 65 to the age of retirement applies.

### **Section XV - Appendices**

Appendices A, B, C, D, and E as attached hereto are hereby made a part of this Agreement.

### **Section XVI - No Strike/No Lockout Clause**

There shall be no strikes, lockouts, slow downs, nor stoppages of work for any reason whatsoever during the life of this Agreement.

### **Section XVII - Term of Agreement**

This Agreement shall remain in full force and effect until April 1, 2012, and shall thereafter be continued from year to year unless notice of desire to change or modify, in writing by Registered Mail, is given by either party at least sixty (60) calendar days before the expiration date. IN WITNESS WHEREOF, The parties have caused this Agreement to be signed by their duly authorized representatives.

**LOCAL 335, UNITED FOOD AND COMMERCIAL  
WORKERS INTERNATIONAL UNION, AFL-CIO**

BY \_\_\_\_\_

Dave Dodge, President, Local 335

BY \_\_\_\_\_

Gary Schwab, Secretary/Treasurer, Local 335

**S. B. FOOT TANNING COMPANY**

BY \_\_\_\_\_

Charles Caverly, Vice President Manufacturing  
Red Wing Shoe Company

BY \_\_\_\_\_

Carrie Glazier, Vice President Human Resources  
Red Wing Shoe Company

BY \_\_\_\_\_

Douglas Gilles, Plant Manager  
S.B. Foot Tanning Company

**S. B. FOOT TANNING COMPANY  
APPENDIX A**

When a new rate is established by the Company after discussion with the Union, it shall be subject to the grievance procedure for ten (10) days. If no grievance is received within ten (10) days of the installation of a rate, it is agreed that the rate has proven satisfactory and it is no longer subject to the grievance procedure. If a grievance is instituted before the expiration of the ten (10) days, it shall be processed under the grievance procedure of this Agreement and any adjustment so determined shall be retroactive to the original date of installation of the new rate.

<b>Job Title</b>	<b>Effective</b>	
	<b>4/1/10</b>	<b>4/1/11</b>
Baler	\$16.70	\$17.10
Bauce	\$17.48	\$17.88
Blue Sort Carrier	\$17.02	\$17.42
Blue Sort Servicer	\$15.27	\$15.67
Blue Sorter	\$17.27	\$17.67
Buffing	\$18.52	\$18.92
Cartigliano Staker Operator	\$17.93	\$18.33
Color Mill Operator	\$18.12	\$18.52
Crust Storage Dispatcher	\$15.70	\$16.10
Curtain Coater	\$17.93	\$18.33
Custodian - Finishing/D.C.	\$14.58	\$14.98
Custodian - Main Plant	\$14.58	\$14.98

Dye Weigher, Mill Servicer	\$16.95	\$17.35
Fat Liquor Weighup/Floorhand	\$15.27	\$15.67
Finishing - Finish Mixer	\$16.95	\$17.35
Finishing Pre-matcher	\$16.95	\$17.35
Finishing Prod. Employee	\$16.70	\$17.10
Forklift Truck- Finishing Dept.	\$15.70	\$16.10
Hot Wax / Oil Rollcoater	\$16.70	\$17.10
Leather Sorter	\$16.97	\$17.37
Material Warehouseman	\$15.70	\$16.10
Measuring Machine	\$17.52	\$17.92
Mosconi Splitting Machine	\$18.97	\$19.37
Packaging	\$16.70	\$17.10
Pool	\$13.92	\$14.32
Press Conditioning	\$16.70	\$17.10
RWS Roll-up	\$16.70	\$17.10
Sample Mill Operator	\$16.28	\$16.68
Semi-Truck Driver	\$16.56	\$16.96
Servicer, Sort and Pack	\$15.70	\$16.10
Shipping Clerk	\$17.97	\$18.37
Stick Dryer	\$17.51	\$17.91
Tumble Mill Operator	\$14.58	\$14.98
Vacuum Dryer Operator	\$17.48	\$17.88
Whole Side Shaver	\$18.52	\$18.92

1. For all jobs, the training rate shall be 85% of regular rate until qualified, with the following exception. Finishing Production Employees shall receive 85% of regular rate until qualified on all Finishing Production employee jobs or for a period of six weeks, whichever comes first. The six-week period referred to begins with the first day of training. Minimum training rate shall not be less than Pool rate, except for employees with less than thirty (30) calendar days of service.

2. The rate of pay for each Vacation Reliever will be determined at the beginning of the first pay period of each new year. Vacation Relievers will be paid in accordance with the following:

A) Calculate a rate based on the assigned rates of those employees that the Relievers replace during the year.

B) The relationship between Vacation Reliever rates shall be established by dividing each rate by the highest of the Vacation Reliever rates to determine a percentage.

C) The highest Vacation Reliever rate will be increased by 8%.

D) The rest of the Vacation Reliever rates will be established by multiplying the improved highest Vacation Reliever rate by the percentages established in (b) above.

E) The training rate for vacation relievers is 85% of regular rate until qualified. The maximum time period that a vacation reliever shall receive 85% of regular rate is six (6) weeks.

**S. B. FOOT TANNING COMPANY  
APPENDIX B**

The following provisions shall apply to Maintenance Engineers represented by Local 335 under the terms of this Agreement:

1. The S.B. Foot Tanning Company maintenance Training Program General Agreement was amended on April 1, 1999, and shall remain in full force and effect until changed by mutual agreement.

2. It is agreed that there will be ten job classifications for the Maintenance Engineer job. Those classifications and corresponding base rates of pay are as follows:

	<b>Effective</b>	
	<b>4/1/10</b>	<b>4/1/11</b>
a. Maintenance Engineer IV with designation as Chief of Plant	\$18.35	\$18.75
b. Maintenance Engineer IV with Engineer in Charge license	\$18.10	\$18.50
c. Maintenance Engineer IV with Shift Engineers license	\$17.45	\$17.85
d. Maintenance Engineer IV or Maintenance Engineer III with Engineer in Charge license	\$16.97	\$17.37
e. Maintenance Engineer III with Shift Engineers license	\$16.56	\$16.96
f. Maintenance Engineer III or Maintenance Engineer II with Engineer in Charge license	\$16.22	\$16.62

g.	Maintenance Engineer II with Shift Engineers license	\$15.81	\$16.21
h.	Maintenance Engineer II or Maintenance Engineer I with Engineer in Charge license	\$15.47	\$15.87
i.	Maintenance Engineer I with Shift Engineers license	\$15.22	\$15.62
j.	Maintenance Engineer I	\$14.97	\$15.37

3. Maintenance Department assignments will be made without regard to classification.

4. All Maintenance Department employees should recognize that there is a frequent need for overtime and that they may be called in for short repair or emergency jobs. Rights to overtime will be as follows:

A. Qualified employees in the Maintenance Department will be asked to work the overtime in accordance with their plant seniority.

B. It should be understood that if a Maintenance Engineer is working on an assignment on any given day which requires overtime to complete of two (2) hours or less, those employees working on the assignment will be asked first to finish the assignment on overtime without regard to A above. If unforeseen circumstances cause the amount of overtime to exceed two hours, and a more senior Maintenance Engineer questions whether he should have gotten the overtime, management will give the Union Committee a written explanation of the circumstances. If management did a poor job of estimating the amount of time, the senior qualified Maintenance Engineer will be

paid for the same amount of time as was worked. If management could not have foreseen that the amount of time would exceed two hours, no other employees will be paid.

C. If management predicts that such an assignment will take more than two (2) hours, senior qualified Maintenance Engineers will be given the opportunity to work the overtime, in accordance with A above. If it ends up taking less than two hours of overtime to complete the assignment, the employee doing the work will be given the opportunity to work overtime of two hours and fifteen minutes that day. As a result, grievances shall have no merit because the senior employee will have gotten the overtime work.

5. Management agrees to post any special jobs within the Maintenance Department, if there are any such jobs, and the employees will be chosen by qualification and seniority.

6. Due to state regulations, in the event of a layoff, the senior Engineer with a Chiefs license shall not be laid off. It is recognized that this may result in a more senior employee being laid off.

7. Other provisions of the basic contract of which this is an appendix, which do not conflict with the provisions set forth in this appendix covering the Maintenance Department job classifications, shall apply to such employees so as they are pertinent.

## **S. B. FOOT TANNING COMPANY APPENDIX C**

This appendix consists of all effective incentive standards; standards are on file in each department and are available for inspection at all reasonable times.

## **S. B. FOOT TANNING COMPANY APPENDIX D**

This appendix consists of all effective hourly group insurance programs of S. B. Foot Tanning Company. Such programs are on file in the Human Resources Department of S. B. Foot Tanning Company.

### **Important Group Insurance Information:**

A. At the time of retirement, retirees and their dependents will be charged the full cost to provide retiree health insurance. An employee who retires between the age of 62 and 65 shall not have health insurance premiums raised during the period between retirement and age 65.

B. If the retiree has dependents that will continue to be covered after the retiree reaches age 65, the health premiums to be charged for those dependents will be the current rate charged for health benefits for retirees and dependents.

C. For each year of the contract, the company will be responsible for any health care cost increases up to 8%. Any increases beyond 8%, Local 335 members will absorb those cost increases either through plan modifications and/or a payment of a premium. If health care cost increases are less than 8%, S.B. Foot Tanning Company and Local 335 members will share the savings on a 50/50 basis. Employees who are plan participants on the plan

renewal date will be eligible to share in the savings. Employees receiving such payment will be paid in one lump sum by the end of the month in which plan renewal occurs.

D. Employer paid health premium during disability stays in effect for up to 26 weeks. The employee will be responsible for premium sharing of insurance benefits during a short term disability.

E. Employees who are eligible for family coverage, but choose not to have health coverage under the UFCW health plan, will receive a \$200 per month stipend so long as the employee has no coverage under the UFCW health plan. This opt-out opportunity will be administered by the following provisions:

1. Employees must submit initial request for opt-out opportunity by June 1 and must be able to opt out of UFCW Health Plan between June 1 and May 31.

2. No more than 10% of the workforce will be allowed to take this opportunity.

- a. If more than 10% of the workforce requests to opt out of the UFCW health plan, it will be awarded by seniority.

- b. If less than 10% of the workforce requests to opt out of the UFCW health plan during the initial sign up period, other employees will be considered on an ongoing basis until the 10% limit has been met.

- c. Once the 10% opt-out level has been met, additional employees, even those with more seniority, must wait until the next available opportunity.

3. Employees who opt out must show proof of other health coverage on an annual basis.

4. Employees can get back on the plan due to a qualifying event (losing coverage, marriage, etc.), or if they simply choose to get back on the UFCW health plan during annual enrollment.

5. Payment of the stipend will be made as soon as administratively possible once documentation of proof of other health coverage has been received and is approved. Payment will be made no later than one month following approval.

F. Employer agrees to go with the UFCW medical plan, and the Employer will contribute \$418.65 per month for single coverage, and \$1,046.63 per month for family coverage. All eligible Local 335 members will go into the UFCW plan.

G. Health insurance benefits shall become effective on the first day of the month following the 90<sup>th</sup> day of employment.

H. For the purposes of participation in the UFCW medical plan, a Covered Employee whose spouse is also employed by S. B. Foot Tanning Company, and who is eligible for and elects family coverage under an S. B. Foot Tanning Company medical plan, shall only be entitled to elect single coverage under the UFCW plan.

I. If Employer and Union agree to include non-Medicare retirees in the UFCW plan, separate actuarially determined rates will be required.

J. S. B. Foot Tanning Company will make no contribution towards retiree coverage, nor will S. B. Foot Tanning Company subsidize such coverage. The retiree will be billed for 100% of premium costs.

K. Life insurance benefit is \$25,000.

L. Major Benefits of UFCW National Health and Welfare Fund plan:

All deductibles, coinsurance, out-of-pocket maximums, and copays are subject to change in accordance with May 1, 2011 renewal due to plan modifications.		
	In-Network	Out-of-Network
Annual Deductible	\$300 (ind) / \$600 (fam)	\$400 (ind) / \$800 (fam)
Coinsurance ( <i>plan pays</i> )	80%	70%
Out-of-Pocket Maximum	\$2,000 (ind) / \$4,000 (fam)	\$3,000 (ind) / \$6,000 (fam)
Lifetime Maximum	\$2,000,000 ( <i>\$5,000 for TMJ</i> )	
Physician Office Visits	Subj. to deduct. & coinsurance	
Routine / Preventive Care ( <i>routine physical, lab, x-ray, immunizations, vaccinations, pap smear, mammogram, PSA tests, well-child visits, eye &amp; ear exams</i> )	No deductible, 100%	70%, up to \$300 annual maximum
Inpatient Hospital Svc.	Subj. to deduct. & coinsurance	
Outpatient Hospital Svc.	Subj. to deduct. & coinsurance	
Emergency care	\$50 copay, 100% thereafter ( <i>copay waived if admitted</i> )	
Chiropractic care	Subject to deductible & coinsurance up to 40 visits per calendar year	

	In-Network	Out-of-Network
Inpatient Mental Health	Subj. to ded & coinsurance	Subj. to ded & coinsurance ( <i>preadmission notice required</i> )
Outpatient Mental Health ( <i>up to 20 visits per calendar year</i> )	Subj. to deduct. & coinsurance	
Inpatient Chemical Dependency ( <i>30 day max. per calendar year</i> )	Subj. to ded & coinsurance	Subj. to ded & coinsurance ( <i>preadmission notice required</i> )
Outpatient Chemical Dependency ( <i>Coverage provided for 130 calendar days/year</i> )	Subj. to deduct. & coinsurance	
Prescription Drugs	<b>In-Network:</b> <u>Retail:</u> \$10 Generic \$25 Preferred Brand \$40 Non-Pref. Brand  <u>Mail order:</u> \$20 Generic \$50 Preferred Brand \$80 Non-Pref. Brand	Out-of-Network Not Covered

**S. B. FOOT TANNING COMPANY  
APPENDIX E**

All vending machine rebate money will be sent to the Union monthly with a statement from the vendor.

**PLANT RULES  
of the  
S. B. FOOT TANNING COMPANY**

These plant rules shall govern the conduct of the employees of the S. B. Foot Tanning Company. The sole intent of these rules is to promote safety, plant efficiency and to improve plant working conditions. The violation of these rules makes the employee subject to disciplinary action or dismissal by the management.

**A. Supervisor's Responsibility**

Each supervisor is in complete charge of his department and is responsible for the operation thereof.

1. Safety for himself and his fellow workers is the primary consideration of each supervisor. Employees will be held strictly accountable for any acts that jeopardize and endanger the life or health of himself or any other employee, or expose the property of any employee or of the Employer to loss by fire.

2. All injuries, however slight, must be reported immediately to your supervisor in order that proper attention may be given and there be no question concerning compensation. Emergency cases will be attended to immediately.

3. Safety suggestions or improvements are welcomed and should be made to the supervisor of the department.

4. Every new employee must submit to a physical examination before being employed.

5. Every employee who has been absent from work for any cause whatsoever, if requested, must submit to a physical medical examination, at the company's expense, before returning to work.

### **B. Quality Work and Production**

1. Quality work is expected of all employees. Employees must not speed their work at the expense of quality.

### **C. Hours of Work**

1. Every employee entering or leaving the plant must punch his individual time card.

2. No employee shall at any time punch any card other than his own.

3. No employee may punch his card IN more than fifteen (15) minutes before his starting time, and an employee shall have his card punched out not later than twenty (20) minutes after FINISHING HIS DAY'S WORK. No erasing or defacing of time cards is permitted.

4. Employees must be at their place of work when starting time commences, both at the beginning of the day's work and after lunch periods. In the same manner, employees shall remain at their place of work until lunch periods begin, or until they have COMPLETED their day's work.

#### **D. Housekeeping**

1. Lavatories, toilets, and dressing rooms must be kept neat and clean. Waste paper such as lunch wrappings, milk cartons, used paper towels, etc., should be placed in the receptacle provided.
2. Every employee shall keep his individual place of employment (machine, table, floor, etc.) free from refuse.
3. Old clothes no longer in use shall be removed from dressing rooms.

#### **E. General Rules**

1. The following are strictly forbidden:
  - A. Smoking in the Plant
  - B. Congregating within a department for visiting.
  - C. Leaving a department and visiting in another department.
  - D. Excessive conversation or interference with workers engaged in other tasks.
  - E. Scuffling, horseplay and fighting.
  - F. Soliciting, including collections of any kind during working hours without permission of the management.

#### **F. Pay Periods**

1. Pay period for factory workers will be every two weeks, paydays being every other Friday.
2. Employees will receive their paychecks from the supervisor or acting paymaster during their work shift only,

except by special order of the Superintendent. Morning crew workers will receive theirs at the end of their shift, and afternoon crews before starting work by reporting to supervisor.

3. If an employee quits without a three-day notice, he is not entitled to his pay until the payday on which it falls due.

## LETTERS OF UNDERSTANDING

. Local 335, UFCW, and S.B. Foot Tanning Company have agreed to letters of understanding.

. Letters of understanding agreed to during the negotiations ending 4/1/96 include letters regarding subcontracting of work and orientation of new employees. [Exhibits A & B]

. Letter of Understanding, agreed to during the negotiations ending 4/1/2000, previously adopted on 10/21/99 regarding straight eight (8) hour shifts. [no exhibit]

. Letter of Understanding, agreed during the negotiations, regarding production work. [Exhibit C]

. Letter of Understanding, agreed during the negotiations regarding ProAct. [Exhibit D]

. Letter of Understanding, agreed during the negotiations and ending 3/31/12 (previously adopted on 3/12/08 regarding taking one-day-at-a-time vacation in four-hour increments); amended to include taking one-day-at-a-time vacation in one-hour increments. [Exhibit E]

. Letter of Understanding, agreed during the negotiations and ending 6/1/12, previously adopted on 3/31/06 regarding retirement. [Exhibit F]

. Letter of Understanding, agreed during the negotiations for contract ending on 3/31/12, regarding one-day-at-a-time vacation request for weeks when 2 employees on same assigned job are taking vacation. [Exhibit G]

## **Exhibit A**

April 1, 1996

### **LETTER OF UNDERSTANDING - Subcontractors**

S.B. Foot Tanning Company (SBFTC) and Local 335 of the United Food & Commercial Workers International Union hereby agree to the following with regards to subcontracting of work normally performed by bargaining unit employees.

During the regularly scheduled monthly Management/Labor meeting, the company will devote a portion of the meeting to informing the union of its plans regarding the use of subcontractors. However, from time to time the company may find it necessary to schedule subcontractors for jobs that the union has not been informed about. In the event this happens, the company will make a reasonable effort to contact the president or secretary of Local 335 and inform them of the subcontractor work.

## **Exhibit B**

April 1, 1996

### **LETTER OF UNDERSTANDING - Orientation of New Employees**

S.B. Foot Tanning Company (SBFTC) and Local 335 of the United Food & Commercial Workers International Union hereby agree to the following with regards to orientation of new employees. One union official will be allowed to meet, for up to one-half hour, with new employees during their official "new employee orientation."

The topics that the union official will discuss will be the following:

- Introduction to Local 335
- Explanation of the steward system
- Grievance procedure; emphasize that first step can be meeting between employee and supervisor for explanation of situation.
- Job requirements; expectation of employees by SBFTC and Local 335, especially with regard to breaks, attendance, and other requirements for keeping your job at SBFTC
- Highlights of the Labor Agreement, such as jury duty

#### **Exhibit C**

March 31, 2006

#### **LETTER OF UNDERSTANDING - Production Work**

If there is no production work where an employee could be assigned and his work area and machine are cleaned, management has the discretion to allow an employee to clock out and leave work. In no way does this limit management's authority to run the business.

#### **Exhibit D**

March 31, 2006

#### **LETTER OF UNDERSTANDING – ProAct**

S.B. FOOT TANNING COMPANY & LOCAL 335 have agreed to the following Letter of Understanding regarding employees working on light duty at ProAct.

Effective April 1, 2006, employees working temporarily at ProAct will receive their regular base rate

for hours worked as long as the hours do not exceed 40 hours in one week. If employees work beyond 40 hours at ProAct, they will be eligible for overtime as per the collective bargaining agreement. Any wage loss will be made up by workers' compensation.

## **Exhibit E**

March 31, 2010

### **LETTER OF UNDERSTANDING – Vacation**

S.B. Foot Tanning Company and UFCW Local 335 have agreed to the following Letter of Understanding pertaining to the use of single days of vacation in less than full day increments.

Effective April 1, 2010 through March 31, 2012, employees eligible for one day at a time vacation shall be permitted to use such days in half day increments. Employees will not be permitted to sign up for half days during the March 1<sup>st</sup> – March 15<sup>th</sup> sign up period for single days of vacation. After March 15<sup>th</sup>, employees may schedule half days according to the process for full days outlined in Section X Paragraph 3C of the collective bargaining agreement.

Effective April 1, 2010 through March 31, 2012, employees eligible for one day at a time vacation shall be permitted to use such days in one hour increments at the end of the work day, if approved by management.

## **Exhibit F**

March 31, 2010

### **LETTER OF UNDERSTANDING - Retirement**

S.B. Foot Tanning Company and Local 335, UFCW, hereby agree to the following:

Employees who retire shall receive one-hundred-thirty-five dollars (\$135) for each full year of service. The last year will be divided by the months of service. This amount is subject to all applicable deductions and taxes. This shall be effective until June 1, 2012.

## **Exhibit G**

March 31, 2010

### **LETTER OF UNDERSTANDING - One-Day-at-a-Time-Vacation**

1. Beginning vacation year 2011, employees signing up for one-day-at-a-time vacation will be allowed to select days during weeks where two employees on the same assigned job are each taking a full vacation week, subject to current limitations as stated in the Labor Agreement.

2. If Management determines that having three employees on the same assigned job on vacation has caused production problems in 2011, then beginning in year 2012, the following changes will be made: If two employees assigned to the same job are each taking a full week of vacation in the same week, other employees assigned to that same job will not be allowed to sign up for one-day-at-a-time vacation in the March sign-up process. If no problems were detected in 2011, then paragraph one above will be in effect for 2012.

3. If the change detailed in paragraph 2 above is implemented, employees may request one-day-at-a-time vacation for any such weeks, and whether an employee's request is granted is at the discretion of Management.

4. Management will communicate with the Union Executive Board and employees by October 31<sup>st</sup> of the vacation year if the changes detailed in paragraphs 2 & 4 above are to be implemented.

This Letter of Understanding expires March 31, 2012.





## INDEX

Accelerated Work Weeks.....	8-9
Breakdown Pay .....	11
Emergency Call In .....	12, 43
Exercising .....	15-18
Four-day Weeks.....	6
401(k) .....	36
Funeral Leave .....	33-34
Group Insurance.....	45-49
Base Rates of Pay .....	39-40
Health Care Option .....	46
Injury Pay.....	5
Job Discontinuation .....	17-18
Job Postings .....	19-22
Leave of Absence.....	19
Maintenance Classifications & Base Rates.....	42-43
Overtime Pay .....	6-7
Overtime Scheduling .....	7-10
Qualification .....	15-17
Reporting Pay .....	11
Saturday & Sunday Work .....	6-8
Shift Premium.....	4-5
Shift Trading .....	22
Starting Pay.....	4
Training Pay .....	41
UFCW Benefits Grid .....	48-49
Union Business .....	5, 22
Vacation for Plant Shut Down Purposes.....	29