

# **COLLECTIVE BARGAINING AGREEMENT**

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**Pepsi Beverages Company**  
*and*  
**Teamsters Local 125**

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**Effective Dates:**  
**May 16, 2015 to May 15, 2020**

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## **AGREEMENT**

**AGREEMENT**, dated as of May 16, 2015, between Pepsi Beverages Company, (hereinafter called the "Company") and Teamsters Local 125, an affiliate of the International Brotherhood of Teamsters (hereinafter called the "Union").

**WHEREAS**, the Company is engaged in the business of manufacturing soft drinks and employs soft drink workers in said business at its plants and warehouses in New Jersey:

**WHEREAS**, The Union is a labor organization consisting of soft drink workers and the Company recognizes the Union as the duly designated bargaining agent of the soft drink workers employed by the Company at its plant and warehouses in New Jersey (other than those employees covered by agreements being concurrently entered into between the Company and Local 560, I.B.T., respectively):

**WHEREAS**, both the Company and the Union believe in the soundness of the principle of collective bargaining and contracting:

**WHEREAS**, both the Company and the Union represent that the use of "he", "his", and "him" throughout this collective bargaining agreement are intended to represent all employees without regard to gender:

**NOW THEREFORE**, in consideration of the mutual promises herein made by each of the parties of the other, it is hereby agreed as follows:

### **ARTICLE 1. TERRITORY COVERED**

This Agreement shall be applicable to the plant and warehouses presently operated by the Company and located at:

15 Melanie Lane, East Hanover, New Jersey  
680 Belleville Turnpike, Kearny, New Jersey  
2200 New Brunswick Avenue, Piscataway, New Jersey  
3411 Sunset Avenue, Ocean, New Jersey

and to such plants and locations to which the above plants may be moved in the territory in the State of New Jersey which is within the jurisdiction of Teamsters Local 125. In the event the Company sells or otherwise transfers any or all of said plants to any person, firm, or corporation who shall be engaged, or continue to engage, in the same or similar business as the Company, it shall either impose as a condition of said sale or transfer that the new operators or owners shall continue this Agreement for the balance of its term, or if the Company fails to impose such condition, the Union may reopen this agreement.

### **ARTICLE 2. COVERAGE**

It is intended that this Agreement shall cover all matters pertaining to employment, wages, hours and working conditions in respect of production workers, warehouse workers, maintenance workers, delivery and merchandising workers, pre-sell representatives, drivers and vending department employees employed by the Company in the locations referred to in ARTICLE 1 hereof (other than the employees covered by the aforesaid Agreements between the Company and Local 560).

This Agreement shall not apply to executives, supervisors, advertising or sales promotion employees, sales representatives, account managers, checkers, janitorial staff, security riders, guards or watchmen employed by the Company, or to employees of affiliated companies or franchise bottlers, or to territorial representatives of the Company in training in the above territory for ultimate work outside such territory, provided, however, that nothing herein contained shall permit the performance of work reserved to the Union hereunder by such employees or territorial representatives.

Whenever reference is made to an "employee" the same shall be deemed to mean only an employee or employees covered by this Agreement.

Applicants for employment who are not actually hired by the Company shall not be entitled to any of the benefits of the Contract and shall not be deemed covered thereunder.

## **ARTICLE 3. EMPLOYMENT OF WORKERS**

### **Section 1. Union Membership**

The Company agrees that all employees covered by this Agreement, shall as a condition of continued employment, commencing thirty-one (31) calendar days after the actual beginning of employment or the signing date of this Agreement, whichever is later, become and remain members in good standing of the Union. Notice by the Union shall be conclusive proof as to the good standing of any employees but nothing herein contained shall require the Company to discriminate against or discharge any employee for non membership in the Union:

- (A) If the Company has reasonable grounds for believing that such membership was not available to any such employee on the same terms and conditions generally applicable to the other employees who are members of the Union;

or,

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

### **Section 2. Referral of Applicants**

The Union, if requested by the Company at any time from time to time during the term of this Agreement, will promptly furnish the Company with workers, both regular and extra help, which the Company may require. The workers furnished by the Union to the Company hereunder shall be fit and competent to perform the tasks for which they are employed and the Union undertakes that such workers will perform their work in a good faithful manner. All employees and applicants to become employees shall meet at least the reasonable, minimum mental and physical requirements prescribed by the Company for the several job classifications covered by this Agreement. All applicants to become employees shall take such pre-employment testing as the Company shall require and such testing will comply with all applicable laws within the state of New Jersey.

In the event that the Union refers applicants for employment to the Company, whether or not at the request of the Company, such referral shall be on a non-discriminatory basis and shall not be based on, or in any way affected by the Union membership, by-laws, rules, regulations,

constitutional provisions, or any other aspects, or obligations, of Union membership, policies or requirements.

The Company at all times retains the right to reject any job applicant referred by the Union, whether such referral was at the Company's request or not.

The Union and the Company shall post in places where notices to employees and applicants of employment are customarily posted, all the provisions of this Collective Bargaining Agreement relating to the hiring of employees or the referral of applicants for employment.

### **Section 3. Hiring of Relatives**

The Company will not hire relatives of employees. This policy will be waived for relatives of employees who are full-time college students and work as seasonal or part time employees. Such employees will not be permitted to become regular employees.

### **Section 4. Trial Period**

Each newly hired employee shall be employed for a trial period of sixty (60) working days. Any worker on trial who has not already completed a trial period may be dismissed by the Company, without notice or cause, as the Company alone sees fit. However, upon the expiration of the trial period (or such sooner date as the Company in its discretion, notifies the Union in writing prior to the expiration of such trial period that the Company has placed the worker on regular status), such newly employed worker shall achieve seniority. The Union may request that the trial period of any employee be extended for up to a period of time equal to the original trial period. The Company will not unreasonably deny such request.

The trial period as stated above will be waived for the seasonal period of April 1 through October 31. Employees employed during this time frame shall have no seniority rights, shall not be entitled to benefits or paid time off, and will receive ninety percent (90%) of the June 1, 2004 rate plus forty cents (\$.40) per hour for the classification of which they work. If such employees are retained in the same classification as during the seasonal period, they shall not be subject to a new trial period; however if they are retained in a new classification, they shall be required to complete the 60 working day trial period noted in this Article. Seasonal employees will not be utilized unless all qualified full time available employees are working within the department in which the seasonal employee is assigned.

The Company will notify the Shop Stewards of each Department and the Union when new employees are hired. The Company will also notify the Union when Account Managers are hired.

### **Section 5. Deduction of Initiation Fees and Dues**

The Company, where so authorized and directed by an individual employee in writing will deduct the Union initiation fee over a ten (10) week period in equal amounts each week, beginning with the employee's first paycheck. Each month, the Company will remit deducted monies to the Union. Upon request from the Union, the Company agrees to deduct contributions to D.R.I.V.E. from the wages of those employees who may voluntarily execute a form to authorize such deductions.

The Company, where so authorized and directed by an individual employee in writing will deduct Union dues in the amount certified to the Company by the Secretary Treasurer of the Union, from the employee's paycheck each month and remit the same to the Union.

The Union agrees that it will defend, indemnify, and save harmless the Company from and against any and all claims, demands, suits, complaints, and other legal consequences whatsoever, either before any Court of Law or any State or Federal Administrative Agency, or expenses of any kind whatsoever, including, but not limited to, costs and attorney's fees, arising out of or in any manner incident to any action taken by the Company in complying with any written authorization and direction.

## **ARTICLE 4. SENIORITY**

### **Section 1. Definitions**

- A. Company Seniority is established as the employee's date of hire (or rehire) when an employee is hired as a full-time employee and completes the trial period in accordance with this Article. Employees who are hired as seasonal employees, and who are retained at the end of the seasonal period as full-time employees with no break in service, will be assigned a Company Seniority Date retroactive to their most recent date of hire as a seasonal employee. Part-time employees accrue no seniority during their employment as part-time employees.
- B. Departmental Seniority is established and maintained for the following work groups:
1. Sales (Bulk Delivery Driver, Bay Delivery Driver, Pre-Sell Representative, Fountain Driver, FSV Driver, Order-Merchandiser, Merchandiser)
  2. Manufacturing (Machine Operator, QC Technician, Master Line Mechanic, Line Mechanic, Apprentice Line Mechanic, Sanitation Worker)
  3. Fleet (Master Fleet Mechanic, Fleet Mechanic, Apprentice Fleet Mechanic)
  4. Warehouse (Warehouse Loader/Technician)
  5. MEM (MEM Delivery, MEM Technician)
  6. Transport (Transport Driver)

Seasonal employees shall establish departmental seniority upon the effective date of their transfer to full-time employment status.

When the Company hires more than one (1) employee in the same department on the same day, or when, through departmental transfer, status change (in the case of seasonal employees), and/or hiring, two or more employees would have the same departmental seniority date, and such employees complete their trial periods, the selection of the higher seniority shall be made by the picking of numbers by such employees at the completion of the trial period.

- C. There shall be one (1) Seniority list for Transport and one (1) seniority list for Manufacturing Department employees in the bargaining unit.
- D. Seniority for each plant and accepted departments within each plant shall apply in respect of the hiring and laying off of employees, that is, employees shall be employed in the order of their seniority and shall be laid off in the inverse order of their seniority, provided that upon layoff, there remains a sufficient number of qualified employees. Seniority shall be broken by:

- (a) Discharge
- (b) Voluntary quit
- (c) No work or layoff for a period that equals the employee's length of continuous service with the Company, to a maximum of twelve (12) months
- (d) Unauthorized leave of absence
- (e) Failure, in the case of a layoff, to report to work within five (5) consecutive days after notice of recall by certified mail

## **Section 2. Transfers**

Qualified employees transferred to another department on approval of the Company or promoted into Management must complete a trial period of twenty-five (25) working days for all departments except the Sales Departments where the trial period shall be six (6) weeks or twenty-five (25) working days, whichever is longer. Employees transferred into the Production department on approval of the Company must complete a trial period of fifteen (15) working days. Employees shall retain seniority in their original department during the entire above mentioned trial periods. Employees shall have the right to transfer back into the original department within the stated trial period, without loss of seniority rights. Upon completion of the trial period, if accepted by the Company, they shall be placed at the bottom of the department seniority list, except that their Company service shall be maintained for the purpose of vacation and other benefits, including Pension. An employee who so qualifies for a transfer to another department shall not be eligible to transfer again for a period of six (6) months.

## **Section 3. Open Position Bidding**

All job openings and promotions within a department shall be offered in seniority order but qualifications and ability to perform the work shall be controlling. The Company's assignment to fill an open position on a temporary basis will be offered by seniority. Any employee who, after bidding, secures the job opening or promotion shall not be eligible to bid again on any opening for six (6) months. Any employee who voluntarily withdraws during the trial period shall not be eligible to bid again on any opening for six (6) months. Any employee who is disqualified by the Company during the trial period shall not be eligible to bid on the same classification for a period of six (6) months.

The Company will post all permanent vacancies which it intends to fill in all locations. The employees who sign the posting will be bid in the following order (except in the Transport and Manufacturing Departments):

1. Within the Department
2. Within the Location
3. Throughout the Bargaining Unit

Transport and Manufacturing Department vacancies shall be bid in the following order:

1. Within the Department
2. Throughout the Bargaining Unit

The Company will establish objective entry qualifications for open positions available for inter-departmental bid. Employees with any active discipline (other than verbal or written warnings) on file will not be eligible to bid on inter-departmental openings. Qualified employees from other departments will bid by Company seniority.

Open positions will be posted for eight (8) calendar days. Upon completion of the posting period, the posting will be collected (from all locations) and reviewed by the hiring manager, who will determine the successful bidder and review that determination with the appropriate Shop Steward (or alternate). The successful bidder will be transferred to his new position within thirty (30) days of the award of the bid, or the job availability of the posted position, whichever is later. If not transferred within this timeframe, the successful bidder will be compensated at the higher of his current and his newly bid rate. In the event that more than one position is offered on the bid, successful bidders will be transferred in order of their seniority.

Copies of all open position bids will be sent to the Union upon posting. Upon identification of the successful bidder, the Shop Steward will be required to sign off on the bid, and may make a copy for his records and/or to provide to the Union.

#### **Section 4. Transfers of Hourly Employees...Effect on Seniority**

In the event that an hourly rated employee is transferred to another warehouse, his seniority shall not be dove-tailed with the seniority of other hourly rated employees at the new location unless work from his originating location caused the transfer.

In the event that the Company transfers work performed by hourly rated employees from one location to another and such transfer will require additional employees at the new location, the qualified employees in the classification affected at the old location shall have a right to exercise seniority and transfer to the new location (with seniority dovetailed). In the event that no employee at the old location wishes to transfer, the additional work shall be posted as a bid at the new location.

#### **Section 5. Shift, Work Schedule, and Job Assignment Bidding**

The Company has the right to determine work to be performed within and across shifts. In all cases where bidding on job assignments is permitted (as outlined below), such bidding shall be for the sole benefit of the employee, and such employees must possess the necessary qualifications to perform the work in order to use their seniority to bid upon such work.

When the Company allows employees to select their daily job assignments using seniority, the Company will post such job assignments for that shift as soon as practical, but no later than fifteen (15) minutes before the shift start, and shall have the right to assign work if employees have not selected their assignment within fifteen (15) minutes of the start of their work shift. When the Company allows employees to select their weekly job assignments using seniority, the Company will post such job assignments for that shift by end of shift Tuesday, and will take down the posting and post award determinations by end of shift on Friday.

Work shift, work schedule, and job assignment bidding will be conducted by department as follows:

#### **WAREHOUSE**

Warehouse Loaders will use their seniority to bid shifts, schedules, and start times semi-annually; the effective dates of the bidding processes will be the first Monday in April and the first Monday in October. Within those shifts and start times, the Company will post daily job assignments for bidding by seniority. It is the intent of the Company to allow employees to perform work in accordance with their daily bid selection, but the Company reserves the right to reassign work when business needs so require. In the event that such reassignment is necessary, the Company will use seniority to determine which employee is reassigned.

## **MANUFACTURING**

Manufacturing employees will use their seniority to bid shifts and schedules within the established job classifications semi-annually; the effective dates of the bidding processes will be the first Monday in April and the first Monday in October. Employees may bid by seniority on shift selection provided there are sufficient qualified employees on each shift. Start times will be bid each week for the following week's production schedule. Within those shifts and start times, the Company will post daily primary job assignments for bidding by seniority within classifications. It is the intent of the Company to allow employees to perform their primary work in accordance with their daily bid selection, but the Company reserves the right to reassign work when business needs so require, to arrange for coverage during break periods, or to ensure an employee gains or maintains machine or skill proficiency.

In each instance in which seniority governs, classification seniority in manufacturing shall apply. Sanitation employees shall be offered available sanitation overtime and shall not be subject to a layoff in the event of a layoff in any other department or classification.

In the event of a downsizing in any classification within the Manufacturing Department, the last employee(s) to enter the classification would be the first employee(s) to be displaced. Displaced employees would utilize their departmental seniority and qualifications to bump the least senior employee(s) within the department. If the displaced employee does not have the qualifications to perform the job of the least senior employee in the department, they would bump the lowest senior employee on the departmental seniority list in which the displaced employee is qualified to perform, assuming the displaced employee has greater departmental seniority than the person they are bumping.

Manufacturing employees may use their seniority and qualifications to bid on available vacation relief coverage no later than two weeks in advance of the beginning of the workweek being filled, provided there are sufficient qualified employees on each shift. The company will post a Master Vacation Relief Bid to accommodate this process. Employees on vacation during the week vacation relief positions are posted for bid may sign up for relief positions on the Master Vacation Relief Bid or may notify their supervisor prior to leaving on vacation. Vacation relief assignments will be locked in two weeks prior to the open vacation. On completion of the vacation relief assignment, said employee will return to their regular work and shift assignment.

## **MEM AND FLEET**

MEM and Fleet employees will use their seniority to bid shifts, schedules, and start times within their established job classifications semi-annually; the effective dates of the bidding processes will be the first Monday in April and the first Monday in October. Within these departments, the Company will determine work assignments based upon business needs, but will attempt to honor employee preferences based on seniority wherever possible and practical.

## **TRANSPORT**

Transport employees will use their seniority to bid shifts, schedules, and start times each week. Within each shift, the Company will determine work assignments based upon business needs, but will attempt to honor employee preferences based on seniority wherever possible and practical.

## **BULK DRIVERS**

All Bulk Delivery work will be posted on the Bulk Board(s) when it becomes available from Dispatch. All Bulk Delivery work will be bid daily. If daily bidding by all Bulk Drivers assigned to

the same shift start time is not completed prior to fifteen (15) minutes after the start of the work shift, the Company shall have the right to assign such work. If more than the available number of Bulk Drivers is needed, remaining Bulk Delivery work will be offered to the first shift of Bay Delivery Drivers working that day. If there is no work available to a Bulk Driver on any given day, that Bulk Driver may select from the work offered to the earliest shift of Bay Delivery Drivers, and may use his departmental seniority to select from that work, or may choose from available Large Format work (order-merchandiser and merchandiser work) for the day. He may also choose to be laid off for the day. Any employee who chooses to be laid off for the day may elect to receive paid time off for the day (if available), or receive one-half day's pay for the day. If a layoff is made available, employees that are immediately available will be asked in seniority order (top-down) if they would like to take the layoff for the day. Any work performed by that employee for the day will be paid at his regular bulk driver rate.

If a Bulk Driver is notified the day before that no bulk delivery work will be available to that employee, the employee may follow the selection process outlined above, but if he chooses to be laid off, he will not receive any pay for the day, and he will be paid at the appropriate classification rate for any work performed for the day.

## **BAY DELIVERY DRIVERS**

All Bay Delivery work will be posted on the Bay Board(s) when it becomes available from Dispatch. Weekly work schedules and start times will be bid weekly for Bay Delivery Drivers. All dispatched delivery schedules and other bay delivery work will be bid daily according to the following process: each designated shift start time will be offered a portion of the bay delivery work for the day, and each employee in that start time may use his departmental seniority to bid upon such work. If daily bidding by all Bay Delivery Drivers assigned to the same shift start time is not completed prior to fifteen (15) minutes after the start of the work shift, the Company shall have the right to assign such work. If there is no work available for any employee in that start time, such employee shall be allowed to use his departmental seniority to select from the work put up for bid to the next bay delivery shift start time employees. The process will be repeated for each shift start time. If, after all work is bid for all start times, and an employee or employees have no work available, that employee or employees may select from available Large Format (order-merchandiser or merchandiser) work, or exercise their seniority to bump. He may only bump the most junior working employee in that facility on the Sales Seniority list, and shall work his regularly scheduled number of hours (eight or ten) for that day. Any employee who chooses not to bump and is therefore laid off for the day may bid on available work in another department, elect to receive paid time off for the day (if available), or receive one-half day's pay for the day. be laid off with four (4) hours pay for that day. If a layoff is made available, employees that are immediately available will be asked in seniority order (top-down) if they would like to take the layoff for the day.

Employees who exercise their bumping rights (rather than being laid off for the day) will be compensated at their regular hourly rate for all hours worked that day.

If a Bay Delivery Driver is notified the day before that no bay delivery work will be available to that employee, the employee may follow the selection process outlined above, but if he chooses to be laid off, he will not receive any pay for the day, and he will be paid at the appropriate classification rate for any work performed for the day.

## **ORDER-MERCHANDISERS**

Order-Merchandisers will use their seniority to bid on routes within their established job classification semi-annually; the effective dates of the bidding processes will be the first Monday

in April and the first Monday in October. The Company reserves the right to change the accounts on any given route at any time. If no order-merchandiser work is available to an employee on any day, that employee may choose any open order-merchandiser job or any open job on the sales seniority list for which they possess the necessary qualifications; alternatively, they may elect to be added to the merchandising pool for that day, or may elect to be assigned to the last shift starting time for Bay Delivery Drivers (if qualified) for that day. If he does not choose any of these alternatives, he may choose to be laid off, or may bump the most junior working employee in that facility on the sales seniority list. Any employee who chooses not to bump and is therefore laid off for the day shall receive one-half day's pay for the day.

Employees who choose to move into another classification due to layoff must be recalled if order-merchandiser work becomes available on that day, and will be assigned to such work.

In the event that the Company executes a change to a route, the order-merchandiser will remain assigned to the majority of his route as determined by volume. When it can be shown that an order-merchandiser is regularly working over ten (10) hours per day, the order-merchandiser may request a route analysis. When an order-merchandiser requests a route analysis, the Company shall have such analysis completed within two (2) weeks, and will evaluate the previous four (4) weeks; if not, the order-merchandiser may return to the facility after ten (10) hours' work in a day until the route analysis is completed, with no repercussions.

## **MERCHANDISERS**

The Company will determine work assignments based upon business needs for employees in this job classification, however, the Company will attempt to honor employee preferences based on seniority whenever possible and practical. Full time merchandisers will use their seniority to bid on their workweek schedule (not work assignments, start times, etc.) within their established job classification semi-annually. The Company reserves the right to temporarily change Merchandiser workweeks at any time. In the event the Company makes a permanent change to a Merchandisers workweek schedule between bi-annual bids, the Company will post the new workweek schedule(s) for bid. The Company will not be obligated to post available workweeks to backfill vacations, leaves of absence, etc. This provision does not apply to Seasonal and Part time employees, and therefore the Company is not required to post Seasonal and Part-time workweek schedules for bid. At the beginning of the seasonal period the Union may request from the Company the workweek schedules of seasonal and/or part-time employees, and the Company will provide such information. This does not preclude the Company from changing the workweek schedules of Seasonal and Part-time employees in order to meet the needs of the business.

## **FSV DRIVERS**

FSV Drivers are assigned to their bidded route. The Company reserves the right to change the accounts on any given route at any time.

In the event that the Company executes a change to a route, the FSV driver will remain assigned to the majority of his route as determined by volume. When it can be shown that a FSV driver is regularly working over ten (10) hours per day, the FSV driver may request a route analysis. When a FSV driver requests a route analysis, the Company shall have such analysis completed within two (2) weeks, and will evaluate the previous four (4) weeks; if not, the FSV Driver may return to the facility after ten (10) hours' work in a day until the route analysis is completed with no repercussions.

## Section 6. Overtime Bidding

### A. Daily Overtime

1. Warehouse and Production Only: Upon the completion of a shift, if overtime work is available, such overtime will be offered to employees on that shift based upon seniority. However, the Company reserves the right to require all employees assigned to a shift to continue working beyond the end of their regular shift until released by management; requiring all employees to stay shall not be considered a violation of seniority. Each time a shift is completed and there is remaining overtime available that does not require all employees on that shift to remain, such continuing overtime will be offered to all qualified employees on the associated seniority list based upon seniority.
2. All Other Positions: On a scheduled workday, an employee is required to complete his assigned work prior to ending his shift, regardless of the need for overtime to complete the work, provided that such overtime would not violate any applicable DOT regulations.
3. No inside employee will be required to work in excess of twelve (12) consecutive hours (not including unpaid breaks); employees may work in excess of twelve (12) hours voluntarily, but cannot be forced to do so.

### B. Off-Schedule Work

1. Work available on an employee's regularly scheduled day off will be made available through posted "interest bids". Such interest bids are not a guarantee of work, but a way for employees to express interest in working if such work is available. Interest bids will be posted as follows:
  - a) Saturday, Sunday, and Monday shifts will be posted by Sunday at 6am for the following weekend, and will be taken down on Thursday at 4pm. Successful bidders will be notified by 3pm Friday of their bid awards.
  - b) Tuesday, Wednesday, Thursday, and Friday shifts will be posted one week prior to the shift, and taken down at 6am the day before the shift. Successful bidders will be notified by 3pm the day before the shift of their bid awards.
2. Work will be awarded to qualified employees who sign up via interest bids based upon seniority in the following order:
  - a) Within the Department
  - b) Within the Location
  - c) Within the Bargaining Unit
3. Successful bidders who are notified in accordance with the above-noted time deadlines will be considered as scheduled to work on that day. In the event that additional people are needed after the posting of awards, the Company will offer such work to qualified employees on the interest bid in order of their seniority as noted above, but will not be considered as scheduled to work on that day, unless they accept the offer of overtime.
4. In the event that there are not enough "interest bids" to cover the available work, employees will be assigned work from the bottom of the applicable Departmental Seniority list.
5. If the Company fails to post an "interest bid", the Company must attempt to contact employees by telephone in order of seniority, in the presence of a bargaining unit employee if available, of the availability of such work. The same process must be followed in reverse seniority order if there are no volunteers.

6. In the event that the Company fails to offer incremental off-schedule work according to the provisions of this Section, the most senior qualified person(s) on the Departmental Seniority list of the impacted classification shall be paid the same number of hours worked by the inappropriately worked employee at the premium rate he would have received if he had worked those hours.

### **Section 7. Layoff**

Employees who are on layoff status for at least seven (7) consecutive calendar days are not eligible to bid on daily overtime or off-schedule work. Such employees are not considered part of the available seniority list in the event that overtime is forced, until such employee is recalled from layoff status.

### **Section 8. Seasonal Positions**

In all departments except production, in the event the Company adds incremental seasonal positions and/or shifts, all employees on the associated departmental seniority list will be able to bid on these incremental positions and/or shifts for the seasonal period. When the seasonal position and/or shift ends, the employee will return to his regular position and/or shift.

### **Section 9. Production Overtime**

No Production Line Mechanic can be forced to work daily overtime outside his classification on any regularly scheduled work day unless there are no available qualified production employees currently working to do such work.

## **ARTICLE 5. LEAVES OF ABSENCE**

- A. The Company agrees to grant the necessary and reasonable time off, without pay, to any employee or employees designated by the Union to attend an arbitration or a labor convention, provided and upon the following conditions:
  - i) At least seven (7) working days' written notice therefore is given by the Union to the Company setting forth the names of the employees, the nature and place of the arbitration or convention, and the respective dates under which such time off shall commence and end;
  - ii) The duration of such time off for labor conventions shall not exceed one (1) workweek and shall occur only once in any calendar year;
  - iii) The number of employees designated by the Union for such time off and permitted by the Company to take such time off shall not exceed seven (7) in the aggregate, and no more than three (3) in any one Department, from all the Company plants covered by this Agreement. In designating the particular employees, as well as the number thereof for such time off, due consideration shall be given to avoiding any disruption of the Company's operations.
  - iv) Such time off shall not be considered time worked for purposes of overtime premium eligibility as specified in Articles 6 and 7 of this Agreement.
- B. Any employee who is selected or appointed to fill an unexpired term of any office with the Union shall be given a leave of absence without pay for the period of time he serves in such an office and upon the expiration of said term he shall be reinstated by the Company with the same seniority he had at the commencement of his leave of absence.

- C. In the event that an employee who drives a vehicle loses his driver's license or such license is suspended, the Company shall have the right to lay off such employee, provided, however, that in the case of the first such loss or suspension of license by such employee, if the license is reinstated within twenty-four (24) months, the Company shall rehire said employee with the same seniority he had when he was laid off, provided however, that any layoff of more than twelve (12) months will result in an adjustment of the employee's seniority date for such time in excess of twelve (12) months. In the case of any succeeding loss of license or suspension thereof, the employee shall be terminated only if the original loss or suspension occurred after June 1, 1996, and the succeeding loss or suspension occurred within two (2) years of the original loss or suspension. The foregoing provisions for reinstatement, however, are not intended to limit the Company rights under ARTICLE 19 hereof when the facts and circumstances warrant action thereunder.
- D. In the event of illness or disability of any employee, it is agreed that such employee shall be entitled to a leave of absence without pay until his recovery, or for a period of twenty-four (24) months whichever occurs first. An employee may request an extension of up to forty-five (45) days of approved leave. The Company shall have sole discretion as to the granting of such extensions. However, any regular employee who has entered the military or naval service of the United States shall be entitled to re-employment upon his discharge from such service, in accordance with the provisions of the Selective Service Act of 1940 or any amendments thereto.
- E. All regular, full-time employees who are required to serve two (2) weeks' summer encampment with the National Guard or a military reserve organization shall receive the difference between the employee's regular weekly rate (vacation rate) and all monies received by such employee for the two (2) weeks' encampment. In the event that the employee is required to serve an additional week of military leave, such employee shall be granted up to one (1) additional week of unpaid leave each year, provided such leave is requested at least two (2) weeks in advance.
- F. Except as otherwise provided in paragraphs (A) through (E) above of this ARTICLE 6, the Company alone is to have the sole discretion whether or not to grant leaves of absence to employees. Upon return to work employees will resume their original seniority.

## **ARTICLE 6. HOURS**

- A. Subject to provisions in ARTICLE 7 of this Agreement, the normal (not guaranteed) workweek for all hourly rated employees shall be eight (8) hours per day, five (5) days, forty (40) hours per week. The work day shall be done in eight and one-half (8 1/2) consecutive hours with one-half (1/2) hour (unpaid) out for lunch during their fourth (4th) or fifth (5th) hour of work.

The first shift starting time for all employees shall be between five o'clock (5:00) a.m. and ten thirty o'clock (10:30) a.m., except for warehouse and sales delivery employees where the first starting time shall be between four o'clock (4:00) a.m. and ten thirty o'clock (10:30) a.m. No employee in the MEM Department with a departmental seniority date prior to June 1, 1987, will be assigned to a start time after nine o'clock a.m.(9:00 am). The Company reserves the right to schedule a second or third shift for any employee or group of employees. There shall be no requirement that all employees within a classification or department have the same starting time.

An employee's starting time at the beginning of his workweek will not be changed more than one hour earlier or one hour later than that time on any day during that workweek and the

starting time cannot be changed by more than one hour from one day to the next. This provision may be waived by mutual agreement between the Company and the Union, or with the Shop Steward of that department.

In the event that an employee is required to start earlier than either 5:00 AM or earlier than the starting time change limitation contained within this section, that employee shall be given the opportunity to work through to the end of his normally scheduled shift, and therefore be eligible for overtime premium on any hours in excess of his straight time schedule.

- B. Subject to the provisions contained within ARTICLE 7, the standard workweek for all employees shall be from Monday through Friday. All work performed by hourly rated employees on Monday to Friday inclusive, outside of regular working hours and all work performed on the sixth consecutive day worked shall be overtime and shall be paid for at the rate of time and one-half (1 1/2). No employee shall be deprived of the fifth, sixth or seventh day overtime premium if such employee's failure to otherwise qualify for such premium was caused by the fact that the Company did not schedule him for work on any of the previous workdays, or for a personal day, military leave, jury duty leave, bereavement leave, vacation, birthday holiday, or company holiday. However if the employee was scheduled to work and did not work on any of the previous workdays within the week, he shall not be eligible for the fifth, sixth and/or seventh day premium. All work on the holidays therein specified shall be paid for at the rate of double time in addition to the holiday pay herein provided. All work on the seventh consecutive day worked shall be paid at double time. No employee is to work overtime without the Company's permission. There shall be no pyramiding of overtime.
- C. If an employee is shifted from night work to day work or visa versa without having twelve (12) hours' rest in between, such employee shall be paid time and one-half (1 1/2) for the first four (4) hours of the next shift.
- D. Employees must have eight (8) hours rest between shifts. If an employee's shift ends at such time as to prevent him from having eight (8) hours off the clock before beginning his next shift, his start time may be adjusted at his request to allow for eight (8) hours off the clock. This change will be made at the employee's request, and overrides any limitations outlined in section (A) of this Article. If the new start time is after 10:30 am, the employee shall be eligible for shift differential in accordance with section (F) of this Article.
- E. All inside hourly rated employees shall be granted fifteen (15) minutes relief time within each (4) hours of work, and rotate machine positions wherever possible. When an inside employee is required to work more than two (2) hours of overtime commencing immediately after the end of the regular workday, he shall be entitled to an additional paid break of ten (10) minutes which will commence at the end of the regularly scheduled workday and immediately prior to the scheduled overtime.
- F. An additional premium above the minimum rates established in ARTICLE 11 shall be paid to all hourly rated employees whose required starting time is later than ten thirty o'clock a.m. (10:30 am). This premium will be fifty cents (\$0.50) per hour. Employees regularly on off-shift, shall have their holiday, sick leave, jury duty, and bereavement pay computed at their regular premium rates earned by them while working.
- G. All employees are entitled to prior notice when to report for work. Any hourly rated employee who has been instructed to report to work, and who is not given work when he so reports, shall nevertheless be entitled to one-half (1/2) of a day's pay for that day.

Any hourly rated employee who has been instructed to report to work on a day within his regular workweek, and is put to work, shall be guaranteed the opportunity for eight (8) hours' work if on an eight (8) hour schedule or ten (10) hours' work if on a ten (10) hour schedule.

- H. Sanitation employees shall be offered available sanitation overtime and shall not be subject to a layoff in the event of a layoff in any other department or classification.
- I. For each short case, Bay Delivery Drivers shall be charged one dollar (\$1.00) less than the highest wholesale price for that product and package on the day in which the shortage(s) occurs.
- J. If an employee is injured while on the job, he shall be paid until the end of his scheduled shift.
- K. Transport drivers shall select starting times by seniority from the weekly schedule.
- L. Employees may bid by seniority on shift selection provided there are sufficient qualified employees on each shift.
- M. If the Company declares an emergency and work is cancelled, it shall be considered as a shift worked for purposes of overtime premium eligibility in accordance with the provisions of Articles 6 and 7 of this Agreement.

## ARTICLE 7. FLEXIBLE WORKWEEK

### 1. Definition

Subject to the limitations listed below, any hourly rated employee, except Bay Delivery Drivers, may be scheduled on a straight time workweek consisting of any four, ten hour days or five, eight hour days within a Monday through Sunday payroll week; the days within the workweek shall not necessarily be consecutive. No employee other than Merchandisers may be scheduled on a workweek which includes both Saturday and Sunday at straight time. Bay Delivery Drivers will not be scheduled to work Sunday at straight time, but may be scheduled on a straight time workweek consisting of any four, ten hour days or five, eight hour days within a Monday through Saturday workweek; the days within the workweek shall not necessarily be consecutive.

Any employee with a departmental seniority date after June 1, 1987, may be assigned to a flexible workweek as described above without regard to the limitations noted below.

### 2. Limitations on Number of Flex Employees (Applicable to employees with a company seniority date prior to June 1, 1987):

<u>Classification</u>	<u>Location</u>	<u>Maximum #</u>
Transport	Piscataway	3
MEM Technicians	Piscataway	5
Bulk Delivery Drivers	Piscataway	8
	Asbury Park	4
	Kearny	4
	East Hanover	3

<b>Classification</b>	<b>Location</b>	<b>Maximum #</b>
Manufacturing	Piscataway	
	Machine Operators	2
	Processing	1
	Mechanics	1
Bay Delivery Drivers	Piscataway	2
	Kearny	1
	East Hanover	1
	Asbury Park	1
FSV Drivers	Piscataway	2
	Kearny	1
	East Hanover	1
	Asbury Park	1
Loaders	Piscataway	2
	Kearny	1
	East Hanover	0
	Asbury Park	1

Regardless of an individual employee's company seniority date, there shall be no limitation on the number of employees assigned to flexible workweeks in any classification not listed above.

### 3. **Flexible Workweek - Overtime:**

#### **Employees on five (5) eight (8) hour days.**

For hourly paid employees on a five day workweek only, time and one-half (1 1/2) shall be paid for all hours over eight in a day and for the sixth day worked within the workweek (Monday through Sunday).

All hourly employees on a five day workweek shall be paid double time for the seventh day worked within the workweek.

If an employee is called in or volunteers to work in his regular bidded job classification on his scheduled day off, it becomes a regularly scheduled workday, and will be paid at straight time. His schedule is considered changed for the workweek, and his fifth regularly scheduled day will be offered for bid in accordance with Article 4 of this Agreement. In the event that the employee is called in or volunteers to work on both of his scheduled days off, his fourth and fifth regularly scheduled days will be offered for bid in accordance with Article 4 of this Agreement.

For example, if an employee is regularly scheduled to work Tuesday through Saturday, and works on Monday in his regularly bidded job classification, his Saturday work is offered for bid. If an employee is regularly scheduled to work Wednesday through Sunday, and works on Monday and Tuesday, his Saturday and Sunday work is offered for bid.

This provision only applies if an employee works within his regularly bidded job classification on any of his regularly scheduled days off.

### **Employees on four (4) ten (10) hour days:**

For hourly paid employees on a four day workweek, time and one-half (1 ½) shall be paid for all hours over ten (10) on any regularly scheduled workday, and for all hours worked on the fifth and sixth days worked within the workweek (Monday through Sunday).

All hourly employees on a four day workweek shall be paid double time for the seventh day worked within the workweek.

If an employee is called in or volunteers to work in his regular bidded job classification on his scheduled day off, it becomes a regularly scheduled workday, and will be paid at straight time. His schedule is considered changed for the workweek, and his fourth regularly scheduled day will be offered for bid in accordance with Article 4 of this Agreement. In the event that the employee is called in or volunteers to work on a second scheduled day off, his third and fourth regularly scheduled days will be offered for bid in accordance with Article 4 of this Agreement.

For example, if an employee is regularly scheduled to work Monday, Friday, Saturday, and Sunday, and works on Tuesday in his regular bidded job classification, his Sunday work is offered for bid. If an employee is regularly scheduled to work Wednesday through Saturday, and works on Monday and Tuesday, his Friday and Saturday work is offered for bid.

This provision only applies if an employee works within his regularly bidded job classification on any of his regularly scheduled days off.

### **General:**

No employee shall be deprived of the fifth, sixth or seventh day overtime premium if such employee's failure to otherwise qualify for such premium was caused by the fact that the Company did not schedule him for work on any of his regularly scheduled workdays. However if the employee was scheduled to work and did not work on any of his regularly scheduled workdays within the week, he shall not be eligible for the fifth, sixth and/or seventh day premium, in accordance with the provisions of ARTICLE 6. No pyramiding of overtime will be permitted.

Any employee who works on his regularly scheduled day off, and by working causes a change in his normal work shift, will be permitted to work his regular number of hours in the day, and will receive overtime pay based upon the rules applicable to that schedule. For example, if a four-ten employee works on his day off, he shall be permitted to work ten (10) hours, and shall be paid straight-time for the first ten (10) hours worked, and overtime for hours worked in excess of ten (10) hours in the day.

Any employee who works within his regular bidded job classification on any scheduled day off, and as a result, has his workweek schedule changed by virtue of this provision, shall the next week revert back to his regular flex workweek schedule. The provisions of section 5 of this Article regarding Required Notice shall not apply. Any employee whose work schedule is changed in accordance with the provisions of this section shall continue to receive his flex workweek premium, regardless of his schedule in the week.

4. **Premium Compensation:**

In no event will an employee receive a special premium for Saturday and/or Sunday work while on this schedule unless it falls under one or more of the provisions mentioned in this Article.

All hourly paid employees hired prior to May 1, 1996, excluding Order-Merchandisers, Merchandisers, and Bay Delivery Drivers, working on a Flexible Workweek which includes either a Saturday or Sunday at straight time will be paid a premium of \$0.45/hour. Employees hired on or after May 1, 1996 will not be eligible to receive this flexible workweek premium.

5. **Required Notice:**

Employees will receive at least a one week notice prior to assignment to the Flexible Workweek. Once on this workweek, employees will remain on the workweek for at least thirty (30) calendar days. This provision shall not apply when an employee is temporarily transferred to another classification or another schedule under the provisions of Section 3 of this Article.

6. **Sick/Personal Days:**

Employees on a four (4), ten (10) workweek will be paid ten (10) hours for each personal paid time off day (personal and sick days). Unused personal paid time off for all employees (regardless of workweek schedule) will be paid out at the end of the year at a rate of eight (8) hours per day. In the event an employee who works a four (4) ten (10) workweek is paid out for unused personal/sick days at the end of the year, and then actually takes a personal/sick day after the year end payout of unused days, they shall be compensated for the additional two (2) hours of pay because they actually used the personal/sick day before the end of the year.

7. **Holiday Pay:**

Hourly-rated employees on a four (4) day workweek will be paid ten (10) hours for holidays that occur within their normally scheduled four (4) day workweek and shall be paid eight (8) hours for holidays that fall outside their normally scheduled four (4) day workweek.

All work on the holidays herein specified shall be paid for at the rate of double time in addition to the holiday pay herein provided.

8. **Bidding:**

Employees may bid by seniority on available flexible workweek schedules only in those situations in which workweek schedules are consistent over time and the employee skill levels are generally interchangeable from schedule to schedule. Any employee who bids on a flexible workweek schedule must remain on such schedule until there is an opportunity to bid on another schedule as a result of a full time opening.

## **ARTICLE 8. HOLIDAYS**

All employees shall have the following observed holidays off with straight time pay.

New Years Day  
Martin Luther King's Birthday  
Easter Sunday  
Memorial Day  
Independence Day

Labor Day  
Veterans' Day  
Thanksgiving Day  
Christmas Day

Employees hired prior to May 1, 1996, shall be eligible for eight (8) Personal Days. All employees hired on or after May 1, 1996, shall be eligible for five (5) Personal Days. Effective January 1, 2006, all regular, full time Tier II employees (employees hired on or after May 1, 1996) with five (5) years of full-time service will receive one (1) additional personal day (for a total of six (6) Personal Days).

All employees who have one (1) year or more of service with the Company shall have a paid holiday for their own birthday. In the event an employee's birthday falls on any of the above-mentioned holidays, he shall have the following day off with pay as his birthday holiday.

The employees covered hereby shall be entitled to each of said holidays with pay. In the event that a holiday falls on a Saturday, it shall be celebrated on Saturday and the employee shall be paid for the holiday; holidays falling on Sunday, except Easter Sunday, shall be celebrated on Monday and the employee shall receive that Monday off, with holiday pay. The Easter Sunday holiday will be observed on that Sunday. If the employee is regularly scheduled to work eight (8) hours per day, the employee will be paid for eight (8) hours. If the employee is regularly scheduled to work ten (10) hours per day, the employee will be paid ten (10) hours if the holiday falls on a regularly scheduled workday; if the holiday falls on a day the employee is not regularly scheduled to work, he shall be paid eight (8) hours.

Any hourly rated employee working on a higher rated job shall receive the higher rate for holiday pay, provided he worked the larger portion of the hours within the holiday week on the higher rated job.

Regular employees laid off for more than a full workweek prior to the workweek in which a holiday occurs, will not receive pay for that holiday. Employees who do not work the full day before and the full day after the holiday, except in the case of absence due to layoff, vacation, the Birthday holiday or personal day specifically approved by the employee's supervisor, will not receive pay for the holiday.

## **ARTICLE 9. VACATIONS**

### **Section 1.**

Vacations are to be in effect from January 1st to December 31st and are granted on a calendar year basis.

Vacations may be taken at such times as employees desire (subject to the provisions hereinafter set forth) and providing the vacation period does not affect production and distribution and that competent replacements are available.

Choice of vacation periods shall be allowed employees in the order of their seniority.

Qualifications for vacations are as follows:

Each employee who works no less than one hundred twenty-six (126) days during the first (1st) calendar year of his employment shall be considered a regular employee for vacation and sick leave purposes and shall be entitled to:

- (A) One (1) week's vacation with pay during the first (1st) calendar year of employment.
- (B) Two (2) weeks' vacation with pay if the employee qualified for at least one (1) week's vacation during the preceding calendar year.
- (C) In the fifth (5th) calendar year of employment and each year thereafter, the employee shall be entitled to three (3) weeks' vacation with pay provided he has qualified for vacations as outlined above during each of the four (4) preceding years.
- (D) In the fifteenth (15th) calendar year of employment and each year thereafter, the employee shall be entitled to four (4) weeks' vacation with pay provided he has qualified for vacations as outlined above during each of the fourteen (14) preceding years.
- (E) In the twenty-fifth (25th) calendar year of employment and each year thereafter, the employee shall be entitled to five (5) weeks' vacation with pay provided he has qualified for vacations as outlined above during each of the twenty-four (24) preceding years.
- (F) Employees employed at the Ocean, New Jersey, facility prior to March 1, 1987, shall continue to be eligible for the vacation benefits contained in the Ocean Labor Agreement which expired on February 29, 1996. Employees employed at the Ocean, New Jersey, facility who were hired after March 1, 1987, shall be eligible for vacation benefits as outlined in sections (A) through (E) of this Article.
- (G) An employee entitled to a week or more of vacation under the provisions of this Article shall receive vacation pay for each week of vacation due him, to be computed as follows:

The employee's earnings from wages or commissions (excluding the exercise of any SharePower grants) in the calendar year preceding the year in which the vacation is to be taken divided by fifty-two (52) weeks, but in no event less than forty (40) hours' pay at the employee's regular rate for each week of vacation due him for hourly employees.

## **Section 2.**

Each employee who works less than one hundred twenty-six (126) days in any calendar year and does not qualify for a vacation in such calendar year under the preceding paragraph, and any employee who resigns voluntarily or is discharged with the consent of the Union or through arbitration, will be entitled to the following vacation allowances for each calendar month in which such employee worked sixteen (16) days during such calendar year:

- A. One-half (1/2) day's vacation allowance for each such month if the employee did not qualify for at least one (1) week's vacation in the preceding year.
- B. One (1) day's vacation allowance for each such month if the employee qualified for at least one (1) week's vacation in the preceding year.

- C. One and one-half (1 1/2) day's vacation allowance for each such month if the employee qualified for at least one (1) week's vacation in each of the four (4) preceding years
- D. Two (2) days' vacation allowance for each such month if the employee qualified for vacation during each of the fourteen (14) preceding years.

Each day, including Saturdays, Sundays, and Holidays on which the employee performs work for the Company, shall be counted as a day worked. If a holiday occurs in the course of any employee's vacation, the employee shall receive an extra day's pay in respect of such holiday, provided he has worked the scheduled day immediately preceding his vacation and the scheduled day immediately following his vacation.

Any regular employee who is absent for any reason shall be deemed to have worked with the regular crew during such absence for the purpose of calculating vacation credits for one year from the last day worked.

The Company agrees to allow employees off on vacation in accordance with the following schedule:

	May 15th - September 8th	January 1st - May 14th, September 9th - December 31st
<b>Asbury Park</b>		
	<b>Weeks Allowed</b>	<b>Weeks Allowed</b>
Sales Seniority List	4	6
FSV	1	
Fleet	1	1
Warehouse	2*	2*
<b>Total Asbury Park:</b>	<b>8</b>	<b>9</b>

<b>East Hanover</b>		
	<b>Weeks Allowed</b>	<b>Weeks Allowed</b>
Sales Seniority List	4	6
FSV	1	
Fleet	1	1
Warehouse	2**	2**
<b>Total East Hanover:</b>	<b>8</b>	<b>9</b>

<b>Kearny</b>		
	<b>Weeks Allowed</b>	<b>Weeks Allowed</b>
Sales Seniority List	8	11
FSV	1	
Fleet	1	1
Warehouse	2	2
<b>Total Kearny:</b>	<b>12</b>	<b>14</b>

	May 15th - September 8th	January 1st - May 14th, September 9th - December 31st
<b>Piscataway - Operations</b>		
	Weeks Allowed	Weeks Allowed
Warehouse	3	4
Quality Control	2	2
Maintenance	1	1
Production	2	3
<b>Total Piscataway Operations:</b>	<b>8</b>	<b>10</b>

<b>Piscataway - Miscellaneous</b>		
	Weeks Allowed	Weeks Allowed
MEM	4	5
Fleet	1	1
Transport	2	2
<b>Total Piscataway Miscellaneous:</b>	<b>7</b>	<b>8</b>

<b>Piscataway - Sales</b>		
	Weeks Allowed	Weeks Allowed
Sales Seniority List	8	10
FSV	1	1
<b>Total Piscataway Sales:</b>	<b>9</b>	<b>11</b>

\* Asbury Park Warehouse - No More Than 1 Per Shift

\*\*East Hanover Warehouse - No More Than 1 Per Shift

It is understood and agreed that any employee eligible for more than two (2) weeks' vacation may not select more than three (3) weeks of vacation during the months of June, July, and August.

The Company will post a vacation schedule and selections by departmental seniority must be made by all employees no later than December 15. If any employee has not selected his vacation during this period, his vacation will be assigned from the periods left available.

Employees shall be allowed to change their vacation schedules provided an opening in the vacation schedule exists and the employee provides two (2) weeks notice to the Company of the desire to change.

### Section 3.

No employee shall be required to work overtime on his regular day(s) off immediately preceding and immediately following his scheduled vacation. Such employee shall not be eligible for available overtime on those days unless he provides two weeks notice to his supervisor of his willingness to work overtime on such days.

Where this Article refers to 126 days, employees who are on a flex workweek schedule of four (4) ten hour days shall be required to work over 100 days, rather than 126.

## ARTICLE 10. SICK AND PERSONAL DAY LEAVE

Each employee who qualified for at least one (1) week's vacation allowance in the preceding calendar year and all other employees who have worked at least one hundred twenty-six (126) days in the current calendar year shall be entitled to one-half (1/2) day's paid sick leave at his straight time wage rate for each calendar month in which the employee works at least sixteen (16) days, subject to a maximum allowance of three (3) days' paid sick days.

Each employee who was entitled to at least one (1) week's vacation in the previous calendar year may draw sick leave pay at any time in the calendar year but any other employee may draw sick leave pay only to the extent such paid sick leave shall have been earned as above provided. As of the end of the last full calendar week in November, unused sick and personal leave for the calendar year shall be included on the payroll for the first (1st) full week in December.

An employee must notify the Company of any absence as soon as possible but no later than one-half (1/2) hour prior to the beginning of his scheduled shift and must state both the reason and duration of the absence.

Any employee may take a personal day for which he is eligible on any day, regardless of the limitations noted above, provided he has the approval of his supervisor.

An employee must make a request for a personal day at least one week in advance and the Company will not unreasonably deny this request, subject to business conditions. Personal days will be approved by management in seniority order up to seven (7) days prior to the requested personal day. Once management has approved a personal day seven (7) days prior to the requested personal day, no senior employee may bump that employee out of their personal day. The Company will adhere to the following schedule as a minimum:

	5/15-9/8**	9/9-5/14
<b>Sales Seniority List (except FSV Drivers)</b>		
Piscataway	4	+1
Asbury	3	
Kearny	3	+1
E. Hanover	3	
<b>FS (selected separately)</b>		
Piscataway	1	
Asbury Park	1	
Kearny	1	
East Hanover	1	
<b>MEM</b>		
Piscataway	3	
<b>Manufacturing</b>		
Piscataway	3*	+1*
<b>Warehouse Loaders</b>		
Piscataway	2	
Asbury Park	1	
Kearny	1	
E. Hanover	1	

	5/15-9/8**	9/9-5/14
<b>Fleet</b>		
Piscataway	1	
Asbury Park	1	
Kearny	1	
E. Hanover	1	
<b>Transport</b>		
Piscataway/Asbury	1	

These numbers are inclusive of employees on the birthday holiday.

\* No more than one per shift.

\*\* Includes the week of Christmas, New Years Day, and Thanksgiving holidays.

Where this Article refers to 126 days, employees who are on a flex workweek schedule of four (4) ten hour days shall be required to work over 100 days, rather than 126.

## ARTICLE 11. WAGE RATES

All wages shall be paid weekly. Employees will be paid by Friday for the work they performed during the Monday through Sunday period preceding the present week. The Company shall make a good faith effort to resolve any pay discrepancies within ten (10) working days (or less when ever possible) of the discrepancy being brought to the Company's attention.

Any hourly rated employee who at the time of the ratification of this Agreement is being compensated at an hourly wage rate higher than listed below for his classification, shall continue to receive such higher rate but shall receive no wage increases until the wage rate for his classification exceeds his personal rate.

The following wage scale for regular full-time employees shall prevail during the term of this Agreement.

### Tier I Wage Rates:

All employees with company seniority dates **prior to May 1, 1996**, shall be compensated using this wage schedule.

Classification Tier I	05/16/15	05/16/16	05/16/17	05/16/18	05/16/19
Bulk Driver	\$27.50	\$27.90	\$28.35	\$28.80	\$29.30
GeoBox Driver	\$27.50	\$27.90	\$28.35	\$28.80	\$29.30
Bay Delivery Driver	\$26.00	\$26.40	\$26.85	\$27.30	\$27.80
FSV or FTN Delivery Driver	\$25.46	\$25.86	\$26.31	\$26.76	\$27.26
Order-Merchandiser*	\$24.00	\$24.40	\$24.85	\$25.30	\$25.80
Pre-Sell Representative*	\$23.70	\$24.10	\$24.55	\$25.00	\$25.50
Machine Operator	\$25.28	\$25.68	\$26.13	\$26.58	\$27.08
QC Process Department	\$26.26	\$26.66	\$27.11	\$27.56	\$28.06
Sanitation Worker	\$25.13	\$25.53	\$25.98	\$26.43	\$26.93

<b>Classification Tier I</b>	<b>05/16/15</b>	<b>05/16/16</b>	<b>05/16/17</b>	<b>05/16/18</b>	<b>05/16/19</b>
Warehouse Loader/Technician	\$24.88	\$25.28	\$25.73	\$26.18	\$26.68
MEM Delivery (Cartage Driver)	\$25.21	\$25.61	\$26.06	\$26.51	\$27.01
Utility	\$22.25	\$22.65	\$23.10	\$23.55	\$24.05
<b>Rates for the following Tier I Classifications</b>	<b>05/16/15</b>	<b>05/16/16</b>	<b>05/16/17</b>	<b>05/16/18</b>	<b>05/16/19</b>
Lump Sums for below classifications	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
Master Line Mechanic*	\$30.40	\$30.70	\$31.05	\$31.40	\$31.80
Line Mechanic*	\$29.40	\$29.70	\$30.05	\$30.40	\$30.80
Apprentice Line Mechanic*	\$25.65	\$25.95	\$26.30	\$26.65	\$27.05
MEM Technician*	\$29.40	\$29.70	\$30.05	\$30.40	\$30.80
Master Fleet Mechanic*	\$31.65	\$31.95	\$32.30	\$32.65	\$33.05
Fleet Mechanic*	\$30.65	\$30.95	\$31.30	\$31.65	\$32.05
Apprentice Fleet Mechanic*	\$23.27	\$23.57	\$23.92	\$24.27	\$24.67
<b>Rates for the following Tier I Classifications</b>	<b>05/16/15</b>	<b>05/16/16</b>	<b>05/16/17</b>	<b>05/16/18</b>	<b>05/16/19</b>
Merchandiser	\$20.25	\$20.65	\$21.10	\$21.55	\$22.05
Transport Driver	\$25.27	\$25.67	\$26.12	\$26.57	\$27.07

### **Tier II Wage Rates:**

Work in the listed classifications performed by employees with company seniority dates on or after May 1, 1996, shall be compensated using this wage schedule.

<b>Classification Tier II</b>	<b>05/16/15</b>	<b>05/16/16</b>	<b>05/16/17</b>	<b>05/16/18</b>	<b>05/16/19</b>
Bulk Driver	\$26.00	\$26.40	\$26.85	\$27.30	\$27.80
FSV or FTN Delivery Driver	\$23.17	\$23.57	\$24.02	\$24.47	\$24.97
Machine Operator	\$23.02	\$23.42	\$23.87	\$24.32	\$24.82
QC Process Department	\$23.34	\$23.74	\$24.19	\$24.64	\$25.14
Sanitation Worker	\$23.02	\$23.42	\$23.87	\$24.32	\$24.82
Warehouse Loader/Technician	\$23.02	\$23.42	\$23.87	\$24.32	\$24.82
MEM Delivery (Cartage Driver)	\$22.92	\$23.32	\$23.77	\$24.22	\$24.72
Transport Driver	\$22.65	\$23.05	\$23.50	\$23.95	\$24.45

Work in the Merchandiser and Bay Delivery classifications performed by employees with company seniority dates **on or after May 19, 2010**, shall be compensated using this wage schedule.

<b>Rates for the following Tier II Classifications</b>	<b>05/16/15</b>	<b>05/16/16</b>	<b>05/16/17</b>	<b>05/16/18</b>	<b>05/16/19</b>
Merchandiser	\$18.45	\$18.85	\$19.30	\$19.75	\$20.25
Bay Delivery	\$22.95	\$23.35	\$23.80	\$24.25	\$24.75

**Working Lead:** When and if the Company determines the need for an employee in this classification in any department at any location, the Company shall select such employee on the basis of the qualifications of the employees within the department and the requirements of the job. Where qualification of the employees considered are relatively equal, seniority shall be the determining factor. The working lead premium will be one dollar (\$1.00) above the highest classification he supervises. The Company may remove any employee from the working lead position at any time, for any reason.

Newly hired hourly full-time employees (excluding warehouse employees) will be paid 90% of the applicable contract rate upon hire, and shall progress to the full contract rate after six (6) months of employment. However, newly hired hourly full-time employees hired after 5/19/10 who enter the Warehouse Loader classification will be paid 90% of the applicable contract rate upon hire, and shall progress to the full contract rate after twelve (12) months of employment. Part-time employees shall be paid at 85% of the June 1, 2004 contract rate plus forty (\$0.40) per hour for the applicable classification.

The Company may of its own volition increase the salary of any of its employees; such an act shall not be construed as an abrogation of any provision of this Contract and shall not give the Union the right to demand a proportionate or any other increase or revision for and on behalf of any worker or workers.

The training rate for hourly employees shall be the hourly rate for the employee's current classification. When the Company requires training for an employee, such employee shall be compensated at the training rate. When CDL training is offered, such training shall be offered by seniority within the Sales department in the following order: within the department, within the location, within the bargaining unit.

Vending Department Mechanics shall not be required to deliver more than a minimum initial supply of product with the delivery of a machine, except on Fridays and the day before a holiday.

The Company will pay the full cost of job related courses it requires an employee to take.

## **ARTICLE 12. TRANSFERS**

An employee transferred from a lower paid classification to a higher paid classification at the onset of his shift or at any time during his regular work shift shall receive the higher rate of pay for the day. An employee who performs work in a higher classification at the conclusion of his shift shall be compensated at the higher rate of pay only for the overtime worked in the higher classification.

An employee may not be transferred from a higher paid classification to a lower paid classification, except where an overall reduction in staff is involved or where the number of staff

employees in the higher paid category is reduced because the Company determines that operations can be conducted efficiently with the reduced number of employees in that category.

No employee may be transferred out of his bidded classification on any regularly scheduled workday unless such transfer is the result of a layoff in accordance with the provisions of Article 4 of this Agreement.

## **ARTICLE 13. MEETINGS**

The Company shall conduct periodic sales, training, or other meetings as is warranted by the business, but shall not unreasonably abuse its right to do so. All classifications shall receive their hourly rate for time spent in such meetings. This provision shall only apply to territory or general facility meetings.

## **ARTICLE 14. ALLOWANCES AND UNIFORMS**

### **Section A. Allowances**

The Company agrees to reimburse replacement costs for stolen tools of MEM, Line, or Fleet Mechanics, not to exceed ten thousand dollars (\$10,000), provided a police report is completed, and it is determined by management that the loss was not caused by the employee's negligence. The Company may, at its sole discretion, reimburse an employee for a loss of greater than \$10,000 if it deems the cause of such loss warrants consideration to do so.

All Mechanics (Fleet, MEM, and Line) shall receive an annual shoe allowance of fifty dollars (\$50) to be paid in September of each year. In addition, the Company will provide reimbursement for tools purchased when appropriate documentation (receipt) is presented to a supervisor, up to the following annual limits:

- MEM Mechanics, up to \$100 per contract year (June 1 to May 31)
- Line and Fleet Mechanics, up to \$500 per contract year (June 1 to May 31)

The Company will pay the full cost of job related courses it requires an employee to take. Employees participating in Company-provided or Company-paid training will be compensated at their regular rate of pay in accordance with Article 11 of this Agreement.

### **Section B. Uniforms**

All employees must wear the designated uniform supplied by the Company. The Company shall assume the cost of the uniform (which shall remain its property) and may control its' issuance and use. No uniform is to be taken for work off the Company's premises by an employee unless in the regular course of employment, or during the course of traveling to work from home, and from work back home after the end of their work shift. Employees are expected to be clean, neat, and properly clothed in the designated uniform when starting to work and the Company is required to employ those employees for the day who are in compliance therewith.

The Company shall purchase uniforms for employees on the following seniority lists, and the employee shall be responsible for cleaning such uniforms:

- Sales
- Warehouse
- Transport

The uniform set for employees on the above seniority lists will be as follows:

- Twelve (12) pairs pants, employee choice (any combination of short and long pants)
- Six (6) long-sleeved shirts
- Six (6) short-sleeved shirts
- One (1) Jacket, including one (1) long sleeve liner and one (1) vest liner
- One (1) winter cap
- One (1) summer cap
- One (1) rain jacket
- One (1) pair rain pants

New employees shall be provided these items within thirty (30) days of employment, and will be provided with Company-issued tee-shirts or sweatshirts (as appropriate), and may wear jeans, trousers, or walking shorts with these Company-issued items until uniforms are issued.

The Company shall provide a uniform rental service for employees on the following seniority lists, and shall be responsible for the cost of such rental and cleaning service:

- Fleet
- Manufacturing
- MEM

The uniform set for employees on the above seniority lists will be as follows:

- Thirteen (13) pairs pants (manufacturing-long pants only, Fleet/MEM-any combination of short and long pants, employee choice)
- Thirteen (13) long-sleeved shirts (any combination short and long sleeves, employee choice)
- Two (2) Jackets (employee choice)
- Two (2) Coveralls (employee choice-insulated or non-insulated)

New employees shall be provided these items within thirty (30) days of employment, and will be provided with Company-issued tee-shirts or sweatshirts (as appropriate), and may wear jeans, trousers, or walking shorts (excluding manufacturing) with these Company-issued items until uniforms are issued.

Where “employee choice” is indicated, this is a one-time selection to be made at the time of garment fitting.

The Company will provide replacements for uniform pieces turned in because they are no longer wearable. To facilitate this process, the uniform supply and/or service company(s) will visit each facility in March and September for garment fitting and ordering. Necessary garment fittings and exchanges outside these months will be scheduled on an as-needed basis.

When the Company provides safety equipment (including work gloves) for employees' use, employees will be required to use it. Employees who separate from the Company for any reason are required to return to the Company all uniforms and any other property they have been issued. Employees are responsible for repaying the Company the cost of any property not so returned upon termination of employment.

## ARTICLE 15. INSPECTION OF RECORDS

Where there has been a good cause showing by the Union of a particular violation by the Company of its obligations under this Agreement, the Secretary Treasurer or the President of the Union shall have the right to inspect those records of the Company which are pertinent for the purpose of verification, at the Company's premises and in the presence of a Company representative.

## ARTICLE 16. SHOP STEWARDS

The Company recognizes the right of the Union to designate Shop Stewards and alternates.

The authority of Shop Stewards and alternates so designated by the Union shall be limited to, and shall not exceed, the following duties and activities:

- (1) The investigation and presentation of grievances in accordance with the provisions of this Agreement.
- (2) The collection of dues when authorized by appropriate Local Union action.
- (3) The transmission of such messages and information which shall originate with, and are authorized by the Local Union or its officers, provided such messages and information:
- (4) Have been reduced to writing;

or,

if not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Company's business.

Shop Stewards and alternates have no authority to take strike action, or any other action interrupting the Company's business, except as authorized by official action of the Union.

The Company recognizes these limitations upon the authority of Shop Stewards and their alternates, and shall not hold the Union liable for any unauthorized acts. The Company in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the Shop Steward or alternate has taken unauthorized strike action, slowdown, or work stoppage in violation of this Agreement.

The Shop Steward shall not be laid off for any part of any day during which other members are given employment in the respective departments, provided the Shop Steward is qualified to perform the work being done in his department.

A Shop Steward is legally entitled to Union Representation at any meeting with management in which discipline is to be imposed. If a Union Officer is immediately available to be present at such meeting, the Steward may request his presence. In all other cases, a Steward from another department at the location or an alternate Steward will be present.

## ARTICLE 17. REFUSAL TO WORK

There shall be no cessation or slowdown of work, strikes or picketing by the Union nor any lockout by the Company during the duration of this Agreement, except for and after the failure to abide by and perform a final decision or award of the Arbitrator, as hereinafter provided in ARTICLE 18.

The Union shall not be responsible for any damages resulting from any strike, unless the Union has actually authorized or actually ratified the strike, and provided that the Union will immediately (but no later than within 24 hours) denounce any unauthorized strike and use its best efforts to procure the discontinuance thereof.

It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action in the event any employee refuses to go through or work behind any primary picket line authorized by the appropriate Joint Council of the IBT, provided the employee provides notice prior to the start of his/her shift or immediately upon gaining knowledge of such a picket line whichever is later. No employee shall be permitted to honor picket lines at the Company's place(s) of business.

In the event that an employee refuses to cross a picket line, the Company reserves the right to deem that employee unavailable for work for the duration of the dispute giving rise to the picket line.

## ARTICLE 18. GRIEVANCES AND ARBITRATION

A grievance is defined as a dispute between an employee or group of employees covered hereunder and the Company as to the meaning, application or violation of the provisions of this Agreement.

**Receipt:** A grievance must be filed in writing with the Company within ten (10) working days from the date of the occurrence, or when the grievant had knowledge thereof. The grievance must be signed by the Employer, employee and the Shop Steward or his alternate, and shall refer to the specific provision or provisions of the contract alleged to have been violated and the date that the alleged violation occurred.

The Shop Steward and / or alternate shall remain "on the clock" while presenting the grievance, and shall be compensated at his hourly rate for that day for time spent presenting the grievance.

**First Step:** It is the responsibility of the Company to schedule the first step meeting to take place within ten (10) working days of receipt of the grievance. At this meeting, the employee and his Shop Steward or alternate shall present the issue to the Supervisor and attempt to resolve the matter. Copies of the grievance shall then be sent to the Human Resources Manager and the Union. The Company must respond in writing within ten (10) working days of receipt of such grievance. If the Company fails to schedule such meeting or respond in writing within ten (10) working days of receipt of the grievance, it may be taken to the Second Step.

The employee and Shop Steward or alternate shall remain “on the clock” during the first step meeting, and shall be compensated at their respective hourly rates for that day for time spent discussing the grievance.

**Second Step:** It is the responsibility of the Union to notify the Company of its desire to pursue a second step meeting. The Shop Steward or alternate shall discuss the grievance with the designated manager (unit or department manager) within ten (10) working days of receiving the Company’s response to the first step meeting or the deadline for such response, and will attempt to settle the dispute. If the Union fails to notify the Company prior to the expiration of the ten (10) day period, the grievance will be considered denied, and may be taken to the next step. If the Company fails to schedule the meeting within the ten (10) day period, the grievance may be taken to the third step. The Company must respond in writing within ten (10) working days of the Second Step meeting. If the Company fails to respond in writing within ten (10) working days, the grievance may be taken to the Third Step.

The Shop Steward or alternate shall remain “on the clock” during the second step meeting, and shall be compensated at his hourly rate for that day for time spent discussing the grievance.

**Third Step:** Each month, a meeting will be held in each facility to address any grievances that remain unresolved after the Second Step. In the event that there are no such grievances, no meeting is necessary. A union official and the shop steward or alternate for each department presenting such grievance(s) shall be present and compensated for his time at his regular hourly rate. The unit, department, and/or plant manager, as well as the human resources representative, shall be present at the meeting to review and attempt to resolve grievances at this step. Grievances heard at the third step will be answered by the Company within five (5) working days.

At any time during the first, second, or third step, the time limits required by this Article may be extended by mutual consent of the parties.

**Arbitration:** The Union’s Executive Board must approve taking any individual grievance to arbitration. The Union shall notify the Company in writing of any such approval by the Executive Board. Failure of the Executive Board to render such decision or failure of the Union to notify the Company of such decision shall have the same effect as if the grievance were withdrawn with prejudice. If the Company and Union are unable to adjust the grievance at the third step, and unless said time is extended in writing by mutual agreement the Union must, then within the next thirty (30) working days, (or within ten working days of the Executive Board meeting which immediately followed the conclusion of the third step of the grievance, whichever is later) make a written request (a copy of which shall be mailed to the other party) to the American Arbitration Association for appointment of an Arbitrator pursuant to its rules. (The New Jersey Board of Mediation shall be used only upon mutual agreement between the Company and the Union.) Grievances not timely submitted for Arbitration as provided above shall be barred.

In order to be arbitrable, a request for arbitration must be in writing, signed by the grievant and must make specific reference to the Article of this Agreement which

is alleged to be violated. The request must also identify the specific relief sought. The Arbitrator shall have no power to rule in favor of the grievant unless he finds that the specific Article of the Agreement cited in the request for arbitration was in fact violated.

The decision or award of the Arbitrator shall be final and binding upon the parties hereto and shall conclusively determine such dispute.

The Arbitrator shall have no power to add to or subtract from, or to change, modify, or amend any of the terms and provisions of the Agreement, neither the Union nor the Company shall have any obligation to submit to Arbitration any dispute between them arising out of any negotiations for a renewal of this Agreement or any amendments to or modification of this Agreement.

In each arbitration there shall be a certified court reporter present and a transcript made of the proceeding.

Each arbitration will be conducted at a neutral site rather than at the Union's office or a Company facility.

The cost of Arbitration shall be shared equally between the parties. Once an Arbitration meeting is scheduled by the Arbitrator it cannot be postponed by either party without mutual written consent of the other.

## **ARTICLE 19. MANAGEMENT**

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

The Company will notify the Union thirty days in advance of any change in work rules.

## **ARTICLE 20. RESPONSIBILITIES OF THE UNION**

The Union and employees covered by this Agreement recognize that the opportunity for employment with the Company depends upon the continued and successful operation of the Company's plants and the production and distribution of high quality merchandise at the lowest possible cost in order to adequately meet competitive prices and conditions. To this end the Union and employees agree that all employees in the bargaining unit will perform their work

diligently and effectively and will cooperate fully in the introduction, installation or changes in the processes and methods of production and distribution. This clause shall not be interpreted as changing any other clause in this Agreement.

## **ARTICLE 21. ACCIDENTS AND INJURIES**

All employees in case of accident or injury are to report the same to the office, person, or service designated by the Company, currently JobHurt, securing the names and addresses of all witnesses to the accident, no matter whether said accident be trifling in character or not. In the event of failure to report said accident or injury, said employees may be disciplined by the Company. All accidents and injuries must be reported to the Company on the same day on which they occur, except in respect to injuries not connected with an accident involving equipment. Such injury must be reported no later than twenty-four (24) hours after it occurred, where physically possible.

## **ARTICLE 22. EXCLUSIVE CONTRACT**

- A. Subject to the exceptions hereinafter noted, this Contract is intended to provide exclusive coverage in respect to all employees of the Company engaged in the production and distribution of the Company's products in the territory now served by the Company from the Company's location in New Jersey (exclusive of Mercer County, New Jersey), and also as to all employees engaged in maintenance work in such plants, the jurisdiction of Local 125 (I.B.T.) being recognized in those areas. The Company will not enter into any contract or arrangement with any other Local Union which will in any way interfere with the exclusive jurisdiction of Local 125, as herein above set forth.
- B. The foregoing, however, is subject to the reservation that Local 560 (I.B.T.) claims jurisdiction over certain phases of the Company's work in the Jersey City area pertaining especially to the operation of the Company's Vending Department, as set forth in the collective bargaining agreement being concurrently herewith entered into between the Company and Local 560. The Company takes the position that any dispute as to such claims of Local 560 are claims to be settled within the framework of the International Brotherhood of Teamsters and the Company takes no position in this matter between Local 125 and Local 560.
- C. The foregoing is also subject to the legitimate claims which may be made by craft unions for work historically within the jurisdiction of such Union, except that the Company will use its best efforts to have all possible work pertaining to production, distribution and maintenance in and out of the locations above-mentioned performed exclusively by Local 125 men.

## **ARTICLE 23. DELIVERIES TO CUSTOMERS**

No employee shall be required to deliver a unit, premix tanks, or cases where it is detrimental to his safety and welfare.

## **ARTICLE 24. MACHINE POSITIONS**

The Company shall not assign any employee to a machine position if such assignment presents a safety hazard.

## **ARTICLE 25. SANITARY ROOM AND FUMES**

A suitable and sanitary room shall be provided where employees can change their clothing. The Union shall have the right to review fume control with Management and if satisfactory measures are not agreed upon, same shall be submitted to arbitration as provided in ARTICLE 18.

## **ARTICLE 26. DEATH BENEFITS, HOSPITALIZATION & SURGICAL BENEFIT PROGRAM**

All employees shall be enrolled in the Company's Flexible Benefits Plan. In recognition of the fact that the design and the cost of the Flexible Benefit program may be changed by the Company from year to year, the Company agrees to provide the following protection:

1. For calendar years 2006, 2007, 2008, 2009, and 2010, the Employer will devote at least \$5000/year/employee to provide the Flexible Benefits Program. In the event that the Employer's cost of providing Flexible Benefits is less than \$5000/year/employee, the difference shall be granted to employees in a lump sum calculated by subtracting the cost of the Flexible Benefits Program from \$5000. That amount shall be paid during the first week in March in a lump sum to each employee on active status as of February 1 of the appropriate year.
2. In the event that the Employer decides to terminate health and welfare coverage for employees who, after the effective date of this Agreement, will retire from the Company in classifications covered by this agreement, the Union shall have the right upon thirty days' notice to reopen the Agreement for the purpose of negotiating Health and Welfare benefits. Re-opener negotiations shall be concluded within thirty (30) days of the Union's exercise of its right to reopen. In the event that parties are unable to reach agreement at the conclusion of re-opener negotiations, each party shall have the same rights as at the conclusion of contract renewal negotiations, including the Union's right to strike.

The provisions of sections 1 and 2 above shall cease to apply on the effective date of any state or federal legislation dealing with health care reform.

Subject to the provisions of the Family Medical Leave Act, employees on a leave of absence shall continue to be covered for benefits under this Article only if receiving benefits under either the Short Term or Long Term Disability Plans.

## **ARTICLE 27. JURY DUTY**

A regular employee who is called for service on jury duty, shall receive a full day's pay at regular, straight-time rate for each day of jury service, provided however, that such employee actively serves on said jury duty on only one (1) occasion in any calendar year irrespective of the number of days served during that one (1) term of jury service, and further provided that any money received by any such employee for any payment for such jury service shall be paid over to the Company as a reduction of the Company's payment required hereunder.

## ARTICLE 28. BEREAVEMENT PAY

Bereavement pay shall be granted to the extent that all regular employees who have been steadily employed for one (1) year shall be recompensed for up to three (3) days' pay at the employee's regular work rate for workdays lost due to a death in the immediate family (mother, father, stepmother, stepfather, spouse, domestic partner (as determined by the Company), grandparents, grandchildren, mother-in-law, father-in-law, brother, sister, child or stepchild). A day's pay shall be either eight (8) or ten (10) hours of pay, based upon the employee's regular schedule.

If the bereavement leave is taken during any portion of an employee's vacation period, the equivalent number of days will be offered to the employee at eight (8) hours of straight time pay; such days must be taken within six (6) months of the death, and must be approved by the employee's supervisor.

Employees who have been steadily employed for less than one year shall be have the same allowances for leave outlined above, but without compensation. Such leave shall be considered a personal leave of absence.

Bereavement may be taken within any two (2) week period from the death as long as it is in connection with the day of the funeral.

## ARTICLE 29. SEVERANCE AND RETIREMENT

### **Section 1 refers only to those employees hired by the Company on or *prior* to May 19, 2010**

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#### Section 1.

The active employees covered by this Agreement who were hired on or prior to May 19, 2010 shall become eligible to participate in The Pepsi Bottling Group Hourly Pension Plan ("Hourly Plan") and shall receive credit for service under the Hourly Plan for all their years of service with the Company. The effective date ("Effective Date") of the employees eligibility to participate in the Hourly Plan shall be August 15, 1984 if he was employed on that date. For all other employees it shall be the attainment of age 21 and completion of one year's service.

- Benefits payable under the Hourly Plan of this agreement at normal retirement shall be seventy-four dollars (\$74.00) per month for each year of credited service for employees who terminate employment on or after May 16, 2015.

The other provisions of the Hourly Plan shall apply generally to the employees.

Employees covered by this Agreement who were hired by the Company prior to June 1, 1960 and were previously enrolled in PHERP will continue to receive an additional comparable benefit under the Hourly Plan, provided that such benefit shall only be based on service after the Effective Date. Any employee hired after June 1, 1960 is not and shall not be eligible for this additional benefit.

All vested and retired employees of the Joint Pepsi/Local 125 Fund as of August 15, 1984 will have their benefits provided by the PHERP Plan (or any successor Plan thereto) subject to the same terms and conditions as the Pepsi/Local 125 Fund.

An employee hired prior to May 1, 1996, who attains thirty (30) years of service as defined by the pension plan shall be eligible to retire at a full pension amount and will not have his monthly benefit reduced as stated under the early retirement provisions of the plan. An individual who retires with thirty (30) years of service will be entitled to retiree medical as outlined in Article 30 regardless of age.

The pension provisions that apply to the participating employee group described below are included in the governing plan document for The Pepsi Bottling Group Hourly Pension Plan and described in the applicable summary plan descriptions.

**Maximum Credited Service:** Effective June 1, 1996, no maximum credited service limitations will apply to any location.

**Multiplier:** Effective May 16, 2010, the multiplier at all locations will be seventy dollars (\$70.00).

**30 and Out:** Effective June 1, 1996, 30 and out benefits, that is unreduced retirement benefits with 30 years of service beginning at any age, will be available at all locations, but such benefits shall apply only to employees hired prior to May 1, 1996.

**Early Retirement:** Effective June 1, 1996, reduced early retirement benefits will be available as early as age 55, unreduced early retirement benefits will be available as early as age 62 and a 4% reduction will apply for each year a participant is between the ages of 55 and 62 at the time of retirement.

**Disability Retirement:** Effective June 1, 1996, unreduced disability retirement benefits will be available on the same terms and conditions as early retirement benefits, which are summarized above.

## **Section 2 refers only to those employees hired by the Company *after* May 19, 2010**

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### Section 2:

Employees hired or rehired into the Company after ratification of this agreement (May 19, 2010) will not be eligible to participate in any PBG-sponsored Defined Benefit Pension Plan, including, without limitation, The Pepsi Bottling Group Hourly Pension Plan, based upon service after such hiring or rehiring. Instead, employees hired into the Company after (May 19, 2010) will, after meeting any qualifications set forth in any applicable plan or collective bargaining agreement, be eligible to receive, for services after such hiring or rehiring, the following Company contributions under a PBG 401(k) plan or plans (hereinafter referred to as the "PBG 401(k) Plan"):

- **The PBC Company Retirement Contribution (CRC) benefit.**

Eligible employees with less than ten (10) years of service will receive a CRC benefit of 2% of eligible pay per year. With ten (10) or more years of service, the CRC benefit will increase to 3% of eligible pay per year. Eligible pay will follow the definition as listed in the PBG 401(k) Plan document, but generally includes Base, OT, Commission, Bonus, Sick, Holiday, Vacation and STD earnings. Years of service will also be determined in accordance with the applicable plan document.

- **A Company matching contribution.**

An eligible employee with less than ten (10) years of service will receive a matching contribution equal to 25% of the employee's eligible contributions to the plan. After ten (10) or more years of service, the matching contribution will increase to 50% of the employee's eligible contributions to the plan. For matching contributions, eligible contributions will only include the first 4% of eligible pay that an employee contributes to the plan on a per paycheck basis. Eligible pay will follow the definition as listed in the PBG 401(k) Plan document, but generally includes Base, OT, Commission, Sick, Holiday, Vacation and STD earnings. Years of service will also be determined in accordance with the applicable Plan document.

Benefits earned under the PBG Pension Plan(s) and PBG 401(k) Plan are subject to the terms and conditions of those plans, as such plans may be amended from time to time.

### Section 3:

Effective January 1, 2011, all employees hired or rehired into the Company after May 19, 2010, will cease participating in the PBC CRC plan and the 401K matching contribution (as described in Section 2), and instead will be eligible to participate in the PBC hourly retirement plan benefit under the PepsiCo Hourly Employees Retirement Plan (the "PBC Hourly Plan"). In addition, all employees hired or rehired on or after January 1, 2011 will be eligible to participate in the PBC hourly retirement plan benefit under the PepsiCo Hourly Employees Retirement Plan (the "PBC Hourly Plan").

The PBC Hourly Plan is a defined benefit plan that provides participating employees with a retirement benefit in the form of an account balance that grows through two types of credits:

- Pay Credits –
  - Employees with 0-9 years of service – the account balance of these eligible employees will be increased by an amount equal to 4% of their eligible compensation
  - Employees with 10 or more years of service – the account balance of these eligible employees will be increased by an amount equal to 5% of their eligible compensation
- Interest Credits -
  - On an annual basis, the PBC Hourly Plan will establish an interest crediting that will be tied to the market rate on the 30-year US Treasury note

Any employee that is eligible to participate under the Pepsi Bottling Group (PBG) Hourly Pension Plan as of January 1, 2011 that terminates and is subsequently rehired following a twelve (12) month break in service will no longer be eligible to participate under the PBG Hourly Pension Plan. These employees will be eligible to participate in the PBC hourly retirement plan benefit under the PepsiCo Hourly Employees Retirement Plan (the "PBC Hourly Plan") as described above. However, as described under the applicable plan documents, prior service with the Employer may be counted for purposes of determining benefits eligibility and benefit levels under the PBC Hourly Plan. Eligibility to participate and benefits earned under the PepsiCo Hourly Employees Retirement Plan are subject to the terms and conditions of those plans.

The Company shall make available to all employees who retire, a post-retirement medical plan which shall cover the retiree and his spouse for life; and will cover dependents for as long as

they are eligible, as described in the Plan document. The design and cost of the retiree medical program may be changed by the Company from year to year.

### **ARTICLE 30. EMPLOYEE AND EMPLOYER'S WELFARE:**

Whenever possible, the Union agrees at all times to further the interests of the Employer.

The Employer agrees that it will not require or assign any employee to engage in any activity which involves hazardous working conditions and constitutes a real danger to such employee's person or property, or any activity which is in clear violation of any applicable statute, court order, or governmental regulation relating to safety of person or equipment.

The Employer shall not require employees to take out on the streets or operate in the plant, any automotive equipment that is not in safe operating condition or equipped with the safety appliances prescribed by law. It shall not be a violation of this Agreement for any employee to refuse to operate such equipment provided that the employee has followed and complied with the Company's safety program and regulations, or unless such refusal is unjustified.

Any employee required to take a random drug test shall take such test during working hours or immediately preceding or following his regular workday, and shall be compensated at his rate for that day (including any premium pay if applicable).

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

### **ARTICLE 31. SUBCONTRACTING**

With respect to the subcontracting of work presently performed in the State of New Jersey by employees covered by this Agreement from the locations listed in ARTICLE 1 herein, the Company agrees that it will first discuss its intent to subcontract such work with the Union and in the event the Union does not agree that the subcontract is appropriate, the parties will submit the question to arbitration within thirty (30) days prior to the Company's implementation of the intended change. If the dispute is not submitted and heard before an Arbitrator during this period, the Company shall implement such change and the Arbitrator may rule on the impact on the employees affected. The Arbitrator shall have no authority to alter, modify, amend, change, or add to any provisions of this Agreement, but his award, completely rendered, shall be final and binding.

### **ARTICLE 32. BARGAINING UNIT WORK**

- A. The Company agrees not to utilize outside transport services (common carriers) for the movement of full goods among the facilities covered by this Agreement, unless all employees on the Transport seniority list as of the ratification date of the 2005 Agreement are scheduled to work in the week in which common carriers are utilized.
- B. In addition, the Company may use outside contractors and/or services to perform janitorial work, building or ground maintenance, installation of equipment within its facilities, and service work by equipment manufacturers.

- C. It shall not be a violation of this agreement for Company employees not covered by this agreement to perform work normally assigned to members of this bargaining unit when such work is incidental or for training or in emergency situations. An example of such incidental work, is the clearing of a jam on a bottling or canning line.
- D. In other situations, when a member of the bargaining unit is not present and available to perform work, non-bargaining unit employees may be utilized for such work. Examples would include packing out a store or filling in a display, relieving on breaks, fixed asset verification, resets, incidental delivery of product, or running a route which otherwise would not be run due to the unavailability of bargaining unit employees.

### **ARTICLE 33. NON-DISCRIMINATION**

The Company and the Union agree that the provisions of this Agreement shall apply equally to all employees covered hereunder without regard to race, creed, color, national origin, nationality, ancestry, age, sex, affectional or sexual orientation, and mental or physical disability.

### **ARTICLE 34. SELLING AND DELIVERY**

The Company reserves the right to determine the selling and/or delivery method for any account at any time.

#### **Section 1: AOM (All Other Market) Pre-Sell**

- A. Effective on or after June 1, 2001, the Company will implement an AOM Pre-Sell System. This will involve selling agents classified as either Pre-Sell Representatives (PSRs) and/or Account Managers selling in products and programs to customers on a pre-sell or tel-sell basis. The sale and/or ordering of product in the AOM Pre-Sell system shall be performed by individuals covered by this Agreement (PSRs), as well as those not covered by this Agreement (Account Managers). Seventy-five percent (75%) of the selling jobs in the AOM pre-sell system shall be designated as Pre-Sell Representatives, and twenty-five percent (25%) of the selling jobs shall be designated as Account Managers.

*Pre-Sell Representatives (PSRs):* PSRs will be responsible for selling in products and programs to customers on a pre-sell basis and calling on tel-sell customers as required, for product delivery by bargaining unit employees. PSRs shall also be involved in merchandising activity, placing point of purchase materials, selling in resets, and other activity designed to increase in-store sales. Pre-Sell Representatives shall be part of the bargaining unit, and shall be part of the Sales Seniority list.

The Company shall have the unilateral right to:

- Select all Pre-Sell Representatives (regardless of seniority)
- Remove any PSR from position who is not meeting the standards for such position that are set forth by the Company
- Determine, add, change, or eliminate routes and/or work schedules
- Assign employees to selling routes

When the Company exercises the unilateral rights outlined above, the Union may not challenge such action through the Grievance and Arbitration process.

Pre-Sell Representatives shall be part of the Sales Seniority list. Employees that transfer to the PSR position must remain in that position for at least six (6) months, unless they are released from that position by the Company. After six (6) months, the employee has thirty (30) calendar days to elect to return to his former classification; if he exercises this option, he may return to his former classification and initiate the bumping process outlined below. If, during or at the conclusion of the thirty (30) day period, the employee chooses to remain in the PSR position, he will be not eligible to bid on open positions in accordance with Article 4 until twelve (12) months after transfer to the PSR position.

In the event that a Pre-Sell Representative is removed from his position by the Company due to work performance within the first twelve (12) months of his assignment to such position, he shall have the right to exercise his departmental seniority to bid on any open position for which he possesses the necessary qualifications. If no such position is available, the employee may use his departmental seniority to bump the most junior person in the classification he was in prior to becoming a PSR. The employee who is bumped may bump the most junior person on the sales seniority list, provided he possesses the necessary qualifications to perform that job. The junior-most person shall then be laid off, unless there is an open position for which he possesses the necessary qualifications. If the bumped employee does not possess the necessary qualifications to displace the most junior employee, he shall be laid off, unless there is an open position for which he possesses the necessary qualifications.

In all cases where “former classification” is referenced, if his prior position was Customer Representative, Fountain Driver, or Utility Driver, the Bay Delivery Driver classification will be considered the equivalent position; if his prior position was Bulk Customer Representative, the Order-Merchandiser classification will be considered the equivalent position.

*Account Managers:* Account Managers will be responsible for selling in products and programs to customers on a pre-sell or tel-sell basis, for product delivery by bargaining unit employees. Account Managers shall also be involved in merchandising activity, placing point of purchase materials, selling in resets, and other activity designed to increase in-store sales, and will manage in-store execution and performance by bargaining unit employees; account managers performing merchandising activity or other AOM bargaining unit work will not be considered a violation of Article 33. Account Managers shall not be part of the bargaining unit and shall not be covered by any provisions of this Agreement.

*Bay Delivery Drivers:* Bay Delivery Drivers will have primary responsibility for delivery and merchandising of products to customers, except in emergencies and unforeseen circumstances as described in Article 33 of this Agreement. Bay Delivery Drivers shall deliver both bottle/can and fountain products as assigned by the Company. In addition, when work is available after assigning all Utility personnel, Bay Delivery Drivers will be offered such incidental sales work such as resets, special events, or other duties as part of the daily bid process outlined in Article 4 of this Agreement. Bay Delivery Drivers shall be paid as outside hourly employees, in accordance with the rate structure outlined in Article 11.

- B. *Dispatching:* Under the AOM Pre-Sell system, delivery schedules will be dispatched on a daily basis. Initial implementation bidding and shift schedule and start time bidding will take place in accordance with Section 5 of this Article. Daily Job Assignment bidding shall be conducted in accordance with Article 4 of this Agreement. The Company reserves the right

to determine, add, change or eliminate delivery schedules. The Company reserves the right to move any account to any selling or delivery system covered by this Agreement.

- C. *Routes*: The Company will establish AOM selling routes, which shall consist of a roster of accounts determined by the Company. Routes may be changed on a daily basis at the discretion of the Company to respond to business needs. The Company reserves the right to determine, add, change, or eliminate AOM selling routes and/or work schedules. The Company reserves the right to move any account to any selling or delivery system covered by this Agreement.

In the event that an AOM selling route is added, the Company will determine whether such route will be serviced by a PSR or Account Manager (within the division of positions outlined above). If determined to be a PSR route, a PSR bid will be offered for bid in accordance with Article 4 of this Agreement. If an AOM selling route is eliminated, the Company reserves the unilateral right to determine which PSR shall be laid off; such employee may use his departmental seniority to bid on any open position, or may displace the most junior person on the list for which he possesses the necessary qualifications.

There are no routes in the AOM Pre-Sell delivery system, as there are no fixed rosters of accounts; all deliveries are dispatched by the Company daily to provide optimal delivery schedules.

- D. *Layoffs*: Layoffs will be conducted in accordance with the provisions of Article 4.
- E. In the event that the Company chooses to create or retain dedicated fountain route(s), such routes shall be managed under the same provisions that apply to dedicated FSV Routes (Section 3 of this Article), and employees who run such routes shall belong to the classification of Fountain Driver, and shall be paid the same as a FSV Driver.
- F. The Company reserves the unilateral right to determine the appropriate selling and delivery system for any customer(s), but agrees not to use AOM Pre-Sell selling agents (account managers and pre-sell representatives) to conduct selling activity in Large Format Pre-Sell accounts.
- G. Pre-Sell Representatives working from home shall be paid beginning at arrival at their first stop and ending with completion of their last stop. In addition to this, if the mileage from the PSR's home to their first (or last) account is greater than the mileage from their home to the work facility, the Company shall reimburse the PSR the IRS reimbursement rate for the difference in miles. (For example, if the mileage from a PSR's home to the work facility is twenty (20) miles, and the mileage from the PSR's home to his first (or last) account is thirty (30) miles, the Company would reimburse the PSR the IRS reimbursement rate for ten (10) miles.) In such instances, the Company shall reimburse for the difference in miles from home to the employee's first or last stop, whichever greater, but not both.
- H. *Utility classification*: Effective on or shortly after (the date of ratification of this agreement) the Company will establish a new job classification called "Utility". This function will not require a CDL. Utility personnel will be assigned work performing resets, setting up racks and displays, merchandising product (primarily in small format accounts) and other incidental sales related work as needed by the Company. A Utility employee may be required to perform more than one function during any given day. For example they may be assigned both reset and merchandising work during the same work day. Utility personnel will be paid two dollars (\$2.00) more than the Merchandiser pay rate.

Upon implementation of the new Utility classification the Company will post the new position(s) for bid from within the Sales Department. On any given day in which the Company determines it needs additional small format reset work to be done beyond that which is assigned to the Utility classification, such work will be bid first within the D-Bay Driver classification. Nothing herein shall prohibit the Company from assigning small format merchandising work to Merchandisers.

The Company will not have more than the following maximum number of Utility positions in each location:

<b>Location</b>	<b>Maximum</b>
Piscataway	4
Kearny	4
E. Hanover	2
Asbury	2

The maximum number of Utility positions outlined above is inclusive of any temporary postings for such roles.

In the event a D-Bay Driver travels with another D-Bay Driver on the same truck for the day or is assigned to work with another D-Bay Driver for the entire day and follow him/her in another vehicle to merchandise product they shall be paid the D-Bay hourly rate of pay. In the event a merchandiser does the same thing they shall be paid the Merchandiser hourly rate of pay. If a D-Bay Driver is required to drive a CDL required vehicle to deliver racks, displays, merchandise product, etc. they shall be paid the D-Bay hourly rate of pay. For the purpose of this new Letter (A) section all reference to the D-Bay Driver classification and pay rate shall refer to the Geo Box Driver classification and pay rate in the East Hanover facility.

## **Section 2: Large Format Pre-Sell**

- A. Effective on or after June 1, 2001, the Company will implement an Order-Merchandising selling and delivery system for its' large format customers. The selling of products and sales promotion programs in the Large Format Pre-Sell system shall be performed by Order Merchandisers, and can also be performed by individuals not covered by this Agreement.

**Order-Merchandisers:** Order-merchandisers shall be responsible for selling of products and sales promotion programs, writing replenishment orders; writing orders to execute Key Account Manager (KAM) sales activity; merchandising aisles, displays, racks, coolers, or any other point of distribution in an account; maintaining backroom space and/or trailers; and executing proper merchandising processes in assigned accounts (including but not limited to such things as posting current point of sale material, appropriate price points, consumer incentives, etc.).

**Merchandisers:** Merchandisers will not have permanent routes, but will support and provide relief for order-merchandisers, as well as perform in-store resets, cold vault resets, pack-outs in assigned accounts, POP placements, and other merchandising duties as assigned by the Company. Merchandisers can be assigned to merchandise product in any account, or in any selling and delivery system, as determined by the Company. It is understood that any Merchandiser working voluntarily outside of his workweek to make up his forty (40) hours will work at straight time.

- B. **Routes.** The Company will establish Large Format routes, which shall consist of a roster of accounts determined by the Company. Routes may be changed on a daily basis at the discretion of the Company to respond to business needs. The Company reserves the right to determine, add, change, or eliminate order-merchandise routes and/or merchandising schedules. The Company reserves the right to move any account to any selling or delivery system covered by this Agreement.

In the event that an order-merchandise route is added, the route will be offered for bid in accordance with Article 4 of this Agreement. If an order-merchandise route is eliminated, the least senior order-merchandise in that facility will be laid off, and the remaining routes rebid to the remaining employees. The employee who is laid off may bid into any available open position, or may bump the least senior employee on the sales seniority list, provided he possesses the qualifications to perform such work.

- C. **Initial Implementation.** Initial implementation of Large Format Pre-Sell, as well as bidding for implementation of AOM Pre-Sell, are outlined in Section 5 of this Article.
- D. **Layoffs.** Layoffs shall be conducted in accordance with Article 4 of this Agreement.
- E. **Personal Vehicles.** The Company reserves the right to provide a merchandise, pre-sell rep or order-merchandise with a Company vehicle or to require him to use his personal vehicle. If the employee uses his personal vehicle, the Company will reimburse him at the current IRS rate from his first stop to his last stop if he works from home, and from departing the facility to returning to the facility if he reports to the facility to swipe in and out. Mileage reimbursement shall be provided on a weekly basis.

Merchandisers and Pre-Sell Reps working from home shall be paid beginning at arrival at their first stop and ending with completion of their last stop. In addition to this, if the mileage from the Merchandise's/PSR's home to their first (or last) account is greater than the mileage from their home to the work facility, the Company shall reimburse the Merchandise/PSR the IRS reimbursement rate for the difference in miles. (For example, if the mileage from a Merchandise's/PSR's home to the work facility is twenty (20) miles, and the mileage from the Merchandise's/PSR's home to his first (or last) account is thirty (30) miles, the Company would reimburse the Merchandise/PSR the IRS reimbursement rate for ten (10) miles.) In such instances, the Company shall reimburse for the difference in miles from home to the employee's first or last stop, whichever is greater, but not both.

### **Section 3: Full Service Vending (FSV)**

- A. The Company will continue to support its' full-service vending business with dedicated full-service routes, but may combine full-service vending with fountain delivery where geographically advantageous. Provided the annual prior year volume on the route is at least 50% FSV cases, the route shall be considered a FSV route, and the employee shall be compensated as a FSV Driver in accordance with Article 11 of this Agreement.
- B. Routes

The Company will establish FSV routes, which shall consist of a roster of accounts determined by the Company. Routes may be changed from time to time at the discretion of the Company.

In the event that a FSV route is added, the route will be offered for bid in accordance with Article 4 of this Agreement. If a FSV route is eliminated, the least senior FSV driver in that facility will be laid off, and the remaining routes rebid to the remaining employees. The employee who is laid off may bid into any available open position, or may bump the least senior employee on the sales seniority list, provided he possesses the qualifications to perform such work.

C. Bidding

At the time of AOM Pre-Sell Implementation, all FSV routes will be available for bid. Subsequent to the AOM Pre-Sell bidding process, employees must follow the bidding process for open positions described in Article 4 and as outlined in Section 3 (B) above.

D. Full Service Relief

The Company will establish an "Interest Bid" at each facility for those employees who have the appropriate CDL license wishing to work in Full Service to fill in for vacations and absences of any kind when the Company determines it is necessary to backfill such vacancies. The Company will establish the following number of Interest Bids in each facility:

Piscataway	5
Kearny	4
East Hanover	4
Asbury Park	3

This number will remain constant throughout the duration of this Agreement. If the Company desires to change the number of Interest Bids outlined above, the Company will meet with the Shop Steward to reach a mutually agreeable number.

If more employees express an interest in getting on the Interest Bid than are needed by the Company, such training and assignment to the Interest Bid will be determined by seniority. The Company will offer a training program to those employees on the Interest Bid in order to certify them to become back-up Full Service Drivers. In most cases, training will be provided between January and March of each year.

Employees on the Interest Bid will backfill Full Service work when needed before any other employee will be allowed to do such work. Backfill opportunities from the Interest Bid will be offered to employees on the Interest Bid by facility in seniority order. If not enough employees on the Interest Bid volunteer on a particular day or week to work in Full Service when needed, the least senior employee(s) on the Interest Bid will be assigned such work.

If not enough employees sign up for the Interest Bid in a facility, or if not enough employees are on the Interest Bid to complete the available Full Service work on any given day, the Company may then offer such work to any qualified employee within the department on a seniority basis. If not enough qualified employees' volunteer within the department on a particular day or week to work in Full Service when needed, the least senior qualified employee(s) within the department will be assigned such work.

No employee relieving for Full Service work will be allowed to bump regularly bid Full Service Drivers off their permanent routes.

All successful bidders on the Full Service Interest Bid will be obligated to be used as a backup for Full Service work when needed for a twelve month period. If an employee no longer wishes to be on the Interest Bid after twelve months, the employee may elect to remove himself from the list. However, any employee on the Interest Bid may bid from their permanent bid position to another permanent position at any time while on the Interest Bid. If they do bid to a different permanent bid position than they had at the time they began on the Interest Bid, either the employee may decide to remain on the Interest Bid or remove himself from the Interest Bid at the time he takes his new position, or the Company may decide to not allow that person to continue on the Interest Bid list.

When the Company posts a Full Service relief position which is one week or longer in duration (vacation relief, workers compensation, etc.), the employee who accepts or is assigned to that replacement route must remain on that route for the duration of the assignment.

In the event the Company posts a full time Full Service position, all employees will have the opportunity to bid on that position regardless of whether they are on the Full Service Relief Interest Bid or not.

#### **Section 4: Deliveries**

The Company shall have the sole discretion as to the type of vehicle used for any delivery, and the Company may utilize as many bulk trucks as necessary to service the designated bulk accounts and may be scheduled to be delivered from any of the Company facilities. A bulk delivery driver can be required to merchandise any stop or stops.

The Company will not deliver its' major brands of carbonated soft drinks (Pepsi, Diet Pepsi, Mountain Dew) directly to the warehouse or distribution center of any chain grocery store.

It shall not be a violation of this Agreement for the Company to schedule direct delivery from a sourcing location to any account.

In the event that the Company establishes second or third shift bulk delivery, the bulk drivers will choose by seniority their desired shift. If an insufficient number of bulk drivers choose a particular shift, they shall be assigned from the bottom up.

#### **Section 5. Miscellaneous**

Order-Merchandisers and Merchandisers working on weekends will have access to a manager either by beeper or on-site.

Employees who were BCRs or Tier I Merchandisers on May 31, 2001, who become Order-Merchandisers in Large Format Pre-Sell, and bid on fifth, sixth, and/or seventh day merchandising overtime shall receive their order-merchandiser rate for such work.

## **ARTICLE 35. WAIVER OF BARGAINING AND COMPLETE AGREEMENT**

### **Section 1.**

This Agreement terminates all prior verbal, written, express or implied contracts, agreements, understandings or past practices between the parties. The express terms contained in the document set forth the sole and complete agreement between the parties for the term of this Agreement, and this Agreement cannot be modified or any provision waived, except in writing signed by both parties. In addition, the right to present proposals or request bargaining on any matters, whether or not discussed during the negotiations which led to this Agreement, is hereby waived by the Company and the Union for the term of this Agreement.

### **Section 2.**

Unless specifically so provided in this Agreement to the contrary, past practices shall not be binding on either party.

## **ARTICLE 36. ADDITIONAL PROVISIONS**

### **Section 1.**

The Company may hire part time employees for any classification within this Agreement. With the exception of part time merchandisers, no part time employee may be used in a department in which full time employees are laid off. Part-time employees shall be members of the Union, but shall not accrue seniority, nor shall they be eligible for benefits of any kind (including, but not limited to, Flex benefits, pension, vacation, paid time off, and shift differential). They shall be paid at 85% of the June 1, 2004 wage rate for the applicable classification. Step rates shall not apply to part-time employees. They shall be eligible for time-and-one-half (1 ½) overtime pay after eight hours in a day, and after forty (40) hours in a week, and shall receive the IRS reimbursement rate for use of a personal vehicle.

Hourly rated employees within each department shall have the opportunity to receive forty hours of pay before the Company may utilize part time employees within that department on Saturday or Sunday. Any hourly rated employee utilizing the opportunity to "complete his forty" on Saturday or Sunday, shall do so at straight time.

Subject to the needs of the business, and where reasonably possible, the Company will try to distribute available overtime to full time employees rather than giving overtime to part time employees. On a workday, a full time employee will be given the opportunity for overtime at the end of his shift if he is immediately available and all part time employees within that same classification have already completed a full day's work.

The following shall be the maximum number of hours (by department) that part time employees are permitted to work during each contract year:

Department	Maximum Hours Per Contract Year
Sales	Unlimited
Transport	2000
MEM	2000
Fleet	2000
Manufacturing seniority list	20000
Warehouse:	
Piscataway	12500
Kearny	5000
Hanover	5000
Asbury Park	5000

At the Union's request, the Company will review the part time hours with the steward of each department.

The Company will meet on a monthly basis with the Union to review the number of hours that each part time employee has worked during the previous month. The Company will work with the Union to resolve any concerns or issues that may arise as a result of this review.

## **Section 2.**

The Company may utilize temporary employees (who shall not be covered by this Agreement) to perform work described in ARTICLE 33 (Bargaining Unit Work). Under no circumstances will temporary employees be utilized to sell product. The Company may also utilize temporary employees to perform work in any department in which no full time employees are laid off.

## **Section 3.**

The Company shall have the right to assign work (e.g., forklift assignments) within a department or between or among departments and may change such assignments as conditions warrant. The exercise of this right shall not be considered a violation of any seniority provisions of this Agreement.

## **Section 4.**

The Company shall not abuse its right to utilize part time or temporary employees and shall not utilize part time or temporary employees as a subterfuge to avoid hiring full time employees.

## **Section 5. Plant Closing or Elimination of Department**

In the event the Company decides to close a plant or department of employees covered by this Agreement, the Company will meet with the Union to discuss the implications of such closure or department elimination.

## **Section 6. Availability of Work**

The Company will make every effort to contact employees in the sales department for whom no work is available by 6:00PM for next day work in the presence of:

- a Shop Steward or Assistant Shop Steward, if available as soon as possible, or

- a bargaining unit employee chosen (by the Company) from a pre-determined list of (X) employees representing both Inside and Outside employees identified by the Union, if available as soon as possible.

In the Production and Warehouse departments, the Company will make every effort to contact employees for whom no work is available utilizing the process described above no later than six (6) hours prior to the beginning of the regularly scheduled start time.

The Company reserves the right to move these time commitments up to two and one-half (2½) hours later in the event of dispatching system problems, loss of utilities (electric, gas, water), weather related emergencies, or any other unforeseen circumstances.

### ARTICLE 37. TERM OF AGREEMENT

This agreement shall become effective as of May 16, 2015, and continue in effect until May 15, 2020 and thereafter from year to year, unless any party not less than sixty (60) days prior to May 15, 2020 or any subsequent May 15th, shall mail to the other party a written notice to modify the term of this Agreement in which event the Agreement shall terminate at the close of business on May 15.

**IN WITNESS WHEREOF**, the Company and the Union have caused this instrument to be executed by their officers thereunto duly authorized as of the day and year first above written.

FOR THE COMPANY:

FOR THE UNION:

**Pepsi Beverages Company**

**Teamsters Local 125, an affiliate of the International Brotherhood of Teamsters**

BY: Michael P. Gilligan  
Michael P. Gilligan  
Vice President, Labor Relations

BY: Tony Petillo  
Tony Petillo  
President

## MEMORANDUM OF UNDERSTANDING #1

This Memorandum of Understanding is intended to supplement and interpret the provisions of ARTICLE 6, Section (B) regarding payment of daily overtime, and ARTICLE 11, regarding those positions which are eligible for the Machine Operator classification rate, in the present collective bargaining agreement by and between PBC and Teamsters Local 125, an affiliate of the International Brotherhood of Teamsters:

- (1) For purposes of overtime computation under ARTICLE 6, Section (B): all time worked in any continuous shift, including overtime, shall be considered as work performed on the workday in which the shift started.

**EXAMPLE:** An employee regularly scheduled to work a shift starting on or before midnight from Monday through Friday will be considered to be working on a regular weekday shift on Friday (one of the five regularly scheduled workdays), and will receive straight time pay for the first eight (8) hours worked on such shift.

If such employee is requested to work overtime in conjunction with that shift, he will receive time and one-half (1 1/2) for all hours of overtime.

If a holiday falls on a Saturday, and is observed on such day, the employee shall receive the rates specified above for such overtime, but, in addition, shall of course receive his holiday pay for the holiday not worked.

- (2) For purposes of paying the rate listed for the Machine Operator classification in ARTICLE 11, only the following jobs are eligible for such rate:
- (A) Processing (Batching, QC Tech, Filler Operator, Syrup Support)
  - (B) Forklift Operator
  - (C) Denester
  - (D) BIB Fountain
  - (E) Case Packer
  - (F) Palletizer / Depalletizer Operator(s)
  - (G) Relief (for above jobs only)

FOR THE COMPANY:

**Pepsi Beverages Company**

BY: Michael P. Gilligan  
Michael P. Gilligan  
Vice President, Labor Relations

FOR THE UNION:

**Teamsters Local 125, an affiliate of the  
International Brotherhood of Teamsters**

BY: Tony Petillo  
Tony Petillo  
President

## MEMORANDUM OF UNDERSTANDING #2

A. The Company will develop a process prior to Winter, 2001, to provide for removal of snow from Company vehicles prior to requiring drivers to leave Company property in such vehicles. If a driver is instructed to drive a vehicle off Company property prior to removing snow from the top of his vehicle (or tractor, trailer, or any other Pepsi vehicle), the employee may refuse to do so. Such refusal shall not, in and of itself, constitute an act of insubordination. The Company and the employees will exercise reasonable judgment in determining an acceptable condition (e.g. 1/2" of powdered snow does not present an unsafe condition, and would not be an acceptable reason for refusal to work).

The Company will review any unsafe conditions reported by employees at customer's locations. If an employee is required to operate equipment at a customer's location, the employee will be provided training on such equipment. If after being trained, he is still unable to safely operate the equipment, he must notify a supervisor immediately, and will not be required to use the equipment. However, the Company will then not be required to have a bargaining unit employee perform such work, and may consider the employee unqualified to work at that account in the future.

If an employee has not received a workers compensation check within four (4) weeks of the date of injury, the Company will provide the employee with a weekly advance if requested.

FOR THE COMPANY:

**Pepsi Beverages Company**

BY: Michael P. Gilligan  
Michael P. Gilligan  
Vice President, Labor Relations

FOR THE UNION:

**Teamsters Local 125, an affiliate of the  
International Brotherhood of Teamsters**

BY: Tony Petillo  
Tony Petillo  
President

### MEMORANDUM OF UNDERSTANDING #3

The Company agrees to abide by the guidelines set forth by the Worker's Compensation Board of the State of New Jersey with regard to the determination of liability for MEM Mechanics driving company vehicles.

FOR THE COMPANY:

**Pepsi Beverages Company**

BY: Michael P. Gilligan  
Michael P. Gilligan  
Vice President, Labor Relations

FOR THE UNION:

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International Brotherhood of Teamsters**

BY: Tony Petillo  
Tony Petillo  
President

May 5, 2005  
May 16, 2015

### MEMORANDUM OF UNDERSTANDING #4 - Shop Steward Seniority

The following Shop Stewards (or their replacements when they are no longer Shop Stewards) will have super-seniority only for the purpose of selecting their workweek schedule and overtime within the department they represent as governed by the provisions of this agreement:

	<b>Kearny</b>	<b>East Hanover</b>	<b>Asbury Park</b>	<b>Piscataway</b>
<b>Sales</b>	Calvin Mciver	Wayne Homer	Brian Gulice	Kevin Martell
<b>Warehouse</b>	Alex Sanchez	Maurice Lyons	Jeff Byers	Keith Morris
<b>Fleet</b>	Mike Perkins			Joe Graziano
<b>Transport</b>				Duke Bodnar
<b>MEM</b>				Danny Paulik
<b>Production</b>				Gary Vigalone

For super-seniority to apply, the Shop Steward must work in the same department in which he / she represents and be qualified to perform the work associated with the workweek or overtime in which he / she is selecting. In addition, a Shop Steward may not utilize this super-seniority provision to bump any employee who was hired prior to June 1, 1987 from their workweek if doing so would decrease the number of flexible workweeks within the department. It is understood by the Union and the Company that this provision will not decrease the number of flexible workweeks within any department under any circumstances, and shall have no impact on any other provision of this agreement.

FOR THE COMPANY:

**Pepsi Beverages Company**

BY: Michael P. Gilligan  
Michael P. Gilligan  
Vice President, Labor Relations

FOR THE UNION:

**Teamsters Local 125, an affiliate of the  
International Brotherhood of Teamsters**

BY: Tony Petillo  
Tony Petillo  
President

May 19, 2005

**MEMORANDUM OF UNDERSTANDING #5 -  
Flex Benefits**

Should the Union develop a Comprehensive Health and Welfare benefit program that is similar in its component structure and no more financially burdensome to the Company than the Company's current Flex Plan (inclusive of its various components), the parties agree to meet to review said plan to consider its adoption. It is agreed that any such plan change shall only be made by mutual agreement of the parties.

Should the Company and the Union agree to move employees from the PBC Flex Benefit Program to a Teamster sponsored Health & Welfare plan, the Company would entertain the return of those employees into the Flex Benefit Program at any time. However, the Company would require that the return to Flex Benefits meet with certain notice requirements in order to allow enough time to prepare for the return transition.

FOR THE COMPANY:

**Pepsi Beverages Company**

BY: Michael P. Gilligan  
Michael P. Gilligan  
Vice President, Labor Relations

FOR THE UNION:

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BY: Tony Petillo  
Tony Petillo  
President