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CHICAGO - LOCAL NO. 300

AGREEMENT

Agreement made and entered between KRAFT FOODS GLOBAL, INC. ("Company" successor to NABISCO, INC.) having its principal place of business in at Northfield, IL. and Local #300, Chicago, Illinois, of the BAKERY, CONFECTIONERY, TOBACCO WORKERS' AND GRAIN MILLERS INTERNATIONAL UNION, AFL-CIO (BCTGM) hereinafter referred to as the "UNION."

ARTICLE 1 - RECOGNITION

Local #300 of the BAKERY, CONFECTIONERY, TOBACCO WORKERS' & GRAIN MILLERS INTERNATIONAL UNION, A.F.L.-C.I.O. is the sole collective bargaining agency for the employees of the Company, and all other employees subject to this Agreement who are now or may be hereinafter employed in the classifications listed in the Classification and Rate Schedules attached hereto, for the following location: Chicago Bakery; Repack Department. These are the exclusive terms and conditions for the Re-pack employees. (Completely separate from the National Agreement.)

ARTICLE 2 - MEMBERSHIP

Section 1 The Company shall be the sole judge of the competency of the new employees and may discharge such employees for any reason whatsoever, at any time during the first thirty (30) days worked of such new employee's employment.

Section 2 It shall be a condition of employment that all of the Company's employees in the contractual bargaining unit who are members of the Union in good standing on either the effective date or the execution date of this Agreement, whichever is later, shall remain members in good standing for the term of the Agreement; those employees in the unit who are not members on the latter of these two dates shall become Union members on the 31st day following either the effective date or the execution date of this Agreement, whichever is later, and remain good standing members for the term of this Agreement; all new employees in the unit shall become Union members on the 31st day following the beginning of such employment, and remain good-standing members for the term of the Agreement.

Section 3 Nothing in this Article shall operate in contravention of any Federal or State Law or Laws, and if any part of this Article shall be determined to be in violation of any such law or laws, the parties agree to modify this Article by the removal or insertion of such clause or clauses as will place the operation of this Agreement within the law.

13 PAGES

Section 4 This Article shall be subject to the provisions of the Labor-Management Relations Act of 1947 and of any applicable State Anti-Closed Shop Laws, and the rulings, decisions and regulations issued under these laws. However, should any of these State Laws be declared unconstitutional or be repealed or be so duly amended, or be so interpreted by duly authorized courts, so as to permit the application of Section 2 of this Article, the Company and the Union agree that this Article will apply immediately where applicable.

Section 5 The Company and the Union agree that, in accordance with applicable laws, there shall be no discrimination against any qualified employees on the basis of race, color, religion, sex, age, national origin, mental or physical disability, or because an employee is a Veteran of the Vietnam Era.

ARTICLE - 3 CONTINUOUS SERVICE

For the purpose of determining continuous service with the company, an employee's continuous service will date from their date of first employment with the Chicago Re-pack operation, with no break in service.

The following constitutes a break in continuous service/employment Termination:
Voluntary termination, or

Valid discharge. (Any employee found to have been discharged without just cause shall, upon reinstatement, be deemed to have had no break in continuous service), or

Failure to return to work upon the expiration of an authorized written leave of absence, or
Three occurrences of an employee not reporting to work without notification within a twelve-month period.

Employee being unavailable for work for 6 months for any reason.

ARTICLE 4 - CHECK OFF

The Company agrees on an employee's written authorization and subject to the provisions of the Labor-Management Relations Act of 1947 and the amendments thereto and the regulations issued there under, to deduct from the pay of such employee all regular dues and initiation fees required to be paid by the employee to his or her Local Union, as directed by the employee on the authorization form, a copy of which is attached hereto and made a part of this Agreement. (Appendix "A")

ARTICLE 5 - RELIEF AND LUNCH PERIODS

Employees will be allowed fifty (50) minutes off during each scheduled eight (8) hours' work, which will include unpaid (30) minute lunch and paid (20) minute relief periods. Employees scheduled to work Less than (8) hours will be allowed twenty paid (20) minutes off.

ARTICLE 6 - BCT-PAC CHECKOFF

The Company agrees on an employee's written authorization to deduct from the pay of such employee his or her contribution to the Bakery, Confectionery and Tobacco Workers' International Union Political Action Committee and forward same to the Local Union, as directed by the employee on the authorization form.

ARTICLE 7 - NORMAL WORKDAY AND NORMAL WORKWEEK AND HOURS SUBJECT TO OVERTIME

Section 1 The normal and regular hours of work shall be at the discretion of the Company.

Section 2 The normal and regular days of work shall be at the discretion of the Company.

Section 3 Any work set forth in the following sub-divisions of this Section shall be paid for at the rate of one and one-half (1 1/2) hours' pay, for each hour's work done.

- a) All work done by any employee in excess of forty (40) hours in any one (1) workweek.

ARTICLE 8 - UNIFORMS

The Company shall furnish and pay for all work uniforms required by the Company. Uniforms shall be laundered and repaired at the expense of the Company under the schedule now in effect. Said uniforms will, at all times, remain the property of the Company.

ARTICLE 9 - VISITS TO PLANT - UNION REPRESENTATIVE

The Company agrees that duly authorized representatives of the Union shall be granted admission to the plant to discuss union business with members of the Union after proper notification to the plant management, provided such visits do not interfere with or interrupt production.

ARTICLE 10 – MANAGEMENT RIGHTS

The management of the business of the company, the direction of its working forces, the schedules and quantities of production and the methods, processes and means of manufacturing are prerogatives of the management. There shall be no obligation on the part of the company to continue any jobs; and the company may consolidate, reorganize jobs, and may discontinue any portion of or all of this function at its discretion. The Company will give the Union a three months notification prior to discontinuing operations. The Union is not denied under this article, the right to question and handle under the grievance procedure any act or acts claimed to be in violation of this agreement with respect to wages, hours and other conditions of employment.

ARTICLE 11 - GRIEVANCE PROCEDURE

Section 1 – The Union will appoint or elect one Shop Steward for each shift and the Company will recognize such stewards as representatives of the union. The Union agrees to furnish the Company with names of Shop Stewards.

Section 2 – All grievances must be filed within thirty (30) days after the occurrence or knowledge of the dispute.

Section 3 – In the event employee grievances or disputes arise, such grievances or disputes shall be responded to in writing within ten (10) working days by the company, except in step “a” below, and taken up in the following manner:

- a. Between the aggrieved employee's immediate superior and the aggrieved employee's department steward. The employee is privileged to accompany the department steward at this step.
- b. If not satisfactorily adjusted, the aggrieved employee will reduce the grievance to writing, and it shall be taken up by the department steward with the head of the department within ten (10) working days. If no satisfactory adjustment has been reached within ten (10) working days at this level, further steps shall be as follows:
 1. Between the properly designated Union representative(s) and the Human Resources Manager within ten (10) working days.
 2. Between the Plant Manager, the proper representative(s) of the Local Union, and/or the Union Committee within ten (10) working days.

At each step of the above process the Local Union shall have ten (10) working days from the date of receipt of the written response by local management to advance the grievance to the next step.

3. If not satisfactorily adjusted, the Local Union may elect to have the matter taken up between a representative of the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union and a proper representative of the Company.

In the event the grievance has not been settled under the above procedure, then the matter shall be referred to arbitration as outlined in Article 32.

Section 4: No Individual employee or member shall have the right to invoke arbitration without written consent of the Union. If such written consent is refused, the employee shall have no further recourse to the Company or the Union.

ARTICLE 12 - ARBITRATION

In the event that the grievance or dispute referred to in Article 31 is not satisfactorily settled within two (2) weeks under the procedure outlined in that Article, either party may, within thirty (30) days from the date of the last step of the grievance procedure, as set forth in Article 31 hereof, give written notice to the other party of its desire to arbitrate the dispute. Such notice shall state clearly the issue proposed to be arbitrated and the party to whom the notice is given shall have the right, within one (1) week after receipt of said notice, to serve on the other party its statement in the matter to be arbitrated. The arbitrator shall be a person designated by mutual agreement of the parties. In the event that the Company and the Union are unable to agree on an arbitrator, either

party shall then apply to the Federal Mediation and Conciliation Service, or if the parties mutually agree, to the American Arbitration Association for a panel of eleven (11) arbitrators. In the event the parties are unable to mutually agree to an arbitrator from said panel, each party alternately shall strike five (5) names from the panel. The remaining name shall be designated the arbitrator to hear and determine the grievance.

The arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement.

The decision of the arbitrator shall be final and binding upon the parties hereto. The compensation of the arbitrator shall be borne equally by the Company and the Union.

ARTICLE 13 - STRIKES AND LOCKOUTS

Section 1 The Company shall not require the Union or its members to cross any picket line established by any recognized Union in order to perform their duties.

Section 2 The Company shall not require its employees to work, in order to enable any other concern whose employees are on strike, to fill its orders or otherwise conduct business. The Company shall not require its employees to work to fill the orders or otherwise conduct the business of any other branch of the Company whose employees are on strike. In consideration of this, the Union on its part agrees that it will not, because of such other strike, take any action such as work stoppage, or in any other way interfere with the normal distribution of merchandise produced or handled at the units covered by this Agreement.

Section 3 There shall be no strikes by the Union and no lockouts by the Company during the term of this Agreement.

Section 4 It is understood and agreed that in the event of any strike, work stoppage, agitated curtailment of production, interruption or impeding of work, or other violation of this Agreement on the part of any employee or employees, there shall be no liability on the part of the Local Union or its parent body or any of their officers or agents, provided they had no part in the instigation or furtherance of such strike, work stoppage, agitated curtailment of production, interruption or impeding of work, or other violation of this Agreement and that they have taken immediate steps to end such violations and the Union agrees to take such steps.

Section 5 In the event of any such contract violation, any employee who engages in such strike, work stoppage, agitated curtailment of production, interruption or impeding of

work, or other violation of this Agreement, will be subject to immediate dismissal except by mutual agreement between the Company and the Union. The Union agrees to cooperate with the Company in the enforcement of this Article.

Section 6 In the event of any violation of this Agreement by the Company, the Local Union, its parent body, their officers, agents or members, it is agreed that because of the difficulty of ascertaining the damages occasioned thereby, that recovery by any aggrieved party shall be limited to liquidated damages in an amount not in excess of \$50 for each such violation.

Section 7 The purpose of this Article is to limit and define the liability of the parties stated therein for the life of this Agreement, during which time a study will be made by the Union and the Company to decide upon the future basis of determining the extent of such liability.

ARTICLE 14 - DISCHARGE

The full power of discharge and discipline lies with the Company. It is agreed that this power shall be exercised with justice and with regard for the reasonable rights of the employee. If the Union, after investigation, finds that an employee has been discharged without just cause, and that the matter cannot be settled in accordance with the Grievance Procedure, as set forth in Article 9, it may then bring the case to arbitration, as set forth in Article 10.

ARTICLE 15 - BULLETIN BOARDS

The Company agrees to provide a bulletin board upon which the Union will have the privilege to post any matter of interest to the Union and its members after first submitting same to the Manager for approval.

ARTICLE 16 - MISCELLANEOUS CLAUSES

Supervisory employees shall not perform any work ordinarily performed by employees covered by this Agreement.

ARTICLE 17 - NEW EMPLOYEE JOINT ORIENTATION

The Company and Union agree to utilize a joint orientation presentation for newly hired employees that will encompass, but not be limited to, the parties' commitment to quality, productivity and attendance.

ARTICLE 18 - SENIORITY

Due to the new process, classification and workdays needed to be performed, the Company and Union agree to meet during the first year of the contract to address any seniority and scheduling issues. The need to schedule employees will be based on available work, days, shifts and the availability of employees to report for work. The company and union are committed to address and resolve any issues.

ARTICLE 19 - WAGES

Wages for the term of the agreement:

Repack Classification = \$11.00 per hour

Employees on the payroll for 12 months will receive \$.35 per hour added to the classification rate.

Employees on the payroll for 24 months will receive an Additional \$.35 per hour.

ARTICLE 19 – Work Bonus

During the month of January of each calendar year each employee upon working one day in the new calendar year will receive a Work Bonus. The work bonus will be 4% of the employee's prior year individual earnings in the re-pack department. Employees will receive Work Bonus pay in their regular paycheck no later than the second week in January.

ARTICLE 20 - PENSION FUND

Attached hereto and made a part of this Agreement is the sole and total agreement between the Company and the Union with respect to pensions or retirement. (Appendix "B")

ARTICLE 21- PERIOD OF AGREEMENT

The parties hereto have met in collective bargaining negotiations from January 1, 2006 up to and including January 31, 2009.

This Agreement shall be in full force and effect from January 1, 2006, through and including January 31, 2009.

Sixty (60) days prior to January 31, 2009, or any subsequent annual expiration date, either party may notify the other in writing of its desire to negotiate a new Agreement, submitting at the same time an itemized statement of desired changes and modifications. Unless such notice is given, this Agreement shall continue for an additional year upon the same terms.

If no new Agreement is arrived at by January 31, 2009, or by any subsequent annual expiration date, as the case may be, this Agreement may be extended by mutual agreement of both parties, pending continued negotiations, as long as it is mutually agreeable.

FOR THE COMPANY:

KRAFT FOODS NORTH AMERICA, INC.
NABISCO / CHICAGO BAKERY

FOR THE UNION:

BAKERY, CONFECTIONARY,
TOBACCO WORKERS' AND
GRAIN MILLERS
AFL-CIO LOCAL NO. 300

BY: Raymond J. Beato
(GENERAL MANAGER)

BY: Edward J. Boyle 6/1/05
(PRESIDENT & BUSINESS REP.)

DATE SIGNED: 6/1/05

Walter P. Howard 6/1/05
Fin/Exec/Sec

John Pelger

Amy Wood

Ken Furler

CHECK-OFF AUTHORIZATION FORM

I hereby assign to Local Union 300, Bakery, Confectionery and Tobacco Workers' International Union, AFL-CIO, and authorize you to check off and deduct from any wages standing to my credit an amount equal to the regular monthly dues and/or initiation fees required to be paid by me to said Local Union for each calendar month said dues or initiation fees are levied and to remit said amounts to the Local Union specified herein not later than the 17th day of each month in which said dues or initiation fees are required to be paid; provided that initiation fees may be checked off in equal consecutive weekly installments during a period of not more than five (5) weeks. Each installment shall be remitted to the Local Union within one (1) week after the same is deducted.

This assignment and authorization shall remain in effect until revoked by me, but shall be irrevocable for a period of one (1) year from the date appearing below or until the termination of the collective bargaining agreement between yourself and Local Union 300, Bakery, Confectionery and Tobacco Workers' International Union, AFL-CIO, whichever occurs sooner. I further agree and direct that this assignment and authorization shall be continued automatically and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable collective bargaining agreement between yourself and Local Union 300, Bakery, Confectionery and Tobacco Workers' International Union, AFL-CIO, whichever period shall be shorter, unless written notice of its revocation is given by me to yourself and the Local Union by registered mail not more than thirty (30) days and not less than fifteen (15) days prior to the expiration of each period of one (1) year, or of each applicable collective bargaining agreement between yourself and the said Local Union, whichever occurs sooner. Such notice of revocation shall become effective for the calendar month following the calendar month in which you receive it.

This assignment and authorization supersedes all previous assignments and authorizations heretofore given to you by me in relation to my membership dues or initiation fees.

I further authorize you to pay to Local Union 300, Bakery, Confectionery and Tobacco Workers' International Union, AFL-CIO, all Union dues and initiation fees which may have been deducted from my wages prior to the date of this authorization and still held by you, and I hereby relinquish any and all claims to said monies.

DATE

SIGNATURE

PENSION FUND

It is hereby agreed to provide pension and retirement benefits as follows:

- a) The Employer hereby agrees to be bound as a party by all the terms and provisions of the Agreement and Declaration of Trust dated September 11, 1955, as amended, establishing the Bakery and Confectionery Union and Industry International Pension Fund (hereinafter called the Pension Fund) and said Agreement is made part hereof by reference.
- b) Commencing with the Effective Date(s) stated in Paragraph c., the Employer agrees to make payments to the Pension Fund for each employee working in job classifications covered by a Collective Bargaining Agreement between the Employer and the Union, as follows:

For each day or portion hereof, which an employee works in such a job classification or receives pay in lieu of work (such as holiday, vacation, pro rata vacation, and severance pay), the Employer shall make a contribution as stated in Paragraph c. to the Pension Fund, but not more than the stated amount in Paragraph c., per week for any one employee. (The stated maximum does not apply to pro rata vacation or severance pay).

Contributions shall be paid from the first day the employee begins working in a job classification covered by the Collective Bargaining Agreement between the Employer and the Union, and shall be paid on behalf of all employees in covered job classifications – there are no exceptions for employees who are not members of the Union, temporary, seasonal, or part-time employees, for leased employees or for any other type of employee. The term “employee” does not include a self-employed person, corporate officer, owner, or partner, as defined in Section 1.09 of the Pension Fund Rules and Regulations.

- c) The payments made in accordance with (b) above shall be allocated as follows:

Contributions will be made on the thirty-five (35) hour week pension schedule at a cost of \$1.3829 per hour worked for Plan A at the \$1,000 level effective 9/1/2005.

- d) It is agreed that the Pension Plan adopted by the Trustees of the Pension Fund shall be such as will qualify for approval by the Internal Revenue Service of the United States Treasury Department, so as to enable the Employer to treat contributions to the Pension Fund as a deduction for income tax purposes.

- e) **Contributions provided for herein shall be paid monthly and shall be accompanied by a completed remittance report. Both payment and report are due on the tenth day of the month following the month covered by the Report. In the event the Employer fails promptly to pay amounts owed, the Employer shall pay such collection costs, including court costs and reasonable attorneys' fees, as the Pension Fund shall incur, and shall pay interest at such rate as the Trustees shall fix from time to time.**
- f) **The payments so made to the Pension Fund shall be used by it to provide retirement benefits for eligible employees in accordance with the Pension Plan of said Fund, as determined by the Trustees of said Fund, to be applied to the eligible employees based on the amount of Employer contribution.**
- g) ***This clause encompasses the sole and total agreement between the Employer and the Union with respect to pensions or retirement. If any other agreement between the Employer and the Union (including the Collective Bargaining Agreement) contains provisions inconsistent with this clause, those inconsistent provisions shall have no force and effect with respect to the obligations and agreements set forth herein.***
- h) ***This clause is subject in all respects to the provisions of the Labor-Management Relations Acts of 1947, as amended, and to any other applicable laws.***