

**AGREEMENT**

**MASTER DAIRY PLANT/DRIVER/OFFICE/ICE CREAM/ PLANT MECHANICS, FLEET  
MECHANICS**

**Between**

**DFA DAIRY BRANDS, LLC OR THE APPLICABLE SUBSIDIARY THEREOF**

**And**

**TEAMSTERS UNION LOCAL NOS. 63,166,186,495,542,630,683,952**

**May 1, 2020 - February 28, 2023**

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**MASTER DAIRY PLANT/DRIVER/OFFICE/ICE CREAM/PLANT MECHANICS,  
FLEET MECHANICS**

**DFA DAIRY BRANDS, LLC OR THE APPLICABLE SUBSIDIARY THEREOF**

**MAY 1, 2020 - FEBRUARY 28, 2023**

**THIS AGREEMENT**, made and entered into this 1<sup>st</sup> day of May, 2020 by and between the “Employer” and Teamsters Local Unions No. 63, 166, 186, 495, 542, 630, 683 and 952, affiliated with the International Brotherhood of Teamsters hereinafter referred to as “Union”.

In the spirit of cooperative Management-Union relations and in recognition that improving the competitive position of the Employer within the Industry will prove mutually beneficial, the Employer and the Union, in an effort to secure the future of their relationship, do hereby acknowledge and pledge a bond of common interest based on fundamental principles of increased productivity, better quality, faster service and more efficient operations.

**WITNESSETH:**

That, whereas the Parties to this Agreement are desirous of promoting and maintaining harmonious relations between Employer, the Union and its membership, it is mutually agreed as follows:

When new or additional employees are needed, the Employer shall notify the Union of the number and classification of employees needed. The Union shall have twenty-four (24) hours from receipt of such notice to nominate applicants for such jobs. The Employer shall choose between applicants nominated by the Union and any other applicants on the basis of their respective qualifications for the job and no applicants will be preferred or discriminated against because of membership or non-membership in the Union.

## **ARTICLE 1 – EMPLOYEES COVERED BY THIS AGREEMENT**

**1.1** This Agreement shall apply only to employees of Employer eligible for membership in the Union, located at plants or Branches situated in the Counties of Los Angeles, San Diego, Riverside, Orange, San Bernardino, Imperial, Santa Barbara, Ventura and any other territory mutually agreed upon by the Parties hereto.

**1.2** The Employer acknowledges the Union as the sole bargaining agent for the employees classified herein.

**1.3** Whenever the masculine gender is used in this Agreement, it shall be deemed to include the feminine gender as well and vice versa.

**1.4** This Agreement shall apply to all such employees of the Employer doing work covered by this Agreement. It is understood that when an abnormal situation occurs and the full complement of bargaining unit employees of Employer proves inadequate to assure the uninterrupted conduct of the work, then in that event exempt supervisory employees may be assigned work covered by this Agreement.

**1.5** In keeping with the principle involved, the Employer must first make provision to handle, with bargaining unit employees; the contingencies, which experience shows, may reasonably be expected to occur. When an abnormal situation beyond this occurs and all Employer's bargaining unit employees are busy, Employer shall make a further effort to conform to the underlying principle by giving a bargaining unit employee on the same string where the vacancy occurs, an opportunity to work on his day of rest. It is understood that this is practical only when the Employer knows a day ahead that such a vacancy will occur or continue.

## ARTICLE 2 – UNION MEMBERSHIP

**2.1** It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing and those who are not members on the effective date of this Agreement shall, on the thirtieth (30<sup>th</sup>) day following the effective date of this Agreement, become and thereafter remain members in good standing of the Union. It shall also be a condition of employment that all employees covered by this Agreement and or hired on or after its effective date shall, on the thirtieth (30<sup>th</sup>) day following the beginning of such employment, become and thereafter remain members in good standing of the Union.

**2.2** The Employer shall discharge any employee who fails to complete or maintain membership in good standing in the Union within seventy-two (72) hours of written notice from the Union to Employer that such employee is delinquent in the payment of initiation fees and/or dues uniformly required as a condition of Union membership.

**2.3 DUES CHECK OFF.** At the option of the Local Union, the Employer shall deduct monthly Union Dues from the wages of each employee who has filed with the Employer a written assignment of such monies to the Local Union having jurisdiction in the area in which the individual is employed.

**2.4** The assignments shall be irrevocable for a period of one (1) year or until the termination of this Collective Bargaining Agreement, whichever occurs sooner. The assignment shall be automatically renewed and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable Collective Bargaining Agreement, whichever shall be shorter, unless written notice is given by the employee to the Employer and to the Local Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period

of one (1) year of the applicable Collective Bargaining Agreement. Upon termination of the employee, all assignment relative to that employee cease.

**2.5** The appropriate deduction shall be made on the first (1<sup>st</sup>) payday of each month and shall be promptly forwarded to the designated Local Union.

**2.6** The Employer agrees to notify the Union of all new employees hired before the employee starts to work. The Employer also agrees to notify the Union promptly of all employees leaving employment.

**2.7** With respect to Union Dues obligation upon an employee termination of employment the Company shall deduct all current and known monies.

**2.8** The Employer and the Union agree not to discriminate against any employee or applicant for employment based on applicable local, state or federal laws or mandates.

**2.9 Union Rules and Principals - Picket Lines / Struck Work.** The Union and the Employer agree that there shall be no strike or lockout during the term of this Agreement.

**2.10** It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property involved in a lawful primary labor dispute or refuses to go through or work behind any lawful primary picket line, including the lawful primary picket line of Unions Party to this Agreement and including a lawful primary picket line at the Employer's place of business, provided such lawful primary picket lines are sanctioned by Joint Council of Teamsters No. 42.

**2.11** It shall not be a violation of this Agreement and it shall not be a cause for discharge or disciplinary action if any employee refuses to perform any service which his Employer undertakes to perform for an Employer whose employees are on strike and which service, but for such strike, would be performed by the employees of the Employer on strike.

**2.12** In the event of such Joint Council 42 sanctioned picketing at the Employer's place of business, work shall continue for a period of time necessary to clear or remove perishable products from the plant, not to exceed seventy-two (72) hours from the commencement of such picketing.

**2.13 Union Visitation.** Employer agrees to admit to its locations at all reasonable times any authorized representative of the Union for the purpose of ascertaining whether or not this Agreement is being adhered to and to assist in the adjustment of grievances. Such Union representative agrees to observe reasonable location entrance requirements of the Employer.

**2.14 D.R.I.V.E.** The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his paycheck on a biweekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one (1) check, the total amount deducted with the name of each employee on whose behalf a deduction is made, the employee's social security number and the amount deducted from the employee's paycheck.

**2.15 Indemnification** The Union shall indemnify the Employer and hold it harmless against any and all suits, claims, demands or other liabilities, including the Employers attorney's fees that may arise out of or by action taken by the Employer for the purpose of complying with this check off provision.

### **ARTICLE 3 – MANAGERMENTS RIGHTS**

**3.1** Except as specifically limited by this Agreement, the management of the Company and the direction of the workforce, including but not limited to the service performed, the location



of the workforce, the schedules and fair standards of employee performance, the schedule and hours of shifts, the methods, processes and means of providing services; materials to be purchased; determination of staffing levels; the right to hire, promote, transfer, assign and reclassify employees; the establishment of reasonable rules and regulations; the discharge or discipline of employees for just cause; and the management of the efficiencies of employees, are for the sole and exclusive rights and responsibilities of the Company.

**3.2** The above rights are not all inclusive and it is understood that any of the rights, powers or authorities the Company had prior to the signing of this Agreement are retained by the Company except those specifically united or modified by this Agreement. The Employer's failure to exercise any function or right in any way shall not be deemed a waiver of or a limit on its rights to exercise such function in the future whether or not such function nor right has been exercised by the Employer in the past.

#### **ARTICLE 4 – SHOP STEWARDS**

**4.1** The Employer agrees to have a Shop Steward present for all investigations, write ups, meetings and interviews with bargaining unit employees if requested by the employee. If the Steward is unavailable, the employee may designate a bargaining unit member who is available at the time of the meeting to represent him.

**4.2** The Shop Steward shall be permitted reasonable time to conduct Union Business on Company property without loss of pay during his regular working hours, providing there is no interruption of the Employer's operation.

## **ARTICLE 5 – EMPLOYEES**

**5.1 DRIVER EMPLOYEES:** Specific working conditions and the regular rates of pay for all Drivers and employees are set forth in Appendix “A” attached hereto and included herein the same as if set out in full at this place.

**5.2 MILK PLANT EMPLOYEES:** Specific working conditions and regular hourly rates of pay for Plant and Cooler employees are set forth in Appendix “B” attached hereto and included herein the same as if set out in full at this place.

**5.3 MILK PLANT MAINTENANCE EMPLOYEES:** Specific working conditions and regular hourly rates of pay for Plant Maintenance employees are set forth in Appendix “C” attached hereto and included herein the same as if set out in full at this place.

**5.4 FLEET MAINTENANCE EMPLOYEES:** Specific working conditions and regular hourly rates of pay for Fleet Maintenance employees are set forth in Appendix “D” attached hereto and included herein the same as if set out in full at this place.

**5.5 ICE CREAM PLANT EMPLOYEES:** Specific working conditions and regular hourly rates of pay for Ice Cream employees are set forth in Appendix “E” attached hereto and included herein the same as if set out in full at this place.

**5.6 ICE CREAM PLANT MECHANIC EMPLOYEES:** Specific working conditions and regular hourly rates of pay for Ice Cream Mechanic employees are set forth in Appendix “F” attached hereto and included herein the same as if set out in full at this place.

**5.7 OFFICE EMPLOYEES:** Specific working conditions and regular hourly rates of pay for Office employees are set forth in Appendix “G” attached hereto and included herein the same as if set out in full at this place.

## ARTICLE 6 – HOLIDAYS

**6.1** The following holidays are recognized as hereinafter provided for all employees who have been in the employ of the Employer for ninety-one (91) days or more:

January 1st	President's Day	Memorial Day
July 4th	*Floater	Labor Day
Veterans Day	Thanksgiving Day	December 25th

The above holidays shall be observed on the day designated by federal legislation.

\*Floating holiday shall be designated as contained in 6.2 below.

**6.2** Employee shall be required to notify their Employer at least four (4) weeks in advance of the date of their floating holiday which will not unreasonably be denied. Seven (7) days prior notice shall be given to the employee of the approval or denial of his scheduled floating holiday request. An employee's failure to request his floating holiday will result in the Employer assigning the employee's floating holiday. If the Employer fails to schedule said holiday, the employee shall be compensated at his contractual rate of pay. For the purposes of this sub section 6.2, the time period is from January 1 through December 31 of each calendar year.

**6.3** It is the Employer's option as to whether or not any employee or group of employees shall work on any of the above holidays.

**6.4** Any regular employee, as described in Article 6.1 above shall be paid as a holiday premium eight (8) or ten (10) hours pay for each of the above holidays and that day shall be considered as eight (8) or ten (10) hours worked for the purpose of computing overtime in that workweek. Employees working a four (4) ten (10) workweek shall be paid ten (10) hours Holiday pay even if the Holiday is on a day of rest.

In the event a holiday falls on a regular day off, however, and the employee does not work that day, the holiday premium shall not be considered as eight (8) hours or ten (10) hours worked for purposes of computing overtime in that workweek.

**6.5** When an employee works on any of the above holidays, he shall be paid as a holiday premium eight (8) hours for a five (5) day eight (8) hour schedule work week or ten (10) hours for a four (4) day ten (10) hour schedule work week and shall be paid in addition at one and one-half (1<sup>1/2</sup>) times the straight time hourly rate for the number of hours that he actually works but for not less than eight (8) or ten (10) hours, according to the current scheduled work week.

**6.6** To be eligible for holiday pay an employee must work his scheduled workday immediately preceding the holiday, the day of the holiday if scheduled and the scheduled workday following the holiday, except for excusable absence due to illness or injury on the holiday, the day preceding or the day following the holiday. The Employer may require reasonable proof of illness or injury.

**6.7** In the event a holiday falls within an employee's vacation period, he shall receive a holiday premium of eight (8) hours or ten (10) hours pay, in addition to his vacation pay.

**6.8** Any regular employee who has been laid off and recalled within thirty (30) days of any holiday shall be paid for any holiday(s) that fall within the period if otherwise eligible.

#### **ARTICLE 7 – VACATIONS**

**7.1** All employees covered by this Agreement shall be entitled to one (1) weeks' vacation with pay after one (1) year continuous employment, two (2) weeks' vacation with pay after two (2) years continuous employment, three (3) weeks' vacation with pay after five (5) years continuous employment, four (4) weeks' vacation with pay after fifteen (15) years continuous

employment and five (5) weeks' vacation with pay after twenty (20) years continuous employment.

7.2 A week's pay for the purpose of this Article shall be forty (40) hours of pay.

7.3 Unless specifically designated in the appropriate Appendix, preference in the taking of vacations shall be according to departmental seniority of employment wherever possible. Vacation schedules shall be made readily available to all eligible employees. An employee may elect to split his vacation weeks. In such case the employee's seniority preference for the remaining vacation shall not be considered until all employees have had their first choice. An employee may take a vacation in the year it has been earned, provided the employees' request is for a date that is beyond his anniversary date of employment.

7.4 In the case of severance the Company will follow California State Law.

7.5 If the employee works his vacation he is to be paid his earned vacation pay, plus time and one-half (1½), unless the Union and Employer agree in writing that he may work his vacation, in which event the employee will be paid at his regular rate of pay, plus his earned vacation pay.

7.6 Wage payment to which an employee is entitled under this Agreement for vacations and holidays shall be computed to include the straight-time rate for the current bid job plus any night-shift, split-shift or relief premium, which the employee regularly earns.

7.7 The Employer will pay earned vacation pay in advance of vacation, provided employee requests such payment not less than fourteen (14) days prior to his scheduled vacation.

## **ARTICLE 8 – WELFARE BENEFITS**

8.1 Employer and Union agree to be parties to an Agreement and Declaration of Trust providing for the Labor Alliance Managed Trust Fund, and hereinafter referred to as the

“Declaration of Trust”. The said Declaration of Trust established a Trust administered by an equal number of Trustees appointed by the Union on one hand and by all Employers who make contributions to such Trust on the other hand for the purpose of providing medical, hospitalization and life insurance benefits, as more particularly set forth in said Trust to which reference is hereby made for all particulars pertaining to such Trust, its administration, etc., and all provisions of such Declaration of Trust are incorporated herein by reference. Employer and Union do hereby ratify and confirm such Declaration of Trust and agree to do and perform each and every act and thing required of Union and Employer respectively therein.

**8.2** Employer and Union agree that the Declaration of Trust may be amended from time to time as hereinafter provided subject to the limitations hereinafter imposed. All amendments to such Declaration of Trust shall be in writing, shall fix the effective date thereof, and shall bear the written approval of all Employer and Union Trustees.

**8.3** Effective May 1, 2020 through December 30, 2020, the Employer shall pay monthly into the Labor Alliance Managed Trust Fund (“Fund”) for each eligible employee that the amounts determined by the Trustees of the Fund necessary to maintain the Fund’s Health and Welfare programs in effect at the commencement of this Agreement, or as modified subject to section 8.10. The Employer agrees to pay up to but not more than the amounts specified later in Article 8.9.

**8.4** Effective January 1, 2021, Employee contributions toward the cost of health and welfare benefit coverage specified in Article 8.9 shall be increased from the premium cost-sharing level in effect on December 31, 2020 by the following amounts:

- Effective January 1, 2021: additional 5% of the total cost of coverage
- Effective January 1, 2022: additional 5% of the total cost of coverage

- Effective January 1, 2023: additional 2.5% of the total cost of coverage
- Effective January 1, 2024: additional 2.5% of the total cost of coverage

In no event shall these increases result in an employee contributing more than twenty percent (20%) of the total cost of coverage. Employee contributions shall be administered on a pre-tax basis through a payroll deduction.

**8.5** A premium payment shall be due on each eligible employee following three (3) full calendar months of employment.

**8.6** The parties hereto agree to accept the Fund's Trust Documents as may be required for participation in the Fund and such payments shall be made in accordance with the provisions established by the Board of Trustees of the Fund.

**8.7** The Employer contributions also shall go to provide a subsidized benefit for retirees. The Board of Trustees of the Fund shall maintain Retiree Benefits as much as reasonable; however, given that there is a maximum contribution to cover both active and retiree benefits, the Board of Trustees is authorized to adjust the retiree co-payment premium and the Retiree Benefits as they may determine in the best interests of all participants.

**8.8** For purposes of this Article, eligible for benefits employee shall be:

- (a) An employee on the payroll on the first (1st) day of the calendar month who has been continuously employed by the same Employer during the preceding three (3) full calendar months.
- (b) An employee on the payroll on the first (1st) day of the calendar month who had been covered by the Fund within thirty-one (31) days of his date of employment.

**8.9** All premium payments required pursuant to the provisions thereof shall be due and payable on the first (1st) of each calendar month, and shall become delinquent on the twentieth (20<sup>th</sup>) day of each such month. Failure to make premium payments in accordance herewith shall be deemed a violation of this Agreement and the Fund or its agent is authorized to institute proceedings for the collections thereof from the Employer.

**8.10** As of May 1, 2020 through April 1, 2021, the maximum contribution rate is \$1,991 per month. Each year thereafter, the Trustees of the Fund will set the new contribution rates for the coming year. If the new contribution rate is less than the maximum contribution rate referenced below, the Employer and the Employee will be charged the lesser rate. In any case, such rates shall not exceed the maximum contribution rate.

To the extent that some portion of the maximum contribution is not used in one year, that amount does not carry over to the following years. Thus, the maximum that the Employer will pay for any month are the amounts specified above.

**8.10.1 Benefit Levels**

- (a) During the term of the Agreement the Trustees of the Fund are directed to implement cost containment and if necessary cost modifications that will insure that the contribution rates as contained herein are sufficient to fund the plan of benefits.
- (b) If at any time during the term of this Agreement, the actual cost of the Fund's health and welfare coverage exceeds the maximum contribution rate, the Trustees of the Fund are directed to make immediate benefit modifications that will reduce the cost to no more than the contribution



levels. "Benefit modifications" may include changing the plan option under which the employees are covered.

- (c) The Board of Trustees of the Fund shall maintain benefits as much as reasonable; however, given that there is a maximum contribution to cover both active and retiree benefits, the Board of Trustees is authorized to adjust the active benefits and coinsurance levels in order to keep the cost of the Plan from exceeding the maximum contributions in the best interests of all participants.

**8.11 RETIREE COVERAGE.** The Fund may provide coverage to retirees on terms established by the Trustees of the Fund, as modified from time to time by the Trustees of the Fund. The Employer is not obligated to provide any additional contributions or payment for such retiree coverage, other than the active employee premium rates provided for under this Agreement.

**8.12** The Employer and Union agree to comply with the Patient Protection and Affordable Care Act and all other laws applicable to the provision of employee health and welfare benefit coverage, and agree to meet if any changes in such applicable law impact this Agreement.

## **ARTICLE 9 – PENSION BENEFITS**

**9.1** Effective on and after May 1, 2020, the Employer shall pay the contribution rate (including any PEER amounts) required as of April 30, 2020, reduced by twenty-five percent (25%), to the Western Conference of Teamsters Pension Trust Fund in accordance with its terms on account of each member of the bargaining unit for all hours worked or paid for up to a maximum of two thousand eighty (2080) hours per year.

The contribution rate (including any PEER amounts) required as of April 30, 2020, reduced by twenty-five percent (25%), shall be the rate going forward and will not be subject to increases,

unless employees on a bargaining unit basis elect to divert funds from future wage increases to pension contributions. Any such election to divert a portion of a future wage increase to pension will be made by the Union in writing sixty (60) days in advance of the schedule wage rate increase and be limited to half of the schedule wage rate increase (for example, a \$.30/hr wage rate increase could be split up to \$.15/hr to pension contributions and \$.15/hr to wages).

**9.2**

**9.2.1** The contribution rate includes funding for the Program for Enhanced Early Retirement (PEER '84 which began with March 1992 hours). This contribution shall be paid on the same basis as contributions provided for in Table "A". The contributions required to provide for PEER '84 will not be taken into consideration for benefit accrual purposes under the Plan. The additional contributions for the PEER must at all times be six and one-half percent (6.5%) of the basic contribution and cannot be decreased or discontinued at any time.

**TABLE "A"**

	PEER LEVEL	Contribution Rate
COI North	PEER 84	\$3.15 B 2.96 P .19
COI South	PEER 84	\$3.15 B 2.96 P .19
Swiss II	PEER 84	\$3.15 B 2.96 P .19

**9.2.2** The contribution rate includes funding for the Program for Enhanced Early Retirement (PEER '80 which began with March 1992 hours). This contribution shall be paid on the same basis as contributions provided for in Table "B" below. The contributions required to provide for PEER '80 will not be taken into consideration for benefit accrual purposes under the Plan. The additional contributions for the PEER must at all times be sixteen and one-half percent (16.5%) and cannot be decreased or discontinued at any time.

**TABLE "B"**

		F
	PEER LEVEL	Contribution Rate
Swiss Shuttle	PEER 80	\$3.15 B 2.70 P .45
Swiss Riverside	PEER 80	\$3.15 B 2.70 P .45
Buena Park IC	PEER 80	\$3.15  B 2.70 P .45

Effective May 1, 2020, based on May hours, the contribution rate(s) are as designated in Table "A" and Table "B" per hour to be allocated between designated basic benefits and PEER coverage as required.

**9.3** The Employer shall make pension contributions on all employees covered under this Agreement for all compensable hours up to a maximum of two thousand and eighty hours

(2080) per year. Time paid for but not worked shall be considered as time worked for the purpose of this Article.

**9.4** The Employer shall not be obligated to make payments to the Pension Trust Fund of amounts in excess of those, which are deductible from gross income, by the Employer under Section 404 of the Internal Revenue Code.

**9.5** The total amount due for each calendar month shall be remitted in a lump sum not later than the twentieth (20th) day of the following month. The Employer agrees to abide by such rules as may be established by the Trustees of said Trust Fund to facilitate the prompt and orderly collection of such amounts, and the accurate reporting and recording of such amounts paid on account of members of the bargaining unit. Failure to make the payments herein provided, within the time specified shall be a breach of this Agreement.

**9.6 Break In Rate For Probationary Employees:** For temporary agency personnel or probationary employees as defined in Article 12 Section 2 hired or utilized on or after March 1, 2015, the Employer shall pay an hourly contribution rate of ten cents (\$.10) (including PEER/84 or PEER 80) during the probationary period as defined in Article 12, Section 2 or the initial period of utilization, but in no case for a period longer than ninety (90) calendar days from an employee's first date of hire (into the bargaining unit) or utilization in the performance of bargaining unit work.

Contributions shall be made on the same basis as set forth in this Article 9 of this Agreement. After the expiration of the probationary period as defined in Article 13 Section 2, or an equivalent period if an individual is utilized as a temporary employee, but in no event, longer than ninety (90) calendar days from an employee's first date of hire (into the bargaining unit), or first date of utilization as a temporary employee, the contribution shall be increased to the full contractual rate stated in Sections 9.1 – 9.3.

**9.7 Employees Hired After The Ratification Of This Agreement:** It is agreed by the signatory Parties that any employees hired after the ratification of this Agreement shall be compensated Pension hours as designated for the location in which they are hired at. Should such employees during the term of this Agreement be transferred to another location that falls under the terms of this Agreement, the pension rate at that location becomes the pension rate for the individual effected.

**9.7.1** Should an employee who was hired prior to the ratification date of this Agreement be transferred to or transfers to a different location signatory to this Agreement and has a specialized pension rate as designated in Table “B” herein, said designated pension rate shall continue for the duration of this specific agreement.

#### **ARTICLE 10 – SUPPLEMENTAL INCOME 401(K) PLAN**

**10.1** Effective May 1, 2020, the Company will allow employees to make salary deferral contributions to the Supplemental Income 401(k) Plan (the “401(k) Plan”). The Company shall not be required to make any employer matching or other employer contributions to the 401(k) Plan.

**10.2** The eligibility waiting period for the 401(k) Plan for newly hired employees, shall be the first (1st) of the month following sixty (60) calendar day period, from the employee's date of hire.

#### **ARTICLE 11 – COST-OF-LIVING**

*Inoperative for the Term of This Agreement*

**11.1** Effective \_\_\_\_\_ all employees covered by this Agreement shall be entitled to a cost—of—living adjustment based on the following conditions:

(a) Dates of Cost-Of-Living Adjustments

March            September            March            September

(b) Index

CPI Index to be used is the CPI-W, (Revised Index, base the 1971-73 Consumer Price Survey) Los Angeles-Long-Beach-Anaheim Area-All Items- (1967=100).

(c) Formula

- (1) There shall be an annual corridor of 3.0 points.
- (2) Wage Rate increases after the “corridor” to be computed at .45 point, (45/100 of one full point), equals One Cent (\$0.01) increase in the base hourly wage rate.
- (3) Maximum increases in each of the four (4) adjustments to be Twenty-Five Cents (\$0.25) per hour.

(d) Method

Using the July, \_\_\_\_\_, as the Base Index for the first (1<sup>st</sup> and 2<sup>nd</sup>) adjustment, COL increases shall be computed as follow:

(1) First Adjustment:

The difference between the July, \_\_\_\_\_, Index and the January, \_\_\_\_\_ Index, less the 3.0 annual “corridor”, divided by .45 equals the cents per hour increase in the base Hourly Wage Rates, subject to the minimums and maximum referred to above. Effective date of increase to be the first Sunday in March, \_\_\_\_\_.

(2) Second Adjustment:

The difference between the July, \_\_\_\_\_, Index and the July, \_\_\_\_\_ Index, less the 3.0 annual "corridor", divided by .45 (less the increase of March \_\_\_\_\_) shall be applied to the Base Hourly Wage Rates, effective the first Sunday in September, \_\_\_\_\_.

(3) The \_\_\_\_\_ adjustments shall be made in the same manner as above.

### ARTICLE 12 – FULL WEEK’S WORK

**12.1** A work week is defined as seven (7) consecutive days starting on Sunday (00:00) and ending the following Saturday (23:59).

### ARTICLE 13

**13.1** The Company shall have the right to utilize non-traditional workweeks, such as non-consecutive days and weekend work.

**13.2** A regular employee is one who has been continuously employed by the Employer for ninety (90) calendar days.

**13.3** A full week’s work shall be guaranteed to regular employees. A full week’s work shall consist of forty (40) straight time hours within any five (5) scheduled eight (8) hour days or any four (4) scheduled ten (10) hour days.

**13.3.1** When an employee requests to work less than his scheduled shift, he shall be paid at his regular hourly rate for the time actually worked.

**13.4** The working day shall commence when the employee registers on the timekeeping system ready for duty at the time designated by the Employer as the starting time and shall finish

when the employee again registers on the timekeeping system after completion of all duties required of him by the Employer.

**13.5 Four Ten Schedule Will Be As Follows:**

- (a) Ten (10) hours shall constitute a day's work and shall be completed within ten and one-half (10 1/2) hours.
- (b) The fifth (5th) day worked in any workweek shall be paid at one and one-half (1 1/2) times the regular hourly rate. All hours worked in excess of twelve (12) hours (excluding one half (1/2) hour for lunch) in any one day or fifty (50) hours in any workweek shall be paid at two (2) times their regular hourly rate for hours worked after twelve (12) hours.
- (c) The Employer agrees that there will be no layoffs because of the establishment of four (4) ten (10) hours per day workweeks.

**13.6** A premium of twenty-five cents (\$.25) per hour over the regular hourly rate for the job performed shall be paid for all hours worked between 6:00 p.m. and 6:00 a.m. and for all regular shift hours worked by anyone who starts to work between 6 p.m. and 4 a.m.

A night worked overtime rate shall apply to all overtime worked between 10:00 p.m. and 6:00 a.m. and to all overtime hours worked at any time by anyone who starts work between 6:00 p.m. and 4:00 a.m. All other overtime hours worked shall be paid at the day work overtime rate.

**13.7** Any employee who reports for work not having received twenty-four (24) hours' notice otherwise shall be paid for a half (1/2) day and if he works more than four (4) hours he shall be paid for a day's work for each day so worked.



## **Overtime Assignment**

**13.8** Unless specifically designated in the appropriate Appendix, all overtime work will be offered by seniority whenever possible; first going to the employee(s) who regularly perform the job, second to the senior employee in the job classification and lastly by the most senior employee in the seniority unit (provided the employee is qualified to perform the work).

Whenever possible, all overtime will either be communicated to all employees or posted in a conspicuous place, especially any extra work or work on days off.

**13.8.1** All hours worked in excess of eight (8) hours on any one day or forty (40) straight time hours in any workweek or on a sixth (6th) or seventh (7th) day worked or on an employee's regular scheduled day off in a workweek shall be paid for at the overtime rate of time and one-half (1½) the employee's regular straight-time hourly rate of pay.

**13.8.2** All hours worked in excess of twelve (12) hours per day, on an eight (8) hour day work schedule, will receive double time (2x) the employee's regular straight-time hourly rate of pay.

**13.8.3** All hours worked in excess of twelve (12) hours per day on a ten (10) hour day work schedule will receive double time (2x) the employee's regular straight-time hourly rate of pay.

**13.8.4** Except in the case of emergency situations (i.e., fire, flood, Acts of God, breakdown, etc.), no employee shall be required to work overtime unless he has been notified prior to the middle of his normal shift that he will be expected to work overtime on that day.

### **13.9 TIME OFF BETWEEN SHIFTS**

- (a) If an employee is required to return to work within eight (8) hours after completing any shift, he shall be paid at the rate of time and one-half (1 1/2) for all time worked on that shift.
- (b) In the case of four (4) ten (10) hour day operations, time off will be eight (8) hours between any shift.

### **13.10 DAYS OFF**

All employees shall receive two (2) designated days off in every workweek which shall be posted. Such designated days off shall not be changed with less than seven (7) days' notice unless by agreement with the Union. Days off may be changed during the calendar week in which a holiday falls provided that the Employer guarantees the holiday off. Seniority shall prevail based on employee's choice within job classifications and shift as to who will be off.

## **ARTICLE 14 – NEW EMPLOYEE**

**14.1** All new employees hired may be hired at twenty percent (20%) less than classification rate for the first (1<sup>st</sup>) six (6) months and ten percent (10%) less than classification rate for the second (2<sup>nd</sup>) six (6) months of employment, after which full classification rates shall be paid.

**14.2** A regular employee is one who has been continuously employed by the Employer for ninety (90) calendar days.

**14.3** Employees who have not completed their ninety (90) calendar days' probationary period shall not have any recourse to Article 35 Grievance and Arbitration Procedures of this Agreement and may be terminated at any time prior to the completion of said ninety (90) calendar

day probationary period. In addition, probationary employees shall not be entitled to holiday pay, jury duty pay, bereavement leave or leaves of absence during such probationary period.

#### **ARTICLE 15 – METHOD OF PAYMENT**

**15.1** Employees shall be paid on a two (2) week basis; the payroll period shall end on Saturday. The actual payment will be made not later than seven (7) days following the end of each two (2) week period.

**15.2 REMITTANCE ADVICE** The remittance advice accompanying employee's pay shall show, separate from the regular pay, overtime, holiday pay, social security, disability insurance, withholding tax, vacation pay, sick pay and any other deductions agreed upon between the Employer and employee.

**15.3** If the employee so requests, pay shortages shall be corrected within one (1) week after the shortage is reported and verified by the Company.

#### **ARTICLE 16 – TIME KEEPING SYSTEM**

**16.1** Employer shall provide and maintain a time clock for all employees covered by this Agreement and shall require employees to register on it properly. Management will provide copies of his weekly punches at the request of the employee.

**16.2 VERIFYING PAY** - Upon the request of the Union, the Employer agrees to submit the payroll records of Union members for an audit by any properly qualified person designated and paid for by the Union, provided however, that the Employer's liability for any discrepancies found shall be limited to the period of six (6) months immediately preceding the date of the Union's request.

## **ARTICLE 17 – TERMINATION NOTICE**

**17.1** Regular employees shall give and be given one (1) weeks' notice or one (1) week's pay in lieu of notice in case of termination of employment, including terminations resulting from layoffs, except in case of discharge for just cause. A week's notice shall not include vacation. Employees who are about to retire are requested to give a minimum of sixty (60) days' notice.

**17.2** A regular employee who fails to give his Employer the one (1) weeks' notice provided above shall be paid only for time actually worked.

## **ARTICLE 18 – DISCHARGE**

**18.1** An employee may be discharged for just cause. Violation of Employer's posted rules may constitute sufficient grounds for disciplinary action, including discharge. The severity of any penalty may be subject to the grievance procedure under Article 35. Employer shall submit to the Union a copy of any posted rules and subsequent changes.

**18.2** Except for discharge for proven theft, drinking alcoholic beverage while on the job or on Company property, using illegal chemical substances while on the job or on Company property, violations of the substance abuse policy (which covers alcohol or illegal drugs), flagrant insubordination or other acts of serious willful misconduct, an employee shall not be discharged or issued disciplinary lay off unless he has had a verbal warning (which is non-mandatory and will not always be used), a written warning, a final written warning and is provided with an "employee conference" as a final step prior to discharge being imposed. The affected Local Union is to be mailed a copy of all disciplinary actions. Employee warning notices shall not be valid after twelve (12) months from the date of issuance.

**Employee Conference** - When an employee's performance is deemed to be unsatisfactory, the Employer will meet with the Union and the employee in an effort to correct the employee's performance. If the employee continues to engage in a course of action that warrants disciplinary action(s), including discharge, then the Employer will notify the affected Local Union prior to the discharge of the employee.

When the Union is notified by the Employer that an Employee Conference is required and the Union Representative is unable to meet within a ten (10) day time period (exclusive of weekends and holidays), the Employer may continue with the attendance of a Shop Steward. Once the Union has been notified that an Employee Conference is required and the employee commits another infraction that warrants further discipline, the Employer may discipline that employee, provided that the Union has been notified of the Employee Conference in writing.

**18.3** Failure by the employee or the Union to protest or grieve on a warning notice at the time of issuance shall not, in itself, constitute an agreement or admission as to the validity of the warning notice or the gravity of the alleged offense.

**18.4** The Employer agrees that any disciplinary action must be issued no later than ten (10) employee worked days from the Employer's date of knowledge of the violation of the company policy or it will be considered invalid.

## **ARTICLE 19 – LAYOFFS**

**19.1** When Employer finds it necessary to hire additional employees, he shall re-hire for a period of three hundred sixty-five (365) days immediately following layoff, those regular employees whom he has previously laid off, in the reverse order in which they were laid off, provided they are available within seventy-two (72) hours and are able to do the work.

19.2 If a regular employee, having been laid off, is notified within three hundred sixty-five (365) days by registered mail at his last known address to return to work, fails to report for work within seventy-two (72) hours after receipt of such notice, his seniority is broken. It is the employees' responsibility to keep the Employer posted as to their current address and phone number.

19.3 A regular employee who has been laid off shall accumulate seniority for a period not exceeding three hundred and sixty-five (365) days, at which time seniority shall be broken if such employee has not been notified to return to work.

19.4 Probationary employees who are re-employed within ninety-one (91) days of any layoff shall be given credit toward their continuous employment requirement for all time actually worked prior to the layoff. The period of any layoff shall not be considered as time worked for any purpose.

## **ARTICLE 20 – SENIORITY**

20.1 Seniority shall be defined as the length of a regular employee's continuous unbroken service with the Employer. Break in continuity of service, with resulting cancellation of a regular employee's seniority, will result from any of the following:

1. Discharge.
2. Resignation or other termination of service by voluntary act of the employee.
3. Layoff in excess of three hundred and sixty-five (365) days.
4. No Call No Show of three (3) days or more without good cause.
5. Failure to return to work within seventy-two hours (72) hours of notice of recall pursuant to the requirements of Article 17.

6. Overstaying a leave of absence that has been granted in accordance with Article 25, Leaves of Absence in this Agreement.

**20.2** Seniority shall be recognized and applied within all classifications for the purposes of bidding vacations, schedules and days of rest. Seniority and qualification shall be recognized within all classifications for the purposes of bidding, work assignments, overtime, training and rehiring.

**20.3** Jobs requiring performance of work covered by this Agreement shall be filled by the bidding procedure hereinafter set forth:

**20.3.1** All jobs that are open shall be posted for a period of one hundred and twenty (120) hours on a form agreed upon by the Employer and the Union. The results shall be posted for one hundred and twenty (120) hours.

**20.3.2** The initial posting for a vacancy of a new or existing job shall be made within seven (7) days after the vacancy occurs and shall be filled within fifteen (15) days after the successful bidder has been determined.

**20.3.3** Only those employees in the Department and Branch where the opening exists may bid on such opening, provided that:

**20.3.3.1** If no employee in the Department where the vacancy occurs bids on the job, an employee in the Plant or Branch where the opening exists may bid on the job, and;

**20.3.3.2** If an employee in the Department where the vacancy occurs is the successful bidder, the opening created by the successful bidder may be bid by an employee in the Plant or Branch where the opening exists.

**20.4** The Employer may consider Drivers, Milk Plant, Ice Cream Plant, Plant Maintenance, Fleet Maintenance, Lab, Pasteurizers and similar operating groups as Departments.

**20.5** An employee may bid on another job within his Department at any time, but his bid need not be given consideration during the first twelve (12) months of his employment or during the six (6) months period since successfully bidding on another job. If an employee's job is eliminated within the six (6) month period after successfully having bid it, the six (6) months shall be waived.

**20.6** The resulting changes shall be limited to two (2).

**20.7** The Employer shall not consider any bids not made in conformity with the terms and provisions of Article 18.

**20.8** It is not the intent of this Article to permit Plant employees to bid on driving vacancies or / nor to permit driver employees to bid on Plant vacancies except by mutual agreement between the Employer and the Union.

**20.9** The following procedure shall be observed in filing job openings:

**20.9.1** Where the Employer finds that the qualifications of two (2) or more bidders for the job which is open are substantially equal then seniority shall be the determining factor.

**20.9.2** Where the Employer finds that there are qualified bidders, said bids shall be awarded on the basis of the employee's seniority provided that the senior employee can perform the work required or become acceptably knowledgeable to perform the duties of the posted position within thirty (30) work days.

**20.9.3** Foreman and Lead positions shall be bid and awarded based on ability and qualifications.



When both ability and qualifications are equal, seniority shall prevail.

**20.10** Where the Employer does not find any bidder to be qualified or where there are no bidders, then Employer shall make the best selection available.

**20.10.1** In determining the qualifications of the bidders, the Employer shall give fair and impartial consideration to all of the facts bearing on the matter and any decision made shall not be arbitrary, discriminatory or the result of bias or prejudice.

**20.10.2** Seniority shall prevail in the choice of days off whenever possible for employees in the job classification, same Department and same shift.

**20.10.3** An employee will be allowed to displace any less senior employee when his job/bid has been eliminated and he is subject to layoff (such displacement shall be allowed regardless of the shift or bracket rates involved), provided he is capable of performing the work involved within fourteen (14) calendar days.

**20.11** Bumps one (1) through two (2) shall be by seniority in accordance with the current language as contained in Article 18.

## **ARTICLE 21 – TRANSFERS**

**21.1** If an employee is transferred with his job to another location within the Company and within the area covered by this Agreement, he shall retain all seniority rights.

**21.2** If an employee is transferred without his job to another location within the Company and within the area covered by this Agreement, the seniority rights of the employee shall start as of the date of such transfer.

**21.3** If an employee is transferred to an exempt job and is subsequently returned to a Union job that is open, his departmental seniority (less time spent on the exempt job) shall be restored if such employee returns to a Union position within sixty (60) calendar days.

**21.4** If an employee transfers to another Department, his departmental seniority will start as of the date of such transfer.

(a) If within three hundred and sixty-five (365) days such employee is scheduled for layoff he may return to the Department from which he transferred, with full departmental seniority rights (less time spent in the other Department) and will bump the employee with the least seniority in the Department, providing:

(1) He has greater departmental seniority than the employee he would replace, and

(2) He is qualified to do the work of the employee he would replace.

(b) If such employee is unable to perform the job satisfactorily or if he does not wish to remain on the job, he may, within one hundred and eighty-two (182) days and at the option of the Employer, return to his former Department and his departmental seniority (less time spent in the other Department) shall be restored after six (6) months.

**21.5** It is understood and agreed that in cases of seniority modification as dictated in this transfer language, it is the full intent of the Parties that benefit accruals shall continue from the Company's recognized service date forward.

**21.6** It is further understood that any employees who are laid off shall be offered continued employment from the available work pool based on qualifications and seniority prior to the Company soliciting new workers off the street, provided such laid off employees can perform the work in question; however, this only applies to current laid off Company employees.

## **ARTICLE 22 – UNIFORMS AND CLOTHING**

**22.1** Employees shall keep themselves in a neat and clean condition at all times and while on duty shall wear such uniform as shall be specified by the Employer. Uniforms shall be furnished by the Employer and the Employer shall pay all cost.

**22.2** If the Company requires protective clothing and wear, it shall be furnished and maintained by the Employer.

**22.3** Employer shall launder or pay for laundering of Company issued garments worn by employees when on duty. All laundry will be done by a Union laundry whenever services and prices are comparable.

**22.4** Employees who are required to dress on site shall be paid in accordance with all applicable laws.

## **ARTICLE 23 – FIDELITY BOND**

**23.1** Employer may require a fidelity bond of any employee, but premium shall be paid by Employer.

## **ARTICLE 24 – PHYSICAL EXAMINATION**

**24.1** If the Employer requires physical examinations and/or drivers' clinic examinations of employees, the Employer shall pay for all such examinations and the time spent by the employees except in cases of maintaining required certifications.

**24.2** In cases of fitness for work and or return to work examinations required by the Employer's occupational medical provider, such time spent and cost of such examination shall be paid for by the Employer.

**24.3** Except for drug testing as required in accordance with the Drug Testing BITLC program policy, the employee shall not be required to drug test for physical examinations or fitness for duty examinations, for absences of less than sixty (60) calendar days.

#### **ARTICLE 25 – DONATIONS**

**25.1** Employer shall not require donations or contributions from employees.

#### **ARTICLE 26 – REDUCTION IN WAGE**

**26.1** No employee shall suffer a reduction in wage rates or working conditions as a result of this Agreement.

#### **ARTICLE 27 – LEAVES OF ABSENCE**

**27.1** It is agreed by the Parties to this Agreement that the Parties shall immediately and continue to comply with any and all State or Federal regulations and mandates concerning Leave of Absence.

**27.2** Informal leaves of absence are those for a period of less than eight (8) days. Formal leaves of absence are those for a period of eight (8) days or more. An informal leave of absence without pay may be granted by Employer at any time. A formal leave of absence, without pay, for a period not to exceed ninety-one (91) days, may be granted by Employer upon written application by employee to Employer, with a copy to the Union. A formal leave of absence may, in exceptional cases, be extended by Employer upon written application from the employee and receipt of written approval from Employer. Seniority shall accumulate during both formal and informal leaves of absence provided the employee returns within the period of time specified in the leave of absence or extension thereof and provided the employee has not been gainfully employed during leave of absence. For purposes of this Article, vacation seniority shall accrue for ninety (90) days provided

the employee returns as specified herein and shall apply to all leaves of absence. After the date of ratification, to be eligible for informal or formal leave of absence, except for those mandated by law, the employee must have been employed by the Employer for twelve (12) months.

It is mutually understood that the words "gainfully employed," cover instances where an employee goes into business for himself, etc.

**27.3** Whenever a regular employee becomes unable to perform his work by reason of personal illness or injury, he may request a medical leave of absence based on the following:

- (a) Upon presentation of proper medical evidence, the Employer shall grant a leave for the period of disability. The length of the leave shall not be longer than the period of the employee's employment at the commencement date of the disability or six (6) months, whichever period is the lesser.
- (b) The period of the leave of absence may be further extended by the Employer in exceptional cases. Company seniority shall accumulate during the period of such leave.

Any employee returning to work from an absence due to illness or injury of thirty (30) days duration or more shall notify the Employer of his return to work seventy-two (72) hours prior to his return.

**27.4** Any employee returning to work from an absence due to illness or injury of less than thirty (30) days duration shall notify the Employer of his return to work by the end of his regular shift next preceding his return to work.

## **ARTICLE 28 – BEREAVEMENT LEAVE**

**28.1** An employee who loses time on scheduled work days as a result of the death of a member of his immediate family will be paid a maximum of three (3) days (each day at eight (8)

straight time hours) or three (3) days (each day at ten (10) straight time hours) on a four (4) ten (10) work week for working time lost as a result of attendance at the funeral and/or burial or estate matters.

**28.2** Immediate family shall be defined as an employee's parents, stepparents, grandparents, spouse, children, brothers, sisters, grandchildren, stepchildren of current spouse, domestic partner and current spouse's mother and father.

**28.3** Employer may require reasonable proof or verification.

#### **ARTICLE 29 – SICK LEAVE**

**29.1** Effective January 1<sup>st</sup>, the Employer shall provide all employees with forty (40) hours sick leave per year.

**29.1.1** New hires will be awarded twenty-four (24) hours after hire and successfully completing ninety (90) days probation. These twenty-four (24) hours shall be paid out in December, as stated in 27.2, if unused. On January 1<sup>st</sup> of the new hire's first full calendar year of employment sick leave hours will be awarded in accordance with Article 27.1 provided the probationary period has concluded prior to January 1<sup>st</sup>.

**29.2** The employee shall use sick leave hours in the year they are accumulated. If the employee is sick and has earned sick hours available, he must use the sick leave in full day increments, unless only a fractional amount remains, which will be paid accordingly. Unused sick hours, shall be included in the employee's last paycheck of December of the current year. At the time of termination, unused sick hours, shall be paid to the employee unless the employee is discharged for proven just cause.

**29.3** Sick Leave pay shall be paid on the first day lost. Employees working a five (5) day eight (8) hour schedule shall receive eight (8) hours pay. Employees on a four (4) day ten (10)

hour schedule shall be paid ten (10) hours pay, unless only a fractional amount remains. For purposes of annual date pay out, all eligible employees shall be paid for all hours remaining at their current schedule.

**29.4** Sick leave earned shall be integrated with worker compensation or SDI illnesses and / or injuries not to exceed one hundred percent (100%) of an employee's daily straight time earnings at the employee's option.

**29.5** The use of sick leave pay shall prevent an employee from receiving an "occurrence" as it relates to the attendance policies.

### **ARTICLE 30 – EMPLOYEES UNABLE TO COMPLETE DAY'S WORK**

**30.1** If an employee sustains an industrial injury and there is medical evidence that such injury prevented him from continuing work on the day of the injury, he shall be paid for the time worked on such day, but for not less than his scheduled shift for that day.

**30.2** If an employee because of illness or some other personal reason is unable to continue with his work he shall be paid for the actual number of hours worked.

**30.3** If an employee is called in to finish a shift for an employee, who for some reason is unable to finish his shift, such employee shall be paid at the applicable rate, for the number of hours worked, but in no event, is he to be paid for less than one half (1/2) his scheduled shift for that day.

### **ARTICLE 31 – VETERANS**

**31.1** Employees serving or enlisting in the United States Military shall be granted all rights and privileges provided by applicable Federal, State or Local laws or mandates as current or may be modified in future.

## **ARTICLE 32 – REST PERIODS**

**32.1** The Employer shall continue his present practice with respect to rest periods, provided each employee shall receive not less than two (2) fifteen (15) minute rest periods per day.

**32.2** Time off for meal periods shall commence not less than three (3) hours after start time and shall not extend beyond five (5) hours after start time. Those employees working a regular ten (10) hours shift will receive time off for meals between the fourth (4<sup>th</sup>) and sixth (6<sup>th</sup>) hour from their starting time. All meal periods shall be uninterrupted.

**32.3** The Parties agree that the minimum requirements concerning meal and rest periods may vary within the contract based on the classification contained and covered herein and the appropriate Industrial Welfare Commission work order.

**32.4** The Parties agree that the minimum requirement concerning meals and rest periods shall at all times meet the minimum thresholds as required by the appropriate work order under the Industrial Welfare Commission as is current or may be amended in the future shall be adhered to in its entirety.

## **ARTICLE 33 – BULLETIN BOARDS**

**33.1** The Employer shall provide a bulletin board which shall be used exclusively for authorized Union notices, but same shall not be posted until they have been first called to the attention of Human Resources. All such Union notices shall be authorized and signed by the Secretary/Treasurer of the Local Union or by his designee who shall be a full-time representative of the Local Union involved.



## **ARTICLE 34 – JOB CLASSIFICATION**

**34.1** The classification of new jobs established after the date of this contract shall be negotiated between the Employer and the Union prior to the implementation of such new job classification.

## **ARTICLE 35 – PRESERVATION OF WORK**

**35.1** The Employer shall have the right to (a) modify, eliminate, or transfer drops, stops, routes, or other elements of its distribution network to address unprofitable and/or inefficient operations and (b) subcontract drops, stops, routes, or other elements of its distribution network in connection with drops of less than twenty-five (25) cases.

**35.2** Except as permitted by Section 35.1, for the purpose of preserving work and job opportunities for the employees covered by this Agreement, the Employer agrees that no work or services presently performed or hereafter assigned to the collective bargaining unit will be subcontracted, transferred, leased, assigned or conveyed in whole or in part to any other Plant, person or non-unit employees, unless such other Plant, person or non-unit employees observes and causes its employees to observe substantially the same economic conditions of employment or conditions of employment which are more beneficial to its employees, than those observed by the Employer. The word “employee” referred to above shall include so called “independent owner-operators.”

**35.3** Except as permitted by Section 35.1, Employer agrees that, unless required to do so by law or lawful public authority, it will not sell dairy products at its platform to any person, firm or corporation who buys said product for distribution to retail outlets in competition with route drivers covered by this Agreement and similar Agreements with other Employers in this area, unless such person, firm or corporation observes and causes its employees to observe substantially the same conditions of employment as those observed by Employer.

**35.4 RIGHTS TO PRESERVATION OF WORK:** In the spirit of cooperation between the Employer and Teamsters Locals 63, 166, 186, 495, 542, 630, 683 and 952, the Parties agree to the following: in order to provide job security for Locals 63, 166, 186, 495, 542, 630, 683 and 952 members employed at the Company, the Company will not move jobs or work to another location, Union or non-union for the purpose of circumventing this Agreement.

**35.5** Any future Change of Operations will be negotiated between the Employer and the Union(s) as to the effects of the operational changes prior to the implementation of any change.

**35.6** Any new, large bulk customer may pick up bulk products at the Employers facility with their own equipment. Except as permitted by Section 35.1, it is the explicit intent of the Employer to not outsource current or future business for delivery purposes currently being performed or as may be performed in the future. Except as permitted by Section 35.1, it is the Company's intent to maximize the use of its transportation fleet to deliver future business.

Except as permitted by Section 35.1, all business currently being delivered by the bargaining unit as of June 1, 2015 will remain within the bargaining unit. Except as permitted by Section 35.1, it is the explicit intent of the Employer to not outsource current or future business for delivery purposes currently being performed or as may be performed in the future.

#### **ARTICLE 36 – NEW LOCATIONS**

**36.1** In the event the Employer moves the location of his present operation covered by this Agreement, to a location within the geographical jurisdiction of Joint Council of Teamsters No. 42, present employees shall have preference for vacancies at such locations in accordance with seniority and qualification. Such assignment shall be subject to Employer's work force requirements at both the old and new locations. Subject to the above, qualified employees with

seniority rights who have been laid off or would be laid off because of such new locations shall have preference for employment before any new employees are hired.

### **ARTICLE 37 – GRIEVANCE AND ARBITRATION PROCEDURE**

**37.1** In the event that a dispute arises over a violation of a specific provision of this Agreement, this process allows the employee to attempt first to resolve said issue at the lowest level of Management as possible.

**37.2** When a dispute arises, the employee should immediately take up this dispute, with or without the assistance of a Shop Steward, with his immediate Supervisor for adjustment. Said dispute should be taken up within five (5) workdays, exclusive of weekends and holidays, of the occurrence of the action which led to said dispute. The Supervisor shall render a response to the employee within five (5) workdays, exclusive of weekends and holidays, of presentation by the aggrieved employee.

**37.3** If the employee is not satisfied with the Supervisors response, said employee may file a grievance on the appropriate form to the Employer within five (5) workdays, exclusive of weekends and holidays, after receipt of the immediate Supervisor's response, but in no event, more than ten (10) workdays, exclusive of weekends and holidays, following the date of the meeting with the immediate Supervisor.

**37.4** Thereafter, the following procedure shall be followed to attempt to resolve said dispute:

#### **Grievance Procedure:**

**Step 1** After the filing of a grievance through the Shop Steward to Management, the Parties shall meet with the local Human Resources Business Partner or designated representative within ten (10) workdays of the filing of said grievance exclusive of weekends and holidays, to adjust the

grievance. The local Human Resources Business Partner or said designee shall issue a written response within ten (10) working days, exclusive of weekends and holidays, of such meeting to the grievant and Union. If the grievance is not resolved at this level per the written response, said grievance will be processed.

**Step 2** The Human Resources Director/Manager or said designee and the Union Representative may meet to discuss the grievance in an attempt to resolve the outstanding issue.

**Step 3** In the event the issue is not resolved either Party may seek Arbitration in accordance with the Arbitration procedure as set below.

Thereafter, the following procedure shall be followed to attempt to resolve said dispute.

## **37.5**

### **37.5.1 Mediation Language**

Prior to the grievance being submitted to Mediation/Arbitration, either Party may file a written request for an Adjustment Board/Mediation hearing within thirty (30) calendar days of receipt of the response in 35.5 above. The Adjustment Board/Mediation shall be held within thirty (30) calendar days of the written request and in any event within forty-five (45) days from the initial date of presentation of the grievance in writing to the Employer unless the time limit is extended by mutual agreement in writing by the Parties.

The Adjustment Board/Mediation shall consist of two (2) Employer representatives and two (2) Union representatives (unless the Parties mutually agree to one (1) Employer representative and one (1) Union representative), plus a neutral Mediator who shall act as Chairman and who shall mediate the dispute in an attempt to have the Parties reach a settlement.

By mutual agreement of the Parties, the Adjustment Board/Mediation may be waived and the Parties may proceed directly to Arbitration.

The Adjustment Board/Mediation shall be governed by the following rules:

- (1) The grievant shall have a right to be present;
- (2) Each party shall have one (1) principal spokesperson;
- (3) Lawyers or consultants shall not participate;
- (4) Any documents presented to the Mediator shall be returned to the respective Parties at the conclusion of the hearing;
- (5) Proceedings shall be informal in nature; the presentation of evidence is not limited to that presented at earlier steps of the grievance procedure; the rules of evidence shall not apply and no formal record shall be made;
- (6) The Mediator shall not have the authority to compel a resolution of the grievance;
- (7) If no settlement is reached between the Parties, the Mediator shall provide the Parties with an immediate written advisory decision within twenty-four (24) hours of the mediate;
- (8) The Adjustment Board/Mediation shall have no power to alter or amend the terms of this Agreement and/or applicable discrimination laws; and
- (9) The Mediator shall be selected from a list of three (3) mediators provided by the Federal Mediation and Conciliation Service and/or the State Conciliation Service.

If the Employer and the Union cannot agree upon which Mediator shall hear the dispute, each Party shall strike one (1) name from the list until one (1) name shall remain. The person

whose name is not stricken shall be the Mediator. If such public Mediators are unavailable, private Mediators may be used and the cost of the Mediator shall be split between the Employer and the Union.

As an alternative, by mutual agreement of the Parties in advance of the Adjustment Board/Mediation hearing, a neutral third (3<sup>rd</sup>) person may be designated a Mediator who will attempt to mediate the dispute. In the event that a grievance which has been mediated subsequently goes to Arbitration, no person serving as a Mediator between these Parties may serve as an Arbitrator; nothing said or done by the Mediator may be referred to at Arbitration; and nothing said or done by any Party for the first time in Mediation may be used against them at Arbitration.

Any resolution or settlement reached between the Parties utilizing this Mediation process shall be reduced to writing and signed by the Parties.

### **37.6 Arbitration Procedure**

In the event that the Company and the Union are unable to resolve a grievance through the Grievance Procedure in the Article, within thirty (30) calendar days of the Company response in Step 2 above or after the date of unsettled Mediation, either Party may request in writing that the Federal Mediation and Conciliation Service (FMCS) provide a list of seven (7) names of local Arbitrators available to hear and determine the grievance in accordance with the rules of the Federal Mediation and Conciliation Service (FMCS). Each Party retains the right to strike one (1) Panel each. A request for Arbitration shall be submitted not later than thirty (30) calendar days, exclusive of weekends and holidays, following the Company's written answer in the last step of the Grievance Procedure in this Article or after the date of unsettled Mediation.

Right to name strike first shall be determined by coin toss, with the filing Party calling the coin.

**37.7** In choosing an Arbitrator, the Parties will request that said Arbitration must be heard within thirty (30) calendar days of the selection of said Arbitrator, unless an alternate date beyond the thirty (30) calendar days is agreed to in writing by the Parties. The Parties will request that said decision must be rendered within thirty (30) calendar days of the closing of the case.

**37.8** The Arbitrator shall have no authority to add to, subtract from, alter or amend any of the provisions of this Agreement.

**37.9** The decision of the Arbitrator shall be final and binding upon the Parties to this Agreement and the employees covered hereby.

**37.10** The fee of the Arbitrator and the costs associated with the hearing room shall be borne by the losing Party.

**37.11** Any other costs associated in the processing of this matter shall be borne by the Party incurring such cost.

**37.12 Contents of the Grievance:**

In reducing a grievance to writing, the following information must be stated with reasonable clarity; the exact nature of the grievance, the time, date and location of the grievance, the specific provisions of the Agreement violated and the remedy which is sought.

**37.13** It is further agreed that once a grievance is reduced to writing by the grievant, the Business Representative maintains the right to alter and clarify said grievance as to the specific facts associated with such grievance for clarity as to the exact issue and resolve. Any modification to the grievance by the Business Representative shall be in writing to the appropriate Company Representative.

**37.14** Back Pay remedies shall be retroactive from the date of the filing of the grievance in Step 1, unless it is shown that the Company willfully and deliberately violated the Agreement.

**37.15** Failure of either Party to timely raise, file, respond or appeal any grievance within the time limits as set forth above will result in the grievance being awarded to the last responding Party provided, however, that the time limits set forth above may be extended by the mutual written agreement of the Parties.

### **ARTICLE 38 – SUCCESSORS AND ASSIGNS**

**38.1** This Agreement shall be binding upon the Parties hereto, their successors, administrators, executors and assigns. In the event an entire operation or any portion thereof, is sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings, such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy to the Union not later than the effective date of sale.

### **ARTICLE 39 – SUBSTANCE ABUSE POLICY**

**39.1** Substance abuse policy identified as “BITLC” is adopted and may be put into effect by the Employer. The Policy is subject to change and modification by mutual agreement between the Union and Employer Negotiating Committees only. Employees covered by D.O.T. regulations must submit to drug and alcohol testing in accordance with D.O.T. regulations. If an employee tests positive, the employee will be subject to discipline and rehabilitation in accordance with the “BITLC” Policy.

**39.2** Reasonable Suspicion Testing will be in accordance with the BITLC Policy.

**39.3** Post-Incident Testing will be in accordance with the BITLC Policy.



## **ARTICLE 40 – JURY DUTY**

**40.1** An employee will be paid for up to ten (10) days of Jury Duty service per calendar year when the Jury Duty falls on his regularly scheduled workday. The employee must provide proof of Jury Duty service prior to receiving payment.

**40.2** Any employee who may be called as a witness or to make a deposition at the Company's request shall be reimbursed at the regular scale of wages for any time loss incurred.

## **ARTICLE 41 – SEPARABILITY AND SAVINGS CLAUSE**

**41.1** If any Article of this Agreement or any of the Agreements supplemental hereto or riders to such Supplemental Agreements, should be held invalid by operation of law or by any tribunal of competent jurisdiction or if compliance with or enforcement of any Article of the Agreement(s) referred to above, should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement, Supplemental Agreements or of any rider or the application of same to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

## **ARTICLE 42 – TERM**

**42.1** This Agreement shall become effective on the first shift starting on May 1, 2020 and shall continue in effect through and including February 28, 2023 and from year to year thereafter unless either party shall give the other written notice of intention to terminate or modify this Agreement at least sixty (60) days prior to February 28, 2023 or February 28th of any calendar year thereafter. The Parties agree that negotiations of a new Agreement shall commence as soon as practicable after such notice is given and that irrespective of the notice to terminate or modify,

such negotiations may continue after the termination date. The termination notice may be made effective by either Party at any time after such termination date, by giving the other Party seven (7) days written notice by registered mail. This Agreement shall be deemed terminated seven (7) days after such written notice is given.

**42.2** It is understood that should abnormal changes in living cost or economic conditions in the dairy industry arise, then either Party may, upon sixty (60) days written notice to the other Party, request opening negotiations to adjust wage rates on as contained in the attached Appendices of this Agreement, in which case this Agreement shall remain in full force and effect until consummation of a new agreement on wages.

**42.3** Pursuant to the attached Assumption Agreement and Memorandum of Agreement on Terms and Conditions of New Collective Bargaining Agreements, the parties have agreed that certain provisions of this Agreement shall continue in full force and effect until at least May 1, 2025, after which they may be subject to discussion as the Agreement comes up for renegotiation in the normal course.

**IN WITNESS WHEREOF**, the parties hereto have executed this agreement the day and year first herein above written.

FOR THE EMPLOYER – DFA DAIRY BRANDS, LLC OR THE APPLICABLE  
SUBSIDIARY THEREOF

\_\_\_\_\_  
Mary Kay Gribbons

Date: \_\_\_\_\_

FOR THE UNION – ON BEHALF OF ALL LOCAL UNIONS

\_\_\_\_\_  
Mike Bergen  
Southwest Dairy Council Chairman

Date: \_\_\_\_\_

## APPENDIX "A" DRIVERS

1. Bracket No. 1
  1. Foreman
2. Bracket No. 2
  1. Relief Driver
3. Bracket No. 3
  1. Route Driver
4. Bracket No. 4
  1. Yard Spotter
5. Bracket No. 5
  1. Transport
6. Bracket No. 6
  1. Institutional Route Driver

### WAGE RATES

<u>Appendix</u>	<u>Bracket</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>3/01/2021</u>	<u>3/01/2022</u>
<u>A</u>									
	1	\$26.15	\$26.69	\$27.17	\$27.65	\$28.14	\$28.67	+1.5%	+1.5%
	2	\$25.97	\$26.51	\$26.99	\$27.47	\$27.96	\$28.49	+1.5%	+1.5%
	3	\$25.73	\$26.27	\$26.75	\$27.23	\$27.72	\$28.25	+1.5%	+1.5%
	4	\$24.72	\$25.26	\$25.74	\$26.22	\$26.71	\$27.24	+1.5%	+1.5%
	5	\$24.65	\$25.19	\$25.67	\$26.15	\$26.64	\$27.17	+1.5%	+1.5%
	6	\$24.40	\$24.94	\$25.42	\$25.90	\$26.39	\$26.92	+1.5%	+1.5%

### JOB CLASSIFICATIONS:

1. **Route Foreman** - Route Foreman shall be required to coordinate routes, relief drivers and loaders and shall correct any discrepancies discovered and shall immediately report to

management. He may be required to relieve Drivers and Yard Spotters in cases of emergency but shall not have any permanent relief schedule. In no event, may the Route Foreman be required or allowed to exercise or issue any discipline to any employee. The Route Foreman may be required at times to train new drivers.

**2. Relief Drivers** - Relief Drivers shall run the routes properly for the Regular Drivers they relieve. In no event, may the Relief Driver be required or allowed to exercise any supervisory duties. The Relief Driver may be required at times to train new Drivers. Relief employees will be allowed to select the relief coverage per seniority and qualifications.

**3. Route Drivers** - Drivers shall make deliveries of all products to the Employers customers. Drivers shall have the responsibility to ensure his load is secure and the equipment is safe to operate. In making deliveries, the Driver shall place the product in any one of the following points; at the Company or customer's direction; within the confines of the customer's account; up to the customer's refrigeration facilities; into the customer's refrigeration facilities.

**4. Yard Spotters** - Yard Spotters shall be responsible for placing loaded or unloaded trailers in an area designated by the Supervisor or Foreman. He shall validate temperature settings of all trailers and trucks in the yard and report any discrepancies to the Supervisor or Foreman.

**5. Transport** - Drivers shall make all deliveries of Company distributed products to Plants, Branches or designated sites. Drivers shall have the responsibility to check the security of his load and the equipment is safe operate. At times, Drivers may be required to load and/or offload product as required. Any such work, when performed by a Transport Driver, shall be performed at the prevailing Route Driver Bracket rate of pay, subject to Appendix "A" of this Agreement.

**6. Institutional Route Driver Class B** - Drivers shall make all deliveries of Company distributed products to the Company's Institutional customers. Drivers shall have the responsibility

to ensure his load is secure and the equipment is safe to operate. In making deliveries, the Driver shall place the product in any one of the following points; at the Company or customer's direction; within the confines of the customer's account; up to the customer's refrigeration facilities; into the customer's refrigeration facilities or as otherwise directed by the Company or customer.

## **WORKING CONDITIONS**

The employee shall have time to check the mechanical and physical conditions of his equipment before leaving the Employer's yard. He shall have time to complete the procedure each time he makes an equipment change.

If an employee covered under the Drivers Appendix is called in to work on either of his designated days off, he shall have at least eight (8) hours work made available to him or shall be paid a minimum of eight (8) hours pay at the overtime rate. The Employer may not offset any under time on such days against overtime worked during the regularly scheduled workweek.

**1. Employee Meetings** - Meetings shall be called on not less than three (3) days' notice and shall be held at an hour most convenient to the majority of employees affected and at a time not to conflict with regular Union meetings. No employee shall be required to attend meetings on his designated days off and no employee shall be required to attend such meetings if the meeting time is scheduled for more than one (1) hour after the employee's check-out time.

It is the Employer's responsibility to set the time at which a meeting will start. In all cases, the meeting is to be adjourned one (1) hour from the original starting time set by Employer.

**2. Lunch Periods** - Lunch and break periods may be combined to constitute rest periods, provided Driver tasks are performed. All lunch and break periods shall be documented by the employee. Lunch and break periods will be in compliance with IWC, State and Federal regulations.

3. **Equipment Violations** - Employer shall assume responsibility for all citations issued for equipment violations except for weight violations where a certified scale ticket is provided.

4. **Layovers** - If an employee is required to be gone away from home overnight, the Employer shall provide him with clean and reasonable lodging and reimbursement (\$15 Breakfast, \$25 Lunch, \$50 Dinner) for up to three (3) meals each twenty-four (24) hour period. Itemized meal receipts will be required for reimbursement.

5. **Long Haul Run** — The Company may require long haul runs. In that event, long haul runs are defined as three hundred (300) plus miles each way, plus layover. Long Haul Driver will be compensated at Route Driver Rate.

#### **DRIVER BIDS**

A. Routes requiring performance of work covered by this Agreement shall be filled by a bidding procedure. Routes will be posted once per year, by location, in February and shall include, but not limited to, start time, days off and geographical area of the route.

B. All routes that become open for bid outside of the annual route rebids shall be posted for a period of one hundred twenty (120) hours on a form agreed upon by the Employer and the Union. The results shall be posted for one hundred twenty (120) hours.

C. The initial posting for a vacancy of a new or existing route shall be made within seven (7) days after the vacancy occurs and shall be filled within fifteen (15) days after the successful bidder has been determined. Only those employees in the location where the opening exist may bid on such routes. If no employee in the location where the vacancy occurs is a successful bidder, an employee in another location may bid on the job.

D. If an employee from another Branch is the successful bidder, he shall not bring his location seniority.

E. The open route created by a successful bidder will be placed under bid following the same guidelines. The resulting changes shall be limited to two (2). Seniority shall be the determining factor when awarding bids.

F. Foreman Positions shall be bid and awarded based on ability and qualifications. When both ability and qualifications are equal, seniority shall prevail.

G. Subsequently displaced employees shall be allowed to “bump” less senior employees, to a maximum of three (3) with the fourth (4<sup>th</sup>) employee being forced to replace the least senior employee (without reduction in pay).

H. Whenever a route is changed fifty-one percent (51%) or more it will be posted for bid. Start time, days off and geographical area of the route shall also be grounds for a route to be rebid.

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## APPENDIX "B" FLUID PLANT EMPLOYEES

- A. Bracket No. 1
  - 1. \*Foreman
  - 2. \*\*Pasteurizer/Blender Operator
  - 3. \*\*\*Lab Technician
  
- B. Bracket No. 2
  - 1. \*Foreman
  - 2. Cooler Receiver
  - 3. Milk Receiver
  
- C. Bracket No. 3
  - 1. \*Foreman
  - 2. CIP/Sanitation Operator
  - 3. Cooler Worker
  - 4. Filler Operator
  - 5. Blowmold Operator
  
- D. Bracket No. 4
  - 1. \*Foreman
  - 2. Packaging Operator
  - 3. Warehouse Receiver
  - 4. Shipping Repack
  
- E. Bracket No. 5
  - 1. \*Foreman
  - 2. Case Dock Worker
  - 3. Material Handler
  - 4. Janitor

\*Foremen shall be paid one dollar (\$1.00) above the highest bracket rate.

**WAGE RATES**

<u>Appendix</u>	<u>Bracket</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>3/01/2021</u>	<u>3/01/2022</u>	
<b>B</b>										
	1	\$27.47	\$28.01	\$28.49	\$28.97	\$29.46	\$29.99	+1.5%	+1.5%	
	2	\$24.72	\$25.26	\$25.74	\$26.22	\$26.71	\$27.24	+1.5%	+1.5%	
	3	\$24.27	\$24.81	\$25.29	\$25.77	\$26.26	\$26.79	+1.5%	+1.5%	
	4	\$24.07	\$24.61	\$25.09	\$25.57	\$26.06	\$26.59	+1.5%	+1.5%	
	5	\$23.96	\$24.50	\$24.98	\$25.46	\$25.95	\$26.48	+1.5%	+1.5%	
		** Pasteurizer must have a license or rate is (\$3.00) less than published								
		***Lab Technician must have a degree or rate is (\$3.00) less than published								
		* Foreman shall be paid \$1.00 above the highest bracket rate led								

**JOB CLASSIFICATIONS:**

1. **Foreman-** For the purpose of this Appendix “B”, a Foreman is one who works in direct contact with management and will lead the employees within the area assigned. The Foreman will delegate work to the employees by distributing, coordinating, clean-up of areas, assist in the training of new and existing employees. The Foreman should be capable of performing various jobs within the fluid plant. He may be required to relieve Regular or Relief employees in cases of emergency, but shall not have any permanent relief schedule. In no event, may the Foreman be required, allowed to exercise or issue any discipline to any employee.

2. **Regular Employees** - For the purpose of this Appendix “B”, a regular employee is one who works at the same job on the same shift three (3) or more days of the workweek.

3. **Combination Employee** - Combination employees are those whose regular work falls in more than one (1) classification within the same day and the rate of pay shall be the rate of each classification for the time worked on each job, except that any employee who spends more than

fifty-one percent (51%) of his time at a certain wage rate shall be paid at the higher wage rate for the balance of his days' work.

**4. Relief Employees** - For the purpose of this Appendix "B", Relief Employees are those who work on different jobs or different shifts three (3) or more days of the workweek. Relief Employees shall receive twenty-five cents (\$0.25) per hour above the highest rated job relieved during the workweek, except when relieving a Working Foreman, when the rate shall be the rate of the Foreman for that day only. Relief Employees will be allowed to select the relief coverage per seniority and qualifications.

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**APPENDIX "C"**

**FLUID PLANT MAINTENANCE EMPLOYEES**

**Fluid Plant Maintenance Classifications**

- A. Bracket No. 1
  - 1. \*Foreman
  - 2. Maintenance Mechanic II
  - 3. Process Welder
  
- B. Bracket No. 2
  - 1. Facility Maintenance
  - 2. Maintenance Mechanic I
  
- C. Bracket No. 3
  - 1. Maintenance Mechanic Trainee / Luber

**WAGE RATES**

<u>Appendix</u>	<u>Bracket</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>3/01/2021</u>	<u>3/01/2022</u>	
<u>C</u>										
	1		\$33.84	\$33.94	\$34.04	\$34.14	\$34.29	+1.5%	+1.5%	
	2		\$30.00	\$30.10	\$30.20	\$30.30	\$30.45	+1.5%	+1.5%	
	3		\$23.74	\$23.84	\$23.94	\$24.04	\$24.19	+1.5%	+1.5%	
		<b>Base Plus Certification</b>								
		*Foreman shall be paid \$1.00 above the highest bracket rate led								

**PLANT MECHANIC MULTI — CRAFT / SKILL FOR PAY:** The Employer and the Union agree to institute a Multi — Craft / Skill for Pay training program to further enhance opportunities for the Plant Maintenance Mechanics at Alta Dena North. This program will be administered by the Company through the TPC portal.

**OBJECTIVE:** To identify and recognize those Technicians who can demonstrate knowledge of the skills necessary to diagnose, service and repair different systems throughout the plant operations.

**TPC CERTIFICATIONS OFFERED:**

1. Electrical Systems
2. Mechanical Systems
3. Ammonia Refrigeration
4. Process Control Instrumentation
5. Energy Conservation

Upon completion of each TPC course and certification, the employee, shall receive an incremental fifty cents (\$.50) per hour and will be reimbursed for the course upon passing with a minimum grade of eighty five percent (85%). All tests will be taken on site at Alta Dena North.

**JOB CLASSIFICATIONS:**

1. **Foreman** - For the purpose of this Appendix “C”, a Foreman is one who works in direct contact with management and will lead the employees within the area assigned. The Foreman will delegate work to the employees by distributing, coordinating work, making repairs, PM’s, cleanup of areas, assist in the training of new and existing employees. The Foreman should be capable of performing various jobs within the Fluid Plant. He may be required to relieve employees in cases of emergency, but shall not have any permanent relief schedule. In no event, may the Foreman be required, allowed to exercise or issue any discipline to any employee.

2. **Regular Employees** - For the purpose of this Appendix "C", a regular employee is one who works at the same job on the same shift three (3) or more days of the workweek.

**COMPANY OWNED TOOLS** - The Employer agrees to provide all power tools and large specialized tools and equipment, which are suitable for only the maintenance work that is performed on the Company's equipment. It is expressly understood and agreed that such tools and equipment as well as any other tools and/or equipment that may be provided by the Employer are the Employer's property and shall not be removed from the Employer's premises.

**EMPLOYEE OWNED TOOLS** - The Employer agrees to replace an employee's personally owned tools, which the employee is required to provide and utilize in direct connection with his work, which are broken on the job with like quality, if available and not covered by warranty. The Employer agrees to provide the employee with a designated area in which to store their tools. The employee agrees to provide an annual update of his personal tool inventory.

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**APPENDIX "D"**

**FLEET MAINTENANCE EMPLOYEES**

**Fleet Maintenance Classifications**

- A. Bracket No. 1  
Fleet Maintenance Mechanic Foreman
- B. Bracket No. 2  
Sr. Fleet Maintenance Mechanic
- C. Bracket No. 3  
Fleet Maintenance Mechanic II
- D. Bracket No. 4  
Fleet Maintenance Mechanic I
- E. Bracket No. 5  
Fleet Maintenance Entry Level

**WAGE RATES**

<u>Appendix</u>	<u>Bracket</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>3/01/2021</u>	<u>3/01/2022</u>
<u>D</u>	1		\$30.22	\$30.32	\$30.42	\$30.52	\$30.67	+1.5%	+1.5%
	2	<b>Base Plus ASE Certification</b>							
	3	<b>Base Plus ASE Certification</b>							
	4		\$27.00	\$27.10	\$27.20	\$27.30	\$27.45	+1.5%	+1.5%
	5		\$22.15	\$22.25	\$22.35	\$22.45	\$22.60	+1.5%	+1.5%

**MULTI — CRAFT / SKILL FOR PAY:**

These are base wage rates only. The Employer and the Union agree to institute a Multi — Craft / Skill For Pay training program to further enhance opportunities for the Maintenance Mechanics.

**OBJECTIVE:**

To identify and recognize those Medium and Heavy Truck Technicians who can demonstrate knowledge of the skills necessary to diagnose, service and repair different systems of Class 4 through Class 8 trucks and tractors.

**CERTIFICATIONS OFFERED:**

T2 — Diesel Engines

T3 — Drive Train

T4 — Brakes

T5 — Suspension and Steering

T6 — Electrical / Electrical Systems

T7- Heating, Ventilation & Air Conditioning (HVAC)

T8 — Preventative Maintenance Inspection

**MASTER CERTIFICATION REQUIREMENTS:**

Those who are certified in exams T2 — T7 are recognized as ASE-Certified Master Medium — Heavy Truck Technicians. Technicians must retest every five (5) years to retain their certification.



## **MOVEMENT BETWEEN BRACKETS**

All newly hired Fleet Maintenance Mechanics and current mechanics shall start in Bracket four (4). In the event a newly hired mechanic is ASE certified, the employee shall be paid at the appropriate bracket rate.

Upon successful completion of each ASE exam, the employee shall receive an incremental twenty-five cents (\$.25) per hour increase and will be reimbursed for the ASE course. Also, upon completion and receipt of one (1) through six (6) ASE certifications, employee shall move to Fleet Maintenance Mechanic II. Upon receipt of the seventh (7<sup>th</sup>) ASE certification, the employee shall receive an incremental fifty cents (\$.50) per hour increase and move to Sr. Fleet Mechanic bracket.

## **FOREMAN ASE CERTIFICATION PREMIUM:**

Upon successful completion of each ASE certification, the foreman shall receive an incremental twenty-five (\$.25) per hour increase and will be reimbursed for the ASE exam. Upon receipt of the seventh (7<sup>th</sup>) ASE certification, the foreman will receive an incremental one dollar (\$1.00) per hour increase for a total of two dollars and fifty cents (\$2.50) per hour above the bracketed rate.

## **COMPANY OWNED TOOLS:**

The Employer agrees to provide all large specialized tools and equipment, which are suitable for only the maintenance work that is performed on the Employer's equipment. It is expressly understood and agreed that such tools and equipment as well as any other tools and/or equipment that may be provided by the Employer are the Employer's property and shall not be removed from the Employer's premises.

**EMPLOYEE OWNED TOOLS:**

The Employer agrees to replace an employee's personally owned tools, which the employee is required to provide and utilize in direct connection with his work that are broken on the job with like quality, if available and not covered by warranty. The Employer agrees to provide the employee with a designated area in which to store their tools. The employee agrees to provide an annual update of his personal tool inventory.

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**APPENDIX "E"**

**ICE CREAM PLANT EMPLOYEES**

**Production and Freezer**

- A. Bracket No. 1
  - 1. Foreman
- B. Bracket No. 2
  - 1. Mix Processor/Licensed Pasteurizer
  - 2. Filler Operator
  - 3. Quality Assurance Technician
  - 4. Flavor Deck Operator
  - 5. Relief
- C. Bracket No. 3
  - 1. Sanitation
  - 2. Dry Warehouse Operator
  - 3. Yard Spotter
  - 4. Utility
- D. Bracket No. 4
  - 1. Frozen Storage Operator
  - 2. Mix Processing Helper
- E. Bracket No. 5
  - 1. General Plant Cleanup

**WAGE RATES**

<u>Appendix</u>	<u>Bracket</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>/2021</u>	<u>/2022</u>
<u>E</u>		\$0.58	\$0.58	\$0.53	\$0.53	\$0.53	\$0.58	+1.5%	+1.5%
	1	\$27.20	\$27.78	\$28.31	\$28.84	\$29.37	\$29.95	+1.5%	+1.5%
	2	\$27.20	\$27.78	\$28.31	\$28.84	\$29.37	\$29.95	+1.5%	+1.5%
	3	\$25.74	\$26.32	\$26.85	\$27.38	\$27.91	\$28.49	+1.5%	+1.5%
	4	\$25.89	\$26.47	\$27.00	\$27.53	\$28.06	\$28.64	+1.5%	+1.5%
	5	\$22.89	\$23.47	\$24.00	\$24.53	\$25.06	\$25.64	+1.5%	+1.5%

**JOB CLASSIFICATIONS:**

1. **Foreman** - For the purpose of this Appendix “E”, a Foreman is one who works in direct contact with management and will lead the employees within the area assigned. The Foreman will delegate work to the employees by distributing, coordinating work, repairs, PM’s, clean-up of areas, assist in the training of new and existing employees.

The Foreman should be capable of performing various jobs within the Ice Cream plant. He may be required to relieve Regular or Relief employees in cases of emergency but shall not have any permanent relief schedule. In no event, may the Foreman be required, allowed to exercise or issue any discipline to any employee.

2. **Regular Employees** - For the purpose of this Appendix “E”, a regular employee is one who works at the same job on the same shift three (3) or more days of the workweek.

3. **Combination Employee** - Combination employees are those whose regular work falls in more than one (1) classification within the same day, and the rate of pay shall be the rate of each classification for the time worked on each job, except that any employee who spends more than

fifty-one percent (51%) of his time at a certain wage rate shall be paid at the higher wage rate for the balance of his days' work.

**4. Relief Employees** - For the purposes of this Appendix "E", Relief Employees are those who work on different jobs or different shifts three (3) or more days of the workweek. Relief Employees shall receive twenty-five cents (\$.25) per hour above the highest rated job relieved during the workweek, except when relieving a Foreman, when the rate shall be the rate of the Foreman for that day only.

**5. Seasonal Employees** — Seasonal Employees are employees working during peak production season. The Employer will consider senior employees who choose to work a different job or different hours during seasonal periods, if possible and based on efficiency of Plant and skill to perform job. Seasonal period can also extend through duration of increased business even when the volume dictates a reduction in workforce.

**6. Utility** — Responsible for setups, product changeovers, fruit feeder ingredient usages, making sure lids are on correctly, codes, weights, finished product appearance, and other duties that may be assigned.

## **WORKING CONDITIONS**

**1. Overtime Assignment** - Ice Cream Plant will continue with its current practice in assigning overtime.

**2. Bidding**

a. All bids shall comply with Article 18 - Seniority & Bidding, of the Agreement.

b. Local 952 will add the "Deckman" position to the list of jobs that require employees to remain on the job for a minimum of twelve (12) months.

c. Local 952 will add the “Batching/Mix Processor and CIP Sanitation” positions to the list of jobs that require employees to remain on the job for a minimum of eighteen (18) months.

d. The twelve (12) or eighteen (18) month time frame will not start until the employee completes training and is fully qualified to perform the bid job. The Employer must complete the training in a reasonable amount of time.

e. The second posted bid, per Article 18, shall be posted no later than thirty (30) scheduled working days after the first bid has been filled and the training period has begun.

f. The Employer must evaluate the trainees within the first thirty (30) scheduled working days to determine if the bidder can qualify for the position. If the employee is not qualified, he shall be returned to his previous position.

g. In accordance with letter (F) above, the Employer shall go to the next employee who signed the bid and select the employee by qualification. If no employee signed the bid, then the Employer shall select an employee to fill the position. The Employer shall select from employees who did not bid into their current position. Skills, qualifications and abilities may be a factor in the selection of the employee.

h. Any employee who signs a bid and is awarded the bid may not vacate the bid. Employees must remove their names from the bid, BEFORE the Employer takes the bid down.

i. The Employer has the right to set start times and work shifts, if the Employer moves from a 5/8-hour workweek to a 4/10-hour workweek, or from a 4/10-hour workweek to a 5/8-hour workweek, or if there is a significant change of operation, the Employer should allow the most senior employee in each classification to have the most preferential schedule, per the terms and conditions of this Agreement. This Article does not apply in any situation that affects the operation of the Plant.

Note: The Employer has the right to operate the business, which means they have the right to alter or change the method of production or distribution.

j. The Employer has the right to temporarily move any employee into any position to fill any immediate need.

k. The Employer and the Union shall agree to meet, if any problem arises from this Agreement.

l. The Employer shall continue to post training notices. Employees, who are interested in training for any job, should sign the notices.

m. The Employer and the Union agree that under the terms and conditions of this Agreement that bids are to be preferential and that lateral bidding shall be allowed.

n. Employees are eligible to bid in the classification, which they currently hold, provided there is an opening in the classification.

Note: The Union strongly recommends that all employees learn different jobs. This will help employees in the event of layoffs and in the bidding procedures.

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**APPENDIX "F"**

**ICE CREAM PLANT MAINTENANCE EMPLOYEES**

**Plant Maintenance Classifications**

- A. Bracket No. 1
  - 1. Chief Maintenance Engineer
- B. Bracket No. 2
  - 2. Assistant Chief Maintenance Engineer
- C. Bracket No. 3
  - 1. Journeyman Maintenance Engineer
- D. Bracket No. 4
  - 1. Junior Maintenance Engineer

**WAGE RATES**

<u>Appendix F</u>	<u>Bracket</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>/2021</u>	<u>/2022</u>
		\$0.58	\$0.58	\$0.53	\$0.53	\$0.53	\$0.58	+1.5%	+1.5%
	1	\$37.58	\$38.16	\$38.69	\$39.22	\$39.75	\$40.33	+1.5%	+1.5%
	2	\$33.53	\$34.11	\$34.64	\$35.17	\$35.70	\$36.28	+1.5%	+1.5%
	3	\$31.62	\$32.20	\$32.73	\$33.26	\$33.79	\$34.37	+1.5%	+1.5%
	4	\$22.89	\$23.47	\$24.00	\$24.53	\$25.06	\$25.64	+1.5%	+1.5%

**JOB CLASSIFICATIONS:**

1. **Chief Maintenance Engineer** - The Employer shall have the option as to whether it will utilize the Chief Maintenance Engineer classification of employment that is established under this



Appendix "F". In the event that the Employer elects to designate an employee to serve in the capacity of a Chief Maintenance Engineer, who shall be in charge of operations and maintenance in the Ice Cream Plant and who shall be subject to the terms and conditions of employment established under this Appendix "F", he shall be compensated in accordance with Bracket 1 above.

**2. Assistant Chief Maintenance Engineer** - In the event that the Employer does not elect to utilize the Chief Maintenance Engineer classification of employment that is established under this Appendix "F", it shall be required to designate an employee to serve in the capacity of an Assistant Chief Maintenance Engineer, who shall be responsible for the day-to-day supervision and direction of the Ice Cream Plant's Maintenance Engineers in their daily performance of the required maintenance work and who shall be subject to the terms and conditions of employment established under this Appendix "F". Nothing herein shall be construed or interpreted as preventing the Employer from simultaneously utilizing both the Assistant Chief Maintenance Engineer and the Chief Maintenance Engineer classifications of employment should it elect to do so. An Assistant Chief Maintenance Engineer shall be compensated in accordance with Bracket 2 above.

**3. Journeyman Maintenance Engineer** — a Journeyman Maintenance Engineer must have a minimum of four (4) years of work experience and required related classroom training in the performance of the following duties and/or work assignments and must be fully qualified to successfully and efficiently perform the same with minimal supervision and direction: care for the successful operation, including maintenance and repair, of boilers, compressors, refrigeration equipment, generators, plant equipment and physical plant and all appurtenant equipment and machinery that is driven by steam, electricity, gas, air, diesel, water or any other power developing energy which has to do with or is appurtenant to the operation of all mechanical equipment. A Journeyman Maintenance Engineer must have adequate knowledge, comprehension and training

in each of the following fields or skills in order to successfully and efficiently perform and/or carry out all of the above described duties, responsibilities and assignments of this classification of employment. A Journeyman Maintenance Engineer shall be compensated in accordance with Bracket 3 above.

Refrigeration	Industrial Electricity	Millwright
Welding	Boiler Tender	Pipefitting
Plumbing and Heating	Hydraulics	Pneumatics

**4. Junior Maintenance Engineer** — a Junior Maintenance Engineer must have sufficient work experience and/or training in the duties and work assignments of a Journeyman Maintenance Engineer, as described in (c) above, to be able to successfully and efficiently act as a helper to and work under the immediate direction of a Chief Maintenance Engineer, Assistant Chief Maintenance Engineer, or Journeyman Maintenance Engineer. A Junior Maintenance Engineer shall be compensated in accordance with Bracket 4 above.

**5. Apprentice Maintenance Engineer** — Employees that are hired and/or promoted into the Apprentice Maintenance Engineers classification of employment shall be required to immediately enroll in and satisfactorily complete (as evidenced by a certificate of satisfactory completion) the first (1<sup>st</sup>) available “Certified Training Class” in the duties and work assignments of a Journeyman Maintenance Engineer, i.e., refrigeration, welding, plumbing, industrial electricity, etc., as directed by the Employer, that is offered by local area educational institutions and shall continue to enroll in and satisfactorily complete such “Certified Training Classes”, as may be required, to acquire the skills, knowledge, comprehension and training required of the Journeyman Maintenance Engineer classification of employment as a condition of continued employment as an Apprentice Maintenance Engineer in addition to the on-the-job training and experience that they gain as an

Apprentice. Apprentice Maintenance Engineers will be given duties and/or work assignments of progressively increased responsibility in each of the duties and/or work assignments of the Journeyman Maintenance Engineer classification of employment as they progress through the Apprenticeship training period provided for under this Appendix "F" under the direction and/or supervision of a Chief Maintenance Engineer, Assistant Chief Maintenance Engineer or Journeyman Maintenance Engineer. Not more than one (1) Apprentice Maintenance Engineer may be employed for each employee that is employed in the Journeyman Maintenance Engineer classification of employment or a higher rated classification of employment.

Apprentice Maintenance Engineer break-in rates:

1<sup>st</sup> 6 months 80% of Journeyman Maintenance Engineer Rate

2<sup>nd</sup> 6 months 85% of Journeyman Maintenance Engineer Rate

3<sup>rd</sup> 6 months 90% of Journeyman Maintenance Engineer Rate

4<sup>th</sup> 6 months 95% of Journeyman Maintenance Engineer Rate

Thereafter Journeyman Maintenance Engineer Rate

Apprentice Maintenance Engineers shall progress through the above break-in rates in accordance with their accumulated experience hours as an Apprentice. One hundred seventy-three and one third (173 1/3) straight time hours of work shall be equal to one (1) month of experience credit.

**WORKING CONDITIONS:**

1. Overtime Assignment: Ice Cream Plant will continue with its current practice in assigning overtime.
2. Seniority: The seniority of the Maintenance Engineers that are employed in the classifications of employment set forth in this Appendix "F" shall be separate and distinct, in all

respects, from that of the employees that are employed in the classifications of employment that are covered under the terms of the Ice Cream Plant Employees, Appendix "E".

It is expressly understood and agreed that the Employer shall have the right to promote employees to the Chief Maintenance Engineer and Assistant Chief Maintenance Engineer classifications of employment that are covered under the terms of this Appendix "F" without regard to seniority.

3. **COMPANY OWNED TOOLS:** The Employer agrees to provide all power tools and large specialized tools and equipment, which are suitable for only the maintenance work that is performed on the Company's physical plant and equipment and which are not, by custom and practice, provided by employees that are employed in comparable work in the Industry, for the use of those employees that are employed under the terms of this Agreement to the extent that such employees may require them in direct connection with the performance of their work assignments. It is expressly understood and agreed that such tools and equipment as well as any other tools and/or equipment that may be provided by the Employer are the Employer's property and shall not be removed from the Employer's premises.

4. **EMPLOYEE OWNED TOOLS:** The Employer agrees to replace an employee's personally owned tools, which the employee is required to provide and utilize in direct connection with his work, that are broken on the job with like quality, if available. The Employer agrees to provide the employees with a designated area in which to store their tools. The employee agrees to provide an annual update of his personal tool inventory.

5. **EMERGENCY CALL-INS:** Employees, who are employed in the classifications of employment covered under this Appendix that are called in to work as a result of an emergency or for work other than their regular shift, shall be paid time and one-half (1 ½) their regular straight-

time hourly rate of pay for the number of hours worked on such an emergency call-in or call-in shift. No pay premium of any kind shall be added to the time and one-half (1 ½) rate. The minimum call-in time under this provision shall be four (4) hours of work; provided that such employee is able and available to work the required four (4) hour minimum.

**OUTSIDE CONTRACTORS:**

It is expressly understood and agreed that the Employer can continue its longstanding past practice with the Union of utilizing outside contractors and/or service companies to perform installation and/or repair and/or maintenance work in connection with the Employer's Buena Park Ice Cream Plant's equipment and physical plant, including but not limited to its refrigeration units, frozen units, hardening tunnel, production lines, etc., and their various components as well as such Plant's physical plant itself, etc.

It is also expressly understood and agreed that nothing contained herein or in the Employer's "Alta Dena Certified Dairy Plant Agreement" with the Union shall restrict the Employer's right to continue to utilize such outside contractors and/or service companies to perform such work, as may be required, in cases of emergency or in cases involving the installation of new equipment and/or modification of existing equipment or physical plant or in cases in which the Employer does not have the necessary trained and fully qualified work force available and/or equipment to perform the work-in-question or in cases involving the training or instruction of bargaining unit employees.

It is further understood and agreed that Maintenance Engineers, who are employed as permanent regular full-time employees in the classifications of employment that are covered by this Appendix "F", shall not be laid off as a direct result of the Employer's continued utilization of outside contractors and/or service companies in accordance with its longstanding established

practices; provided that such employee(s) both possesses the necessary qualifications, ability and experience to perform the work-in-question and is available to perform such work; and provided further, that such guarantee shall neither be construed nor interpreted as precluding reductions-in-force that are based upon business and economic necessity.

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<p><b>APPENDIX “G”</b></p> <p><b>OFFICE EMPLOYEES</b></p>
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- A. Bracket No. 1
  - 1. Receptionist
- B. Bracket No. 2
  - 1. Clerk

**WAGE RATES**

<u>Appendix</u>	<u>Bracket</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>3/01/2021</u>	<u>3/01/2022</u>
<u>G</u>									
	1	\$24.43	\$24.97	\$25.45	\$25.93	\$26.42	\$26.95	+1.5%	+1.5%
	2	\$22.43	\$22.97	\$23.45	\$23.93	\$24.42	\$24.95	+1.5%	+1.5%

**JOB CLASSIFICATIONS:**

1. **Regular Employees** - For the purpose of this Appendix “E”, a regular employee is one who works at the same job on the same shift three (3) or more days of the workweek.
2. **Combination Employee** - Combination employees are those whose regular work falls in more than one (1) classification within the same day and the rate of pay shall be the rate of each classification for the time worked on each job, except that any employee who spends more than fifty-one percent (51%) of his time at a certain wage rate shall be paid at the higher wage rate for the balance of his day’s work.

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## **Letter of Understanding**

### **Drive Cam**

No employee shall be discharged based upon information derived from GPS or any other technology enhancements or devices that may be introduced by the Employer unless the employee engages in conduct creating danger to him/herself, other employees or the general public, or involves other conduct such as dishonesty or recklessness.



**ASSUMPTION AGREEMENT**

**For The Terms and Conditions of a New Collective Bargaining Agreement**

This Assumption Agreement is entered into by and between Dean Dairy, LLC or the applicable subsidiary thereof (the "Buyer"), both of which are direct or indirect wholly-owned subsidiaries of Dairy Farmers of America, Inc., and the International Brotherhood of Teamsters National Bargaining Committee on behalf of its affiliated Local Unions (collectively, the "Union") in connection with the potential sale of certain assets of Dean Foods Company and the applicable subsidiaries of Dean Foods Company (together, the "Selling Entities") to the Buyer. The Buyer and the Union agree as follows, effective as of the Closing Date of the sale by the Selling Entities to the Buyer pursuant to the Asset Purchase Agreement ("APA") approved on April 3, 2020:

1. The Buyer will assume the attached Memorandum of Agreement ("MOA") and the resulting new collective bargaining agreements ("New CBAs") between the Union and the Selling Entities.
2. The Buyer and the Union shall, within thirty (30) days after the Closing Date (as defined in the APA), incorporate the terms and conditions of the MOA into the New CBAs. The Buyer shall implement the new overtime and premium pay provisions of the MOA within the same thirty (30) day period of time.
3. The Buyer will assume accrued but unused paid vacation, paid sick-leave and other paid time off for the Transferred Employees (as defined in the APA) represented by the Union, pursuant to and consistent with Section 8.04 of the APA.
4. Bargaining units shall be afforded a reasonable amount of time, not to exceed sixty (60) days unless extended by mutual agreement in writing, to elect pension/retirement benefit plan participation pursuant to Paragraphs 16 and 17 of the MOA.
5. This Assumption Agreement anticipates a Closing Date on or about May 1, 2020. In the event the Closing Date does not occur within thirty (30) days of May 1, 2020 or does not occur at all, this Assumption Agreement shall terminate automatically by its own terms.

The Union and the Buyer hereby agree to the terms of this Assumption Agreement:

For the Union

For the Buyer

  
\_\_\_\_\_

  
\_\_\_\_\_

4/30/2020

4-30-2020

Date

Date

## MEMORANDUM OF AGREEMENT

### Terms and Conditions of New Collective Bargaining Agreements

This Memorandum of Agreement ("MOA") is entered into by and between Dean Foods Company and the applicable subsidiaries of Dean Foods Company (together the "Selling Entities") and the International Brotherhood of Teamsters National Bargaining Committee on behalf its affiliated Local Unions (collectively, the "Union") in connection with the potential sale of certain assets of the Selling Entities to Dairy Farmers of America, Inc. ("Buyer").

All existing terms and conditions of the Collective Bargaining Agreements (other than any such agreement solely and exclusively related to an Excluded Facility), including agreements that have expired and have not yet been renewed (the "CBAs"), shall remain in effect, subject to the following modifications. These modifications, combined with the remaining terms and conditions of the CBAs, shall form the new collective bargaining agreements (the "New CBAs").

The terms outlined below shall be effective as of the Closing Date, unless otherwise specifically set forth below. DFA or the applicable DFA subsidiary ("Buyer Entity") agree to assume the New CBAs as of the Closing Date.

#### Duration

1. All CBAs with an original term that is expired as of the Closing Date shall be extended for a period of two (2) years from the original date of expiration. To the extent there is an extension agreement already in place, the CBA shall be extended two (2) years from the Closing Date.
2. All other CBAs shall be extended for a period of two (2) years from their current expiration dates. For example, if a contract has two (2) years remaining, this will add two (2) years for a total of four (4) years.
3. The modifications outlined in this MOA shall remain in effect for a minimum of five (5) years from the Closing Date, at the conclusion of which they may be subject to discussion as the CBAs come up for renegotiation in the normal course.

#### Wage Rates

4. Wage rates shall be maintained at current levels, subject to any increases outlined in the CBAs. (For example, if there is a wage increase scheduled in a current CBA, that wage increase will still take effect as outlined in the current CBA, whereas the increases outlined in paragraph 5 below, will only take effect during the contract extension years.)
5. The following wage rate increases shall apply to the contract extension years described in Paragraphs 1 and 2 above:
  - a) Extension Year 1: 1.5%
  - b) Extension Year 2: 1.5%

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[Signature]

For expired CBAs that have been extended for two (2) years pursuant to Paragraph 1, the first wage rate increase shall take effect as of the Closing Date and shall be payable within 30 days and the second shall take effect on the next contract anniversary date. For expired CBAs that were subject to a written extension agreement that provided for retroactivity on wages, the first wage increase shall be paid retroactive to the original contract expiration. For all other contracts, the rate increase shall take effect on the applicable CBA anniversary dates.

#### **Overtime/Premiums**

6. For CBAs with daily overtime provisions, overtime shall be payable after ten (10) hours worked in a day for employees on a 5x8 schedule and after twelve (12) hours worked in a day for employees on a 4x10 schedule, unless applicable state law requires otherwise.
7. All wage premiums tied to work performed on a Saturday or a Sunday shall instead be tied to work performed on the sixth (6th) and the seventh (7th) day worked in a workweek, respectively.

#### **Work Schedules**

8. To the extent not already clearly set forth in the CBAs, management shall have the right to utilize non-traditional workweeks, such as non-consecutive days and weekend work.

#### **Delivery/Route Optimization**

9. To the extent not already clearly set forth in the CBAs, management shall have the right to (a) modify, eliminate, or transfer drops, stops, routes, or other elements of its distribution network to address unprofitable and/or inefficient operations and (b) subcontract drops, stops, routes, or other elements of its distribution network in connection with drops of less than twenty-five (25) cases.

#### **Health & Welfare Benefits**

10. Employees covered by a multiemployer health and welfare benefit plan shall continue to be covered by that plan, with employer contributions to the applicable fund provided in accordance with the applicable CBA.
11. Employee covered by a health and welfare benefits plan sponsored by the Selling Entities shall be transitioned as follows: a) current coverage levels shall remain in effect through December 31, 2020; and b) effective January 1, 2021 coverage shall be transitioned to the Buyer's plans outlined below, to the extent an applicable benefit offering listed below is currently offered to employees of the particular bargaining unit (for example, employees offered vision or dental coverage today will be offered that coverage as provided below subject to the applicable cost-sharing):

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<b>Current Plan Design</b>	<b>Effective as of Closing Date</b>	<b>Effective 1/1/21*</b>
Dean 300 Plan	Dean 300 plan design in a mirror plan sponsored by Buyer	Employees to have a choice of either the (1) Buyer PCB PPO or (2) Buyer PCB HDHP
Dean FlexSelect	Dean FlexSelect plan design in a mirror plan sponsored by Buyer	Employees to have a choice of either the (1) Buyer PCB PPO or (2) Buyer PCB HDHP
Dean SmartChoice Medical Plan	Dean SmartChoice plan design in a mirror plan sponsored by Buyer	Employees to have a choice of either the (1) Buyer PCB PPO or (2) Buyer PCB HDHP
Dean Dental Value Plan and Dental Enhanced Plan	Dean Dental plan design in a mirror plan sponsored by Buyer	Dental benefits to be provided as offered to Buyer's hourly non-union employees
Dean Vision Service Plan	Dean Vision Service Plan design in a mirror plan sponsored by Buyer	Vision benefits to be provided as offered to Buyer's hourly non-union employees
Dean Short-Term Disability Plan	Dean Short-Term Disability plan design in a mirror plan sponsored by Buyer	Short-term disability benefits to be provided as offered to Buyer's hourly non-union employees
Dean Long-Term Disability Plan	Dean Long-Term Disability plan design in a mirror plan sponsored by Buyer	Long-term disability benefits to be provided as offered to Buyer's hourly non-union employees
Dean Group Life/AD&D Plan	Dean Group Life/AD&D plan design in a mirror plan sponsored by Buyer	Group Life/AD&D benefits to be provided as offered to Buyer's hourly non-union employees
Health Care Flexible Spending Account Plan	Health Care Flexible Spending Account benefits to be offered in a mirror plan sponsored by Buyer	Health Care Flexible Spending Account benefits to be provided as offered to Buyer's hourly non-union employees
Dependent Care Flexible Spending Account Plan	Dependent Care Flexible Spending Account benefits to be offered in a mirror plan sponsored by Buyer	Dependent Care Flexible Spending Account benefits to be provided as offered to Buyer's hourly non-union employees

\*These benefits shall be offered on the same terms as provided to the Buyer's (or applicable Buyer Entity's) other union and non-union hourly employees, and may be terminated, amended, eliminated, modified, or replaced at management's discretion and to the extent permitted by law.

12. Employee contributions toward the cost of health and welfare benefits shall be increased by the following amounts:

- a) Effective January 1, 2021: additional 5% of the cost of benefits
- b) Effective January 1, 2022: additional 5% of the cost of benefits
- c) Effective January 1, 2023: additional 2.5% of the cost of benefits
- d) Effective January 1, 2024: additional 2.5% of the cost of benefits

These increases shall be applicable to employees who are not cost-sharing today, as well as those cost-sharing at a level below twenty percent (20%). In no event shall these increases result in an employee contributing more than twenty percent (20%) toward the cost of coverage, unless such higher amount was provided for in the applicable CBA. To the extent a CBA provides for employee contribution rate increases that exceed those outlined above, those greater increases shall remain in effect. Employee contributions shall be administered through a payroll deduction.

#### **Retiree Medical Benefits**

13. Any obligations with respect to retiree medical benefits shall be eliminated. The only exception shall be for retiree medical benefits provided through a Teamster-sponsored multiemployer plan, where the benefit is provided through the existing health and welfare contribution rate. This provision shall take effect immediately upon ratification of the New CBAs by the applicable Union membership and, in any event, prior to the Closing Date.

#### **Pension/Retirement Benefits**

14. Any obligations or provisions with respect to a multiemployer pension fund, including obligations or provisions with respect to participation and/or contributions, shall be eliminated and the Selling Entities shall cease participation in these funds. This provision shall take effect immediately upon ratification of the New CBAs by the applicable Union membership and, in any event, prior to the Closing Date.
15. Any provisions with respect to participation, contribution, or any other obligation to a pension plan or 401(k) plan sponsored by the Selling Entities shall be eliminated. This provision shall take effect immediately upon ratification of the New CBAs by the applicable Union membership and, in any event, prior to the Closing Date.
16. For bargaining units for whom the Selling Entities are currently obligated to contribute to one of the following "Green Zone" multiemployer pension plans, each bargaining unit shall have the opportunity to elect one of options (a, b, or c) listed below.
  - Central Pennsylvania Teamsters Pension Fund ("Central PA Fund")
  - Milk Drivers and Dairy Employees Local Union No. 246 of Washington, DC Pension Fund ("Milk Drivers Fund")

- Rockford Area Dairy Industry Local 754 IB of T Retirement Pension Plan (“Rockford Fund”)
- Western Conference of Teamsters Pension Trust Fund (“WCTPTF”)

The election among these options shall be a one-time, irrevocable election, shall apply to all employees in the bargaining unit, and shall be communicated to the Buyer or the applicable Buyer Entity in writing. Until such election is made and communicated to the Buyer or the applicable Buyer Entity, the Buyer or the applicable Buyer entity shall not be obligated to participate in or make contributions to any retirement plan under any of the options listed below. Under no circumstances shall the Buyer or the applicable Buyer Entity contribute to or participate in the Central PA Fund, Milk Drivers Fund, or the Rockford Fund.

- 401(k) Plan Participation: The Buyer or the applicable Buyer Entity shall offer 401(k) plan participation as described in Paragraph 17 below; or
- Western Conference of Teamsters Pension Trust Fund: The Buyer or the applicable Buyer Entity shall contribute to the WCTPTF, effective as of the Closing Date and under the following conditions. The Buyer or applicable Buyer entity will contribute to the WCTPTF on behalf of such bargaining units at a rate that reflects a twenty-five percent (25%) reduction from the contribution rate currently in effect for the funds listed above for the applicable bargaining units. Any contribution rate in effect for the funds listed above that is not currently an hourly rate shall be converted to an hourly rate using an assumption of 2,080 work hours per year, before application of the reduction. The reduced contribution rate shall be the rate going forward and will not be subject to increases, unless employees on a bargaining unit basis elect to redirect future wage rate increases to pension. Any such election to redirect a future wage increase to pension will be made by the applicable Local Union in writing sixty (60) days in advance of the scheduled wage rate increase and be limited to half of the scheduled wage rate increase (for example, a \$.30/hr wage rate increase could be split up to \$.15/hr to pension and \$.15/hr to wages). Additionally, within ninety (90) days from the Closing Date, each bargaining unit may elect to defer from current wages an amount not to exceed twenty-five percent (25%) of its current contribution rate to the applicable fund, which then shall be included in the overall contribution rate. Participation in the WCTPTF shall, however, be subject to Trustee approval.
- Central Pennsylvania Teamsters Retirement Income Plan 1987: The Buyer or the applicable Buyer entity shall contribute to the Central Pennsylvania Teamsters Retirement Income Plan 1987 at a rate that reflects a twenty-five percent (25%) reduction from the contribution rate currently in effect for the Central PA Fund, provided the Central Pennsylvania Teamsters Retirement Income Plan 1987 is and at all times has been a defined contribution plan that is separate from the Central PA Fund and not subject to Title IV of ERISA, including but not limited to the withdrawal liability provisions therein. This option only shall be available to bargaining unit(s) for whom the Seller or

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applicable Selling Entity currently have an obligation to contribute to the Central PA Fund.

17. For bargaining units for whom the Selling Entities are currently obligated to contribute to a multiemployer pension other than those listed in Paragraph 16 above, Buyer or the applicable Buyer Entity shall not contribute to or participate in such pension plan. These plans include, but are not limited to, the following:

- Central States, Southeast and Southwest Areas Pension Fund
- Dairy Industry-Union Pension Plan for Philadelphia and Vicinity
- New England Teamsters and Trucking Industry Pension Plan
- Valley of Virginia Co-operative Milk Producers Association Retirement Plan

For these bargaining units, Buyer or the applicable Buyer Entity will offer the following employer contribution structure through a 401(k) plan. The same shall apply for bargaining units working under any CBA with respect to which the WCTPTF (or the Central Pennsylvania Teamsters Retirement Income Plan 1987, as applicable) does not accept participation:

- a) Employer matching contribution of 50% on the first 6% of employee deferrals (3% match opportunity)
- b) Employer contribution of \$155 per month
- c) A 5-year graded vesting schedule will apply to employer contributions made on behalf of new hires who are not currently employed by Seller or the applicable Seller Entity.

For employees currently accruing benefits in a single-employer defined benefit pension plan, Buyer or the applicable Buyer Entity will not assume any such pension plan and will offer the following employer contribution structure through a 401(k) plan:

- a) Employer matching contribution of 50% on the first 6% of employee deferrals (3% match opportunity)
- b) Employer contribution of \$140 per month
- c) A 5-year graded vesting schedule will apply to employer contributions made on behalf of new hires who are not currently employed by Seller or the applicable Seller Entity.

Employees not currently participating in a multiemployer pension plan or a single-employer defined benefit pension plan will be able to participate in a 401(k) plan with the same employer contribution formula that currently applies to the particular bargaining unit. A 5-year graded vesting schedule will apply to any employer contributions made into a 401(k) plan on behalf of new hires who are not currently employed by Seller or the applicable Seller Entity.

Employees working under a collective bargaining agreement that currently allows for employee elective deferrals into a 401(k) plan with no employer match shall be permitted to continue those elective deferrals into a new, substitute Teamster multiemployer 401(k) plan.

For purposes of this Paragraph 17, individual bargaining units may on a one-time basis elect between the Teamsters National 401(k) Savings Plan and the Supplemental Income 401(k) Plan, provided the Plan accepts participation using the contribution formula and other terms identified above. This election shall be made in writing.

**Other Items**

18. The successor clauses in the CBAs shall be waived on a one-time basis in connection with the sale transaction contemplated by this MOA.
19. All "zipper" clauses or similar clauses shall be eliminated.
20. In recognition of the fact that the terms outlined above will apply across a broad range of operations and agreements, the New CBAs will memorialize the parties' agreement to work in good faith following the Closing Date to apply the terms of the New CBAs in a manner consistent with the spirit and intent of this document.

The Union and the Selling Entities hereby agree to the terms of this MOA:

For the Union

  
\_\_\_\_\_

4/27/2020  
Date

For the Selling Entities

  
\_\_\_\_\_

4/27/2020  
Date

DL  
CR