

AGREEMENT

ARTICLES OF AGREEMENT

1. Entered into the 16th day of August, 2007 by and between Muscatine Logistics LLC (hereinafter referred to as the Company), and District Union Local No. 431, of the United Food and Commercial Workers (hereinafter referred to as the Union).

ARTICLE 1

RECOGNITION AND COVERAGE

2. **Section A.** The Company recognizes the Union as the exclusive representative of its Muscatine, Iowa employees for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment. The term “employee” as used in this Contract, includes all warehouse employees of the Company in the Muscatine, Iowa plant but excludes all regular supervisors, assistant supervisors, and office and clerical employees.
3. **Section B.** The term “regular employee” as used herein shall be understood to mean full-time employee who has been retained after serving a probationary period as hereinafter defined.
4. **Section C.** The Company recognizes and will not interfere with the right of its employees to become members of the Union. The Union agrees not to intimidate or coerce employees into membership in the Union, and the Company agrees that there shall be no discrimination against any employee because of membership in the Union.

5. **Section D.** The Union agrees to accept and abide by all of the provisions and conditions of this Agreement and during its term will not call, counsel or advise its members to engage in any walkout, sit-down, slowdown or other interference with or interruption of work, and that it will not call, support or otherwise encourage any walkout or strike.
6. All employees, supervisors and other recognized representatives of the Company are bound to observe the respective covenants in this agreement of the Company and the Union. The Company agrees that during the term of the Contract it will not lock out the employees. A "lockout" is defined as the closing down by the Company of the plant or any part thereof for the purpose of forcing the employees to accept a Company position or contention in a controversy with the Union, provided, however, that a closing down by the Company caused by the unwillingness of the employees to continue to work in a normal manner under existing conditions shall not be considered a lockout.
7. **Section E.** The solicitation of members by the Union is prohibited on Company time. However, the Union is permitted to address all new hires at orientation at a time and place mutually agreed to by the parties.
8. **Section F.** The Company agrees to maintain bulletin boards, on which the Union may post notices of the time and place of meetings, social affairs, elections, the names of officers or accredited representatives and such other notices as may be approved by the Company. The Union shall deliver one copy of each such notice to the Human Resource Manager one-half (1/2) hour prior to posting. The number and location of such bulletin boards shall be mutually agreed upon by the Company and the Union.

9. **Section G.**

1. The Company agrees to deduct Union dues and other deductions from the wages of employees in accordance with a formula submitted to the Company by the Union from time to time and to remit such collections to a designated representative of the Union within ten (10) days after collection, provided that the Company has received from each employee on whose account such deductions are to be made a written assignment authorizing the deduction. The Company also agrees to deduct initial membership dues for new members when authorized to do so. Such deductions may be made in installments if requested.

10. 2. In addition to the above deductions, the Company agrees to make deductions for District Local 431 Credit Union dues, COPE and Voluntary Death Benefit upon receipt of written authorization. The Union agrees that the Company shall be saved harmless for deductions made in conformity with any such written assignment.

11. **Section H. Fairshare Contingent Agent Shop.** If federal or Iowa state laws make it legally permissible, the following provision shall become operative: "All regular employees who are not then members of the Union and new employees shall be required as a condition of employment, to pay to the Union each month a service charge as payment for representation by the Union in matters of wages, hours and working conditions. The service charge shall be in the amount equal to the uniform weekly dues required by the Union of its members and shall include initial membership dues if applicable."

12. **Section I. Non-Discrimination.** As heretofore, the Union and the Company will continue their policies of nondiscrimination because of race, religion, sex, national

origin, color or age, physical or mental handicaps, Military-Veteran status or any other protected condition or characteristic in conformance with federal, state, and local laws and regulations.

13. **Section J. Disabled.** The parties recognize the Company's right to make such job changes that are reasonably necessary and to take such other actions that may be required to insure that the Company continues to be in compliance with the Iowa state law regarding Disability Employment, the American With Disabilities Act (ADA), and the regulations issued thereunder. Whenever necessary to resolve an accommodation via committee, a committee of two (2) Company and two (2) Union representatives shall be established. Company will agree to meet with the Union and discuss the impact of any requested A.D.A. accommodations in order to determine whether it can be granted without violating other employee's seniority rights.
14. **Section K.** If any provision of this Agreement shall be held invalid or in conflict with any state or federal law, it shall be immediately void. The remainder of the Agreement shall not be affected thereby.
15. In the above eventuality:
16. a. The Company and the Union shall immediately meet to resolve any issues created.
17. b. If resolution is not reached within 30 days, the matter shall be submitted to an expedited arbitration process.
18. c. After resolution by either a. or b. above, neither party shall initiate or be party to a legal proceeding regarding the legality of the resolution.

19. **Section L. Seasonal and Part-time Employees.** Notwithstanding any other provision of this Agreement, the Company shall have the right to hire seasonal and part-time employees. Seasonal employees will work a defined period of time between June 1 and December 31 to cover periods of increased volume, either on a set schedule or “on call.” Part-time employees may work any time of the year and may be “on-call,” may work a set schedule of less than 40 hours per week, or may work a set schedule of 40 hours on a temporary basis to cover a period of absence by a regular employee. Seasonal and Part-time employees will not be placed on the regular seniority list and will not receive benefits, but will receive the regular contractual wage rate corresponding to their length of service as a seasonal or part-time employee.

The Company will not use seasonal or part-time employees to avoid hiring a regular full time employee if a regular full-time position is needed or to reduce regular employee headcount.

Part-time employees will be placed on a separate seniority list and will serve the same probationary period as regular employees. Part-time employees will be given first consideration for regular positions. If hired as regular employees, they will not be required to serve a probationary period and their seniority date will be the date they attain regular employee status. The Company will notify the Union when a part-timer goes to regular status.

Part-timers will not be used to avoid overtime assignments for regular employees; provided, however, that part-time employees may be called to replace employees calling out on the day of their shift.

ARTICLE II

HOURS OF WORK

20. **Section A.** Except as provided in Section C, below, the normal schedule of working hours shall be eight (8) hours per shift and forty (40) hours per week.
21. The Company recognizes the importance and desirability of steady employment and will continue its efforts to furnish employees with as steady work as possible.
22. **Section B.** The established work week for the purpose of determining weekly overtime under the terms of this contract and under the provisions of the Fair Labor Standards Act of 1938 shall begin at 12:01 a.m. Sunday and end at midnight the following Saturday. Daily time cards will be dated as of the date a shift starts and full number of hours worked on a shift will be considered to have been worked in the day and in the work week in which the shift started.
23. **Section C.** The Company at its discretion shall have the right, with respect for all new hires after ratification, to implement any schedule of either five (5) eight (8) hour days, four (4) ten (10) hour days. The time and one-half requirement on Saturday and the double time requirement for work on Sunday shall not apply where Saturday or Sunday are regularly scheduled days of work. Employees on the payroll as of ratification may volunteer but may not be forced to work a 4-10 schedule or a schedule including Saturday or Sunday as regular work days. The Company will give at least two (2) weeks advance notice before implementing schedule changes as provided above.
24. **Section D.** All time worked over eight (8) hours in any one (1) day or over forty (40) hours in any one (1) week shall be paid for at the rate of one and one-half (1½)

times the straight-time hourly rate. For all employees on four (4) day, ten (10) hour workweek, the Employer will pay overtime at the rate of one and one-half (1½) times the hourly rate for all hours worked over ten (10) hours in one day. Nothing herein shall be construed as requiring a duplication or pyramiding of weekly overtime or premium payments involving the same overtime hours paid on a daily basis.

25. **Section E.** Time and one-half (1½) the straight-time rates shall be paid for time worked on Saturdays and double the straight-time rates shall be paid for work performed on Sundays except:
 26. 1. An employee who takes time off during Monday to Friday inclusive, without having been so instructed by the Company (an employee who fails to work because of a disability substantiated by a doctor's certificate is excluded from this exception to Section E; also, an employee who fails to work because of a court appearance substantiated by a receipt from the Clerk of Courts shall have excluded the actual time spent in court from this exception to Section E) shall be paid time and one-half (1½) for work performed on Saturdays only after they have worked forty (40) hours at straight-time pay in that work week and shall be paid double time for work performed on Sundays only after they have worked forty (40) hours at straight-time pay and eight (8) hours at time and one-half (1½) pay on Saturday and/or Sunday in that work week.
 27. 2. Employees are considered for overtime premium as follows: Time and one-half (1½) for Saturday and Sunday work shall be paid if no time is taken off from Monday to Friday other than upon Company instruction. Double time for such employees shall be paid for Sunday work if performed on seventh day worked in the established work week.

28. 3. For the purpose of applying the provisions of this section when an employee reports for work but works less than eight (8) hours, such time not work shall not deprive an employee of Saturday and Sunday overtime pay if the employee's failure to work eight (8) hours is due to (1) Company instruction, (2) meetings with management as a representative of the Union, (3) industrial accident or illness occurring while at work or (4) death in the employee's immediate family as defined in Article III, Section C, below, (5) Jury duty and (6) FMLA if the employee is being required to use personal day or vacation time for FMLA purposes. However, permission days will not be counted for the purpose of applying the provisions of this section. An employee who fails to work during his scheduled work week because of disability substantiated by a doctor's certificate shall not be deprived of the Saturday or Sunday overtime pay.
29. **Section F.** Regardless of the number of hours worked on any one shift, an employee shall not normally be scheduled to report for work on the next succeeding shift without at least a six (6)-hour rest period. If less than a six (6)-hour rest period is granted, daily premium compensation at time and one-half (1½) will be paid for all hours worked up to the time when a six (6)-hour rest period would have ended. Under normal circumstances, an employee will not be required or permitted to work more than 16 hours. Where additional work is necessary at the end of a shift, volunteers will be solicited starting with the most senior employee, and if mandatory work is necessary it will begin with the most junior employee, all from among those who have not already worked sixteen (16) hours
30. An employee who works a full shift on one calendar day and who begins to work a second shift within the same calendar day shall be paid time and one-half (1½) for all

hours worked on the second shift which falls within the calendar day on which the first shift was worked unless second shift has been scheduled at the beginning of the employee's work week.

31. Section G. Overtime Preferences

32. 1. Daily Unscheduled-When work beyond eight (8) hours on any one shift is required, preference for such work will be given to the employee or employees working on the particular job during the straight-time hours of that shift. "Employees interested in daily unscheduled overtime will sign a sheet by the lunch break of each shift. The Company will give notice of daily unscheduled overtime at least one (1) hour before the end of each shift; provided, however, that such requirement need not be met where the overtime is required due to a call-out that occurs less than one and a half hours before the scheduled start time of the employee calling out."
33. 2. Daily Scheduled-Overtime work at the conclusion of any regularly scheduled shift will be on a volunteer basis by seniority among those qualified. If there are insufficient volunteers, then assignment will be mandatory by reverse seniority among those qualified. Qualified, for purposes of this Agreement, shall mean that the employee has completed any required training and possesses the skills required to perform the job in question.
34. 3. Daily Overtime-Employees must waive overtime preferences for daily overtime or be scheduled by seniority and ability.
35. 4. Saturday, Sunday, and Holiday Scheduled Overtime-Preference for such work shall be given on a seniority basis within the department to the employees with the ability to perform the type of work required. Current

practices of posting for volunteers and assigning such volunteers when less than the full department is scheduled to work shall be continued. The notice of weekend overtime work will be posted by 9:00 a.m. on Wednesday of the week proceeding the week the overtime will be worked. Employees volunteering for the weekend overtime must sign the notice by 12:00 p.m. (NOON) on Thursday preceding the weekend. Shift preferences may be stated. Employees will be assigned from the list on the basis of seniority and ability. Company will endeavor to post jobs scheduled for weekend overtime. Such overtime work will be assigned to qualified senior employees who sign to work the overtime and are available within ½ hour of the overtime shift's start time.

36. Saturday/Sunday/Holiday—Overtime for Skilled Positions

Overtime on Saturday, Sundays and holidays will be assigned by seniority to volunteers qualified to perform the required work. If there are insufficient volunteers, then overtime will be mandatory in reverse seniority order for those qualified to perform the required work.

37. Saturday/Sunday/Holiday – Overtime for Unskilled Positions

Overtime on Saturday, Sundays and holidays will be assigned by seniority to volunteers qualified to perform the required work. If there are insufficient volunteers, then overtime will be mandatory in reverse seniority order for those qualified to perform the required work.

38. Section H. Weekend Overtime. Employees volunteering for weekend overtime must sign the notice by noon on Thursday preceding the weekend.

39. All employees must sign for weekend overtime in accordance with labor agreement. Sign-up sheets for weekend overtime are available every week in the warehouse office.
40. Such overtime work will be assigned to employees who have signed to work or forced on employees according to the following procedures:
 41. 1. Qualified senior employee who sign to work the overtime and are available within ½ hour of the overtime shift's start time.
 42. 2. Qualified junior employees will be forced from the bottom of the seniority list up.
43. Employees who sign and are scheduled will have to work with less than six (6) hours off or no time off.
44. **Section I.** Employees, when required to remain at work, will be paid for time lost due to an interruption or cessation of work by reason of breakdown of machinery, lack of products, or for any other reason beyond the control of the employees, provided other employment cannot be found.
45. **Section J.** Regular employee who are ordered to report for work and cannot be given work at the time they were told to report for work shall be paid for such waiting time at their regular rate, and such time shall be counted as hours worked in that work week. When a regular employee reports for work as scheduled or instructed and is sent home because work is not available before he has earned a minimum of four (4) hours of pay at straight time, he is entitled to four hours of report pay at straight time. If the employee volunteers to go home early, he is not entitled to report pay. This shall not apply in the event of an interruption of work because of a labor dispute, fire, or flood.

46. An employee who is called or instructed to return to work after he has completed his scheduled shift and has left the premises of the Company shall be paid, regardless of the amount of time worked, not less than four (4) hours straight-time-pay. When an employee is scheduled to work on Saturday or Sunday, he will be expected to work a minimum of four (4) hours. If a coordinator elects to authorize a call to an employee outside of their regular work hours to have that employee consult on a problem, that employee shall receive one hour of pay at their straight time rate of pay; however, pay will not be included as an hour of work for overtime purposes.
47. Employees who are absent from work three (3) days or less must notify the Human Resources Department by 1:00 p.m. on the day before they plan to return (10:00 a.m. of the day of return for second or third shift employees only) to receive a work assignment in accordance with seniority and ability; or by 3:00 p.m. for work assignment without regard to seniority. Employees absent more than three (3) days must notify the Human Resource Department by 1:00 p.m. on the day before they plan to return. Failure to notify the Company of intention to return to work relieves the Company of any obligation under this Section. However, the Company will not operate short to discipline employees for not calling in for their starting times. No employee who is absent three (3) days or more will be allowed to return to work without first presenting a return to work slip from his or her treating physician.
48. Employees who are tardy up to two (2) hours will receive a work assignment in accordance with seniority and ability. Those tardy two (2) hours or more will be assigned to whatever work is available. The Company will not operate short to discipline employees for not arriving on time. However, this section shall not preclude

progressive discipline as specified under the absentee control program in cases involving penalty.

49. **Section K.** The Company shall give all employees time off for lunch as close to the middle of the shift as possible. The schedule of work shall normally be for no more than five (5) consecutive hours without a lunch period. Time and one-half (1 1/2) shall be paid for all hours worked consecutively beyond five (5) hours without a lunch period, except when no more than six and one-half (6½) hours are required to complete the day's work. This provision shall not apply to those who work on a continuous operation. Employees will be granted necessary relief during working hours.

50. **Section L.**

1. The following holidays are recognized by the Company:

- New Year's Day
- President's Day
- Good Friday
- Memorial Day
- Tuesday after Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Friday after Thanksgiving
- Day before Christmas
- Christmas

51. 2. Holiday pay for all regular employees shall be eight (8) hours pay whether the employee works on the holiday or not. Employees actually working on a holiday will be paid one and one-half (1-1/2) times the straight-time hourly rate in addition to their holiday pay. Holiday pay shall be subject to the following rules:

52. A. Recognized holidays falling on Saturday will be observed by the Company on the preceding Friday and those falling on Sunday will be observed on the following Monday. The day on which the holiday is observed will be considered the holiday for all purposes under this Article.
53. B. Such employee must have worked his full scheduled shift on the days (excluding Saturday and Sunday) immediately preceding and immediately following the recognized holiday. Absence of the full scheduled shift on the days preceding or following the holiday shall not deprive an employee of "holiday allowance" only if due to a death in the employee's immediate family, jury duty, scheduled vacation or proven disability or layoff for lack of work if the employee works any time either within eight (8) calendar days preceding or within the eight (8) calendar days following the holiday. Absences of a part of the full scheduled shift on the days preceding or following the holiday shall not deprive an employee of "holiday allowance" only if due to industrial accident; illness occurring while at work; meeting with Management as a representative of the Union; death in the employee's immediate family as defined in Article III, Section C, below, extenuating circumstances approved by the Personnel Manager; or unavoidable tardiness not exceeding two (2) hours.
54. C. Such employee must not have failed to report for work on the holiday after having been instructed to so report.
55. D. Such employee who works less than eight (8) hours on a holiday shift because he is so instructed by the Company will be paid a holiday allowance equal to the straight time-rate for the

difference between the time actually worked and eight (8) hours.

56. **Section M.** A regular employee, following completion of New Employee status, may designate four (4) scheduled work days of his choice as personal days off with pay. The employee shall notify the Company as far in advance as possible prior to taking the personal days off. Employees shall receive eight (8) hours of credit for personal days taken Monday through Friday for the purpose of computing weekly overtime; however, personal days taken on the day preceding or following a holiday shall not qualify the employee for the holiday pay. The maximum number of paid hours for personal days shall be thirty-two (32). Where the Company has implemented a 4-10 schedule, personal days off shall be paid at eight (8) hours' pay.
57. One half ($\frac{1}{2}$) hours notice (prior to the scheduled shift start time) is required for use of a personal day. Employees may take not more than one (1) personal day in each two-month period without notice and approval. Personal days not taken in each two (2) month period may be accumulated and used at a later date without notice or approval. An employee may request to take more than the number of personal days he is eligible for in a two (2) month period provided that twenty-four (24) hours notice is given and permission is received from appropriate supervision. Such permission shall not be unreasonably denied; however, efficient operation of the plant shall be the first consideration when granting additional personal days off.

Twenty-four (24) hours notice (prior to the scheduled shift start time) is required for use of bonus days in all circumstances. Where less than 24 hours' notice is given, the bonus day will be paid but will count as an occurrence for the purposes of the Attendance Policy unless excused at management's discretion.

58. Pay for personal days off will consist of eight (8) hours pay as computed for the employee's vacation pay for the year, exclusive of vacation bonus under Article VII, Section C. Personal days must be taken in the calendar year due to forfeited and will be paid for at the end of the year due. Any unused personal days remaining at the time of retirement will be paid to the retiree and any days remaining at the time of death will be paid to the employee's beneficiary.

ARTICLE III

WAGES

59. **Section A.** Rules governing job classification and job grades and rates therefore effective as set forth in Appendix B attached hereto shall continue in full force and effect during the term of this Agreement.
60. **Section B.** Paydays shall be on Wednesday. If the Company requests, the Union agrees to engage in good faith negotiations over the implementation of an incentive program.

Such program will not reduce the wage levels in this Agreement.

Such program will not operate in a discriminatory fashion.

Such program will not be the basis for discipline.

61. **Section C. Bereavement Pay.** An employee who is absent from regularly scheduled work because of a death in his immediate family shall be paid for wages lost beginning on the day of the death to and including the day after the funeral except that such repayment shall not exceed three (3) days' or twenty-four (24) hours' pay. An employee's "immediate family" shall mean a husband, or wife, children, step-children (children of current

spouse) grandparents, parents, step parents or, in lieu thereof, foster parents, parents-in-law, brothers, sisters, child for whom the employee is the legal guardian and grandchildren. The hourly rate for such employees shall be their average straight time hourly earnings in the last payroll period completed and paid prior to the beginning of such bereavement leave. Employees shall be allowed bereavement leave for brothers-in-law and sisters-in-law not to exceed one (1) day subject to the same conditions as outlined above.

62. **Section D. Jury Duty.** Regular employees who serve time on jury duty that prevents them from working their regular work schedule on such days will be paid the difference between their jury pay and what they would have earned had they worked (8) hours at straight-time rates for the Company less their earnings during hours in which they worked for the Company on such days. Employees will not be required to work for the Company on days on which they are required to report for jury duty, but the Company will, when it has the work, endeavor to arrange work schedules that will permit these employees, if they so desire, to earn their regular daily wages in addition to their jury pay on such days.
63. **Section E. Meal Allowance.** An employee who works more than ten (10) consecutive hours will be entitled to a meal order of a value of one dollar and fifty cents (\$1.50). An employee who works more than eleven (11) consecutive hours may, if he desires, receive a one-half (1/2) hour unpaid meal period.
64. **Section F. Attendance Bonus.** Beginning in calendar year 1998, employees with perfect attendance for the year will receive a one hundred dollar (\$100.00) bonus at Christmas.
65. **Section G.** A cost-of-living adjustment shall be payable beginning May 15, 1999 and the amount of cost-of-living

allowance shall be determined and redetermined as provided below, on the basis of the Consumer Price Index for Urban Wage Earners and Clerical Workers, All Cities (1967 = 100 – as revised January 1985) published by the Bureau of Labor Statistics, U.S. Department of Labor. (Consumer Price Index is hereinafter referred to as the CPI.)

- 66. The cost-of-living adjustments shall be payable for each hour paid under the terms of this agreement in an amount equal to one (1) cent for each full point three percent (0.3%) increase in the CPI.
- 67. The base CPI level shall be the month of March 1998. The increase in cost-of-living shall be the difference between the March 1998 CPI level and the March 1999 CPI level payable May 15, 1999.
- 68. The cost-of-living adjustment shall be paid to each regular employee on the payroll as of May 15, 1999 as a lump-sum bonus consisting of the number of hours paid to each employee between March 1, 1998 and March 1, 1999 times the cost-of-living adjustment.
- 69. The increase in cost-of-living adjustments shall be based upon the percentage difference between the CPI levels and payable as follows:

<u>Base CPI</u>	<u>New CPI</u>	<u>COLA</u>
<u>Month of</u>	<u>Month of</u>	<u>Payable</u>
March 1998	March 1999	May 15, 1999
March 1999	March 2000	May 15, 1999
March 2000	March 2001	May 15, 2001 NONE DUE

- 70. The cost-of-living adjustment payable each May 15, above, shall be paid to each employee on the payroll on that date and paid as a lump sum bonus consisting of the number of hours paid to each employee for the period between March 1 of one year and March 1 of the next year times the cost-of-living adjustment. COLA amounts

will be calculated using the current formula. COLA payments will be capped at \$.03 for both years and will be paid as a lump sum bonus.

71. Employees who leave only by reason of retirement or death prior to March 1 will receive the bonus that they were earning at the time of the retirement or death. Such bonus shall be paid at the time of the final pay and shall be based upon hours worked in the calendar year the employee leaves time the prior year's COLA adjustment.
72. A decline in the CPI shall not result in a reduction of the cost-of-living adjustment on that allowance which is being paid at that time. However, the same CPI points shall not be paid for twice. Additionally, a cost-of-living adjustment and Gainsharing shall not be paid at the same time.
73. In the event that the Bureau of Labor Statistics should change, discontinue or revise the CPI during this period, the parties shall meet to adjust this provision with the closest possible statistical equivalency to make effective on the dates specified the intention of this Provision.

ARTICLE IV

NIGHT-TURN BONUS

74. A night-turn bonus of twenty-five cents (\$0.25) per hour shall be paid on all hours worked between 6:00 p.m. and 11:59 p.m. and thirty cents (\$0.30) per hour shall be paid on all hours worked between midnight and 6:00 a.m.

ARTICLE V

UNIFORMS

75. Uniforms will not be required. Steel toed boots shall be required and the Company shall pay a maximum of \$50 per year, payable with the first paycheck in January, as a

boot allowance. The Company will continue to provide safety and sanitary wear required by the Heinz plant, including ear plugs, hair nets, hard hats and safety glasses.

ARTICLE VI

SENIORITY

76. **Section A.** It is the intent of the Company to administer the following provisions of Article VI in a way that all employees will have identical rights irrespective of the sex of the employee.
77. 1. The parties recognize that promotional opportunity and job security in the event of promotions, decrease of forces and recall after layoffs should increase in proportion to length of continuous service and that in the administration of this Article the intent will be that whatever practicable full consideration shall be given continuous service in such cases, except that a decrease or increase of the working force which is limited to a period of less than one (1) shift shall be considered temporary and shall be made in such manner as may be determined solely by the Company. In the event a line is interrupted or ended during a shift, senior employees will have the opportunity to remain working on similar lines and/or jobs within the department by requesting to replace junior employees with the same starting time when one-half (1/2) hour or more remains on the employee's shift.
78. 2. In recognition, however, of the responsibilities of Management for the efficient operations of the plant, it is understood and agreed that in all cases of promotion (except promotions to positions excluded from the bargaining unit as defined in Article 1) and decreases in forces or recalls after layoff, the factors

as listed below shall be considered; however, only where ability to perform the work is relatively equal shall length of continuous service be the determining factor;

- 79. A. Ability to perform the work
- 80. B. Continuous service on a plant-wide basis

- 81. 3. Employees will be laid off and recalled consistent with ability and seniority.

- 82. **Section B.** All jobs within the warehouse will be classified as Warehouse Worker, except that there shall also be a classification of Display, Grade IV, Outside Caretaker and Leads. Employees may express their preference for certain jobs within the Warehouse Worker classification, which preferences will be honored consistent with the needs of the business.

- 83. **Section C.** Probationary Employees. A new employee or former employee hired after a break in continuous service shall be considered a probationary employee and shall acquire no continuous service until he has completed fifty (50) day actually worked within a twelve (12) month period. The continuous service of an employee who has completed the fifty (50) day probationary period shall date from his original hiring date within the previous twelve (12) month period. A new employee who works less than fifty (50) days and is then laid off for a continuous period greater than the number of days he had worked, will start again as a new employee without any credit towards continuous service for the days of his previous employment.

- 84. **Section D.** Break in Continuous Service. An employee shall cease to have continuous service and his employment with the Company shall be considered terminated for all purposes when the employee:

85. 1. Voluntarily leaves the service of the Company or is discharged for cause.
86. 2. Is laid off for lack of work and fails to report for work after five (5) days' written notice to do so by certified mail addressed to his last address known to the Company. A copy of such notice shall be mailed to the Union. An employee who for acceptable reasons is unable to answer such call to return to work within the specified five (5) day period shall not lose continuous service provided he reports the facts to the Company as soon thereafter as it is possible for him to do so.
87. 3. Is laid off for lack of work for a continuous period greater than one (1) year or for a continuous period greater than the period for which he has continuous service credit with the Company at the time of layoff, whichever is less.
88. 4. Has not worked for the Company for a period of 18 (eighteen) months due to sickness or accident.
89. 5. Has not worked for the Company due to an injury or illness covered by Workers' Compensation according to the following schedule:
 - a. Employees with less than one (1) year of continuous service-twelve (12) months
 - b. Employees with more than one (1) year of continuous service-a period equal to twelve (12) months plus one (1) month for each full year of continuous service up to a maximum limit of thirty-six (36) months.
90. 6. Is absent for three (3) consecutive work days without notifying the Company.

91. An employee who accepts a transfer to a job excluded from the bargaining unit may be returned or may return to the bargaining unit within the first year of his transfer out. He shall be returned to his home department within this one-year period and his seniority shall be reinstated and accrued as if he never accepted such transfer.
92. **Section E.** An employee whose continuous service is terminated because he was laid off for lack of work for a continuous period greater than the period for which he had continuous service credit with the Company at the time of layoff as provided in (D) above who is reemployed within the same calendar year in which he was laid off shall not be required to serve a second probationary period, but shall be considered a “regular” employee immediately upon returning to work and his continuous service shall date from the date of his prior employment.
93. **Section F.** The Company will post and provide to the Union an updated seniority list every six (6) months.
94. **Section G. Lay-Off Procedure.** Layoffs will be done in reverse seniority order provided that employees remaining are qualified to perform the required work.
95. **Section H. Voluntary Layoffs.** The Company may, due to business volume or a Heinz plant shut-down, offer voluntary layoffs for a defined period of time, including by single days. This will be done while considering the efficient operation of the facility. Those interested will sign a posted voluntary layoff request sheet. Voluntary layoffs of five (5) working days or less will be administered through the leads, who will be directed to seek volunteers to sign a sheet volunteering for layoff as far in advance of the layoff as practicable. In the event of a recall from voluntary layoff, employees will be recalled in inverse seniority order based on skills and abilities. This voluntary layoff process can be applied during Heinz

plant shut-down periods but shall not interfere with the ability of the company to require employees to take vacation during the July 4th and Christmas shut-down periods. The Company will re-call employees from layoff when work is available.

96. **Section I.** Shift Preferences. Each regular employee shall be given the opportunity to express their shift preference upon completion of the trial period. An employee who has expressed a desire to work on a given shift will be assigned to that shift in accordance with facility continuous service and ability when practicable. It is agreed, however, that efficient operation of the facility shall be the first consideration when making work assignments to the various shifts. An employee may change shift preferences up to four (4) times per calendar year. Written notice of preference must be provided to Human Resources Department or the warehouse office no later than Noon on Wednesday of any calendar week. The change shall then become effective on the following Monday.
97. **Section J.** Promotions and Transfers. (A) Vacancies other than lead jobs will be filled in accordance with the following procedure: Company will endeavor to promote or transfer successful applicants within 90 calendar days of acceptance of the promotion or transfer.
98. 1. The Company will post notices of job training announcements for a period of forty-eight (48) hours. A description of the relevant features of the job will also be posted. Opportunities for training will be offered in order of seniority. These notices shall consist of opportunities for training on jobs which operate five (5) consecutive days or more. An employee will be considered trained if he worked five (5) consecutive days on the job, unless a longer period is established by mutual agreement. A successful applicant during the period of training will

remain on the job when it operates unless displaced during reduction of force. The Company will endeavor to honor bids of employees who are absent from work for no more than two (2) weeks during the posting period provided that notice is given within twenty-four (24) hours of the employees' return to work.

99. 2. Daily work assignments will be filled in accordance with seniority and ability. Senior qualified employees will receive earlier starting hours within the job on the shift. Company will attempt to post schedules by 2:00 p.m. with a deadline of 3:00 p.m. the day prior and by 2:00 p.m. with a deadline of 3:00 p.m. Friday for weekend and Monday work.
100. 3. Coordinators will determine an employee's qualifications to perform a given job. A production coordinator may determine that a production employee is qualified on a job without the employee working on the job for five (5) consecutive days. It is not the intent to disqualify an employee's pre-existing skill in the job skills inventory. It is the intent that the employee will continue with the determination of the coordinator. If not, the training may be extended or terminated.
101. 4. All requests for job training or bids will be prepared in triplicate. The Company receives the original, the Union receives one copy and the employee retains one copy.
102. **Section K.** Leaves of absence not to exceed thirty (30) days may be granted by the Company without affecting continuous service. Personal Leave of Absence and permission days will be granted only after Personal days and single vacation days have been exhausted.

103. **Section L.** An employee who leaves the employ of the Company to accept a full-time position with the United Food and Commercial Workers Union and who makes application for re-employment within one (1) year from the beginning of such leave shall be entitled to reinstatement to his former job with accrued continuous service at the rate of pay for such work prevailing at the time of reinstatement provided that he is still able to perform such work.
104. The above reemployment rights shall not extend to more than one person at any one time.
105. **Section M.** An employee who leaves the employ of the Company to accept a full-time position with Local 431 shall be granted a leave of absence without pay for the remainder of the current term of this agreement or until one week after he ceases to occupy such full-time position, whichever is earlier, provided that he has given to the Company a written request for such leave at least ten (10) days prior to the date on which the leave commences. Such person who makes application for reemployment within 30 days following the termination of his leave of absence shall be entitled to reinstatement to his former work with accrued continuous service at the rate of pay for such work prevailing at the time of reinstatement, provided he is still able to perform the work. The Union will immediately notify the Company when an employee on leave of absence under this provision ceases to occupy such full-time position. No more than one employee at any time shall be entitled to such leave.
106. **Section N.** An employee will be granted a temporary leave of absence without pay not exceed 30 days for Union business, provided such leave does not disrupt the efficient operation of the plant. The number of employees who may take such leave at any one time will

be mutually agreed between the local Union and factory Management.

107. Any leave of absence for Union business under these provisions shall become void immediately and all reemployment and continuous service rights shall be terminated if the person on leave accepts other employment or engages in work other than Union business.
108. **Section O.** An employee who has accumulated four (4) or more years of continuous service with the Company who has been laid off for lack of work in accordance with Section A of this Article and, who, in the opinion of the Management, is not likely to be recalled to work within one (1) year from the date of layoff, who cannot qualify for immediate retirement benefits will be given priority over other applicants and probationary employees for employment for work available at any other ES3 facility at which employees are represented by the U.F.C.W. or a local thereof subject to the collective bargaining agreement applicable at such facility. "Work Available" shall be defined as work to which no other ES3 employee with established seniority has superior rights.
109. An employee who wishes to exercise this priority must file a written request for such employment specifying the factory location or locations at which he would accept employment. Such application will not become effective until thirty (30) days after the date of filing. Employees who thus apply will thereafter be given priority in employment in accordance with length of their continuous service with the Company.
110. An employee who accepts employment at another ES3 facility will continue to maintain his continuous service at his original facility, but will also accrue continuous service at the new location beginning with the date his employment at the new location begins. One year after

the date of layoff from his original location, his continuous service rights there shall terminate and his continuous service shall apply only in the new location. Such employee's continuous service for the purpose of insurance, retirements, vacation, holiday pay, service awards and all other benefits shall be calculated on the same basis as it was at his original factory location.

111. If an employee who has filled a written request for employment under this provision rejects a job offered to him or does not report for work at the new location at the mutually agreed upon time, his name shall be removed from the priority list and he will not thereafter be considered for employment opportunities at other factories except that he may have his priority reinstated once by submitting a new request in writing. Such reinstatement will become effective thirty (30) days after the date of filling.
112. **Section P.** At the request of the Union made at the time of layoff, not more than seven (7) members of the Union who shall be stewards or officers shall be given top plant continuous service during their respective terms of office for purposes of layoff and recall only. The Union shall notify the Company of the names of those covered by this provision as soon after the signing of this Contract as possible, and thereafter the Company will notify the Union of any contemplated layoff involving such employees. The Union will advise the Company in writing after receipt of such notice of those persons for whom it requests top continuous service.
113. **Section Q.** When two or more employees are hired on the same calendar day, the rank number shall determine the continuous service order of the employees so involved.

ARTICLE VII

VACATIONS

114. Section A.

1. To be eligible for a vacation in any calendar year during the term of this Agreement, an employee must:
 115. A. Have one or more years of continuous service, and
 116. B. Have worked one hundred ninety (190) days or more in the preceding calendar year (except that in the case of an employee who completes one year of continuous service in such calendar year, his vacation eligibility period shall be the twelve (12) month immediately following the date of his employment) and provided that any employee who works less than one hundred ninety (190) days but more than one hundred forty (140) days in the preceding calendar year or in the twelve (12) month vacation eligibility period shall be eligible for one-half (1/2) the amount of vacation to which he would otherwise have been entitled. An employee absent from scheduled work due to illness or injury shall be credited as days worked for vacation purposes with up to fifty (50) days if such absence occurs during any vacation eligibility period, provided that such employee claiming such credit files with the Company's Human Resource Department within ten (10) days after his return to work a written statement signed by his attending physician certifying to the period of such disability. An employee who has worked or has been credited with one hundred (100) days or more worked in any vacation eligibility period shall be entitled for vacation purposes to additional credit in that vacation eligibility period

for actual hours of absence due to layoff for lack of work up to fifty (50) days.

- 117. 2. Continuous service shall date from:
- 118. A. The date of the first employment by the Company within the bargaining unit represented by the Union, or
- 119. B. The subsequent date of employment following a break in continuous service as presently or heretofore determined under rules existing at the time, whichever of the above two dates is later.
- 120. 3. An employee, even though otherwise eligible under this Section A, forfeits the right to receive vacation benefits under this Article if he quits or is discharged prior to January 1 of the vacation year.

121. **Section B.** An eligible employee who has attained the years of continuous service indicated in the following table in any calendar year during the term of this agreement shall receive a vacation corresponding to such years of continuous service as shown in the following table:

<u>YEARS OF SERVICE</u>	<u>WEEKS OF VACATION</u>
1 but less than 3.....	1
3 but less than 7.....	2
7 but less than 15.....	3
15 but less than 23.....	4
23 but less than 32.....	5
32 or more	6

Employees hired on or after September 1, 2007 are ineligible for six weeks of vacation.

122. Each employee with twenty (20) or more years of continuous service, who is entitled to a vacation in that year under the provisions of Section A above, shall have the option of taking up to one (1) week only of pay in lieu

of vacation time off. Those employees with thirty-two (32) years of service may have the option of taking up to two (2) weeks pay in lieu of vacation time off. Example below:

4 & 5 weeks - 1 week cashed in
32 years = 6 weeks - 2 weeks cashed in

123. In any calendar year in which an employee reaches an anniversary date upon which he becomes entitled to additional benefits under provisions of this Section, any such additional vacation benefit will not be due payable to him until on or after such anniversary date.
124. **Section C.** Vacation pay will be based on an employee's average earned rate per hour, including bonus plan earnings, during the twelve (12) month period in which such vacation was earned, plus a twenty percent (20%) vacation bonus. Employees hired on or after September 1, 2007 are ineligible for the vacation bonus.
125. **Section D.** The hours of vacation pay for each week of vacation shall not be less than forty (40) or more than forty-eight (48) and within these limits, the hours of vacation pay shall be based upon each employee's average hours worked per week during the twelve (12) month period in which such vacation was earned. Employees entitled to one-half (1/2) week of vacation shall be paid for (20) hours.
126. **Section E.** Vacation not used by December 31 of the calendar year will be paid out. However, the employee must make every attempt to use the vacation during the calendar year.
127. **Section F.** The Company reserves the right in an emergency to request an employee who is on vacation to return to work, but such an employee shall not be required to return. In the event a vacation is to be

cancelled prior to its occurrence, as much advance notice as possible will be given. The Company will endeavor to not schedule employees on the weekend prior to their vacation. However, those who wish to work may sign for available weekend work.

128. **Section G.** In the event the Company elects to close any or all of the departments of the plant for any purpose during the week of or the week preceding or following the Fourth of July and the week of Christmas, the Company will so notify employees on or before June 1 of the vacation year. An employee entitled to two (2) weeks or more of vacation will be required to take vacation during such shutdown period unless he has previously exhausted or scheduled his vacation entitlement.
129. Except as provided in the paragraph above, such employees entitled to a vacation may designate his or her preferred vacation time and such request will be considered in employee seniority order and granted when practicable. It is agreed, however, that efficient operations of the plant should be the first consideration when assigning vacation time and that the Company shall have the right to assign vacation time on that basis. It is further agreed, however, that, in the case of employees in maintenance job classifications, the most senior employee or employees in any classification which is not required during the shutdown periods specified above, shall, with the prior consent of the regular supervisor, be scheduled for vacation during any such shutdown period.
130. New policy to take effect November 1, 2001. An employee entitled to three (3) or more weeks of vacation may elect to take one week of vacation one day at a time. An employee entitled to four or more weeks of vacation may elect to take two weeks of vacation one day at a time. Each day must be scheduled at least 24

hours in advance of the day requested and be approved by appropriate supervision.

131. Employees will be allowed to request full weeks of vacation month to month based on seniority. The week or block of weeks requested by an employee at least one month in advance will have precedence over vacations requested with less than one-month notice. Advanced monthly requests will be granted/ denied within 5 working days following the requested month end. Approvals will be based on the Company's ability to maintain an efficient operation of the facility.
132. Requests for full week vacations must be turned in by noon on Tuesday of the week preceding the vacation. These requests will be granted based on the efficient operation of the facility and provided that it does not interfere with an employee's block of vacation which has been previously granted per the request procedure above.

Vacation Wanted	Request must be in by	Company Approves / Denies by
January 1-30	November 30 th	5 th working day of December
February 1-29	December 31 st	5 th working day of January
March 1-31	January 31 st	5 th working day of February
April 1-30	February 28 th	5 th working day of March
May 1-31	March 31 st	5 th working day of April
Split week Memorial Day	March 31 st	5 th working day of April
Full week July 4 th	March 31 st	5 th working day of April
Split week July 4 th	March 31 st	5 th working day of April
June 1-30	April 30 th	5 th working day of May
July 1-31 (except 4 th of July week)	May 30 th	5 th working day of June
August 1-31	June 30 th	5 th working day of July
September 1-30	July 31 st	5 th working day of August
October 1-31	August 31 st	5 th working day of September
November 1-30	September 30 th	5 th working day of October
Split week Thanksgiving	September 30 th	5 th working day of October
Full week Christmas	September 30 th	5 th working day of October
Split week Christmas	September 30 th	5 th working day of October
December 1-31	October 31 st	5 th working day of November

Priority of full-week and split week vacation:

1. Pertaining to vacations requested for the following weeks of the following holidays: Memorial Day, July 4th, Thanksgiving, and Christmas, the Company and Union, in order to honor seniority, agree to the following:
2. Employees will be allowed to request full weeks of vacations at the same time employees are allowed to request split week's vacation.
3. Vacation requests will be awarded based on seniority.
4. Example 1: Mr. Senior wants a full-week of vacation for July 4th. He requests it by 3/31. Since Mr. Senior has higher seniority, he will be granted vacation.

Example 2: Mr. Senior wants a full-week of vacation for July 4th. He waits until 5/30 to request it. Ms. Junior wants to take a split week of vacation for Memorial Day and July 4th. She requests it by 3/31. Since Ms. Junior requested it by the first deadline she will be granted the vacation even though she has less seniority than Mr. Senior does.

133. **Split Vacations.** The Company and Union have agreed that in only those holiday weeks that the Company permits split vacations – (Memorial Day and July 4th weeks, and Thanksgiving and Christmas weeks) the Company will endeavor to grant personal days to allow the employee not to be scheduled for work at all the week, and such employee will not be disqualified from holiday allowance.

It is understood and agreed that the personal day(s) and/or permission day(s) will be allowed only to “round

out” (not to be scheduled) the vacation week during the July 4th or Christmas Day week. They will not be used to extend the vacation period into the week preceding or following a holiday period. It is further agreed that the employee must request permission to take the personal days at least 48 hours in advance of the day and receive permission from the Company. If all requests for such days cannot be granted, the least senior qualified employees will be scheduled to work. Failure to work as scheduled will result in denial of holiday allowance. All other holiday and vacation conditions and requirements per the current labor agreement continue to be in effect and force.

ARTICLE VIII

MANAGEMENT OF THE FACILITY

134. **Section A.** The Company reserves the exclusive right to manage the plant and to assign, schedule and direct the work in accordance with its best interests; to hire, promote, demote, transfer, drop for lack of business and suspend or discharge for proper cause, provided no action so taken will be in violation of any of the other provisions of this Contract.
135. **Section B.** The Union recognizes the right of the Company to establish reasonable rules and regulations for the safe, sanitary and efficient conduct of the Company’s business and reasonable penalties for the violation of such rules. The Company has established such rules, regulations and penalties; will post them in each department and agrees to apply such penalties indiscriminately to all employees. The Union has the right to object under the grievance procedure to any rule or penalty established hereunder. Changes in present rules shall not become effective until they have been posted for a period of seven (7) days and a copy given to the Union at the time of posting.

136. The Union has the right to object under the grievance procedure to any change in present rules or the penalties established in any such change.
137. **Section C.** It is the intent of this contract that a person acting in a supervisory capacity shall not be permitted to perform any work that is performed by employees covered by this Contract, except as follows:
138. 1. In emergencies when employees are not available in the department.
139. 2. In the instruction or training of new employees.
140. 3. In the performance of necessary work when productive difficulties are encountered, which work does not deprive any employee of employment.
141. 4. In supervisor training, which work does not deprive any employee of employment.
142. 5. In experimental work, which work does not deprive any employee of employment.
143. **Section D.** The Company will continue to make reasonable provisions for the safety and health of its employees while in the plant during working hours and will continue its safety program with regular safety meetings as heretofore. An employee to be appointed by the Union and approved by the Company will be allowed not more than two (2) hours per month without loss of pay to conduct safety inspections with the factory Human Resources manager or his representative.
144. **Section E.** The parties agree to establish a joint Labor/Management Committee to meet at regular intervals.
145. **Section F.** This Agreement, including the appendices, side letters and memoranda attached hereto, represents the entire agreement of the Parties. There are no other agreements between the Parties. Any modification or

amendment to this Agreement must be in writing and signed by both Parties.

146. **Section G.** In the event that any unforeseen issue should arise as a result of the transition from Heinz to ES3, the Parties agree to negotiate in good faith to resolve such issue. This provision shall not be construed to require the re-opening or re-negotiation of any express term or condition of this Agreement.

ARTICLE IX

GRIEVANCE PROCEDURE

147. **Section A.** Should any difference arise between the Company and the Union as to an alleged violation of the provisions of this Agreement, there shall be no suspension of work on account of such differences. But an earnest effort shall be made to settle them immediately to the mutual satisfaction of both parties.
148. **Section B.** A grievance is defined to be any question or controversy between the Company and one or more employees of the Union, as to the interpretation or application of, or compliance with, the terms of this Contract or any matter involving wages, hours or working conditions.
149. **Section C.**
1. The aggrieved employee, the steward and the supervisor involved shall attempt to adjust the grievance orally. If the matter cannot be adjusted within three (3) work days, the grievance shall be reduced to writing by the Union steward on the next work day, signed by the employee or steward filing the grievance and submitted to the supervisor involved, who shall reduce his answer to writing within three (3) days after receipt of the grievance. If the answer is unsatisfactory, it shall be submitted within the next three (3) working days to:

150. 2. The facility manager, or a person designated by him to receive the grievance, who will discuss it with the Union's grievance committee and who shall reply in writing within the next five (5) working days after the grievance is presented.
151. 3. If the disposition of the grievance by the facility manager or his designated representative is unsatisfactory, the matter shall be taken up for adjustment with corporate operations/legal officials of the Company or their designated representative and the committee of the Union, including a representative of the international Union. Notice of appeal to this step must be given in writing within ten (10) working days after receipt of the factory manager's answer.
152. Extensions to the above time period may be made by mutual agreement at each step. Signatures and dating will be required at each step of the procedure with notation of any agreed extensions. Failure by either side to honor the time limits will result in the grievance being settled in favor of the other party on a non-precedent basis.
153. **Section D.** If the parties hereto shall fail to adjust a grievance under the procedure set forth in Section C above, if the grievance relates to the determination of rights and obligations conferred or created by this Contract, and if a written request for arbitration is made within ten (10) days after the final answer is given under Section C (4), such grievance shall be submitted for final decision to an arbitrator mutually agreed upon by the parties. In the event the parties are unable to agree upon an arbitrator, either party may request the Federal Mediation & Conciliation Service to supply a list of seven (7) arbitrator who shall be members of the National Academy of Arbitrators for selection purposes. Following

a coin flip to determine who strikes first, each party shall strike a name from the list until only one name is remaining. The arbitrator shall hold hearings and render its decision in writing as quickly as practicable. The decision shall be final and binding upon both parties. The arbitrator, however, does not have the right to alter, amend or enlarge the terms of this Contract. The costs incurred by such arbitration proceedings shall be borne equally by the parties hereto.

154. **Section E.** At any step in this grievance procedure, the executive board of the local Union shall have the final authority in respect to any aggrieved employee covered by this Agreement, to decline to process a grievance, complaint, difficulty or dispute further if, in the judgment of the executive board, such grievance or dispute lacks merit or lacks justification under the terms of this Agreement, or has been adjusted or justified under the terms of this Agreement to the satisfaction of the executive board. Once the aggrieved employee has been notified either by their steward or by the Union business representative that their grievance is being dropped because of lack of merit, the aggrieved employee has twenty (20) calendar days to appeal that decision by sending a letter to the Union president requesting to appear before the Union executive board.
155. **Section F.** No action or matter shall be considered the subject of a grievance unless written complaint is made within five (5) working days from its occurrence and, in the event it is decided that an employee has been unjustly discharged, he shall be reinstated to his former position without loss of seniority and full pay for all time lost.
156. **Section G.** Any investigation of the facts involved in the consideration of a grievance which requires an inspection of any part of the Company's plant or an inspection of any operation in the plant may be made

jointly by a representative the Company and a representative of the Union. Any Company record relied upon by the Company in answering a grievance will be made available for inspection by the designated representative of the Union upon request.

157. **Section H.** A Union steward shall request permission from his supervisor before stopping work to handle a grievance and shall report to the supervisor when ready to start to work. Such permission shall not be unreasonably withheld.

ARTICLE X

SEVERANCE ALLOWANCE

158. **Section A.** When, in the sole judgment of the Company, it decides to close permanently its Muscatine plant or to discontinue permanently a substantial portion of its Muscatine plant and, as a result thereof, any employee is laid off by the Company under the provisions of Article VI, Seniority, of the Contract and is not recalled to work for one (1) year after such layoff, such employee shall be entitled to a severance allowance as hereinafter provided. At the option of the Company, such an employee may be offered a severance allowance prior to the expiration of such one (1) year period and, if he accepts such offer, all of this rights under this Contract shall immediately terminate.
159. **Section B.** An employee, to be eligible for severance allowance, must have accumulate four (4) or more years of total severance with the Company at the time of layoff, computed in accordance with Article VI, Section C, of this Agreement.
160. **Section C.**
1. An eligible individual shall receive severance allowance based upon total service with the

<u>TOTAL SERVICE</u>	<u>WEEKS OF SEVERANCE ALLOWANCE</u>
4 years but less than 6	4
6 years but less than 8	6
8 years but less than 10	8
10 years or more	12

161. Employees with more than ten (10) years of service shall receive an additional one-half (1/2) week of severance allowance for each full year of service over ten (10) years.
162. 2. A week's severance allowance shall be determined in accordance with the provisions of calculation of vacation pay as set forth in Article VII, Vacations.
163. 3. Payment shall be made in a lump sum.
164. 4. A minimum of four (4) months notice shall be given in the event the Company decides to permanently close its Muscatine plant.
165. **Section D.** Severance allowance shall not be duplicated for the same severance, whether the other obligation arises by reason of contract, law or otherwise. If an individual is or shall become entitled to any discharge, liquidation, severance or dismissal allowance payment of similar kind by reason of any federal or state law, the total amount of such payment shall be deducted from the severance allowance to which the individual may be entitled under Article, or any payment made by the Company under this Article may be offset against such payments. Statutory unemployment compensation payments shall be excluded from the non-duplication provisions of this paragraph.
166. Any employee who retires under the Company's "Employees' Retirement System" may be delayed in receiving retirement benefits for the period of time

equivalent to that number of weeks upon which the severance allowance is based.

ARTICLE XI

PENSIONS, INSURANCE AND SECTION 125 FLEXIBLE SPENDING PLAN

167. Pensions, insurance, and 401k Saver Plan benefits for Company employees represented by the Union are governed by separate pension, insurance and 401k Saver Plan agreements which will continue in full force and effect for their respective terms irrespective of the terms of this Agreement. Appropriate retirement and group insurance booklets outlining the plans will be issued. A voluntary 401k saver plan will be established with annual participation fees by the Company. As soon as practicable after ratification, the Company will implement a Section 125 Flexible Spending Plan.
168. For all employees on payroll as of ratification, the pension multiplier will be raised from 1.1% to 1.3%.
169. **Long-term Disability-** Implement new insurance providing same benefit as Heinz.
170. **New Hire Retirement:** 401(k) with 5 yr. Vesting.
Defined contributions as follows:

<u>Age</u>	<u>Contribution</u>
Under 30	1.0% of gross
30-34	1.5%
35-39	2.0%
40-44	2.5%
45-49	3.5%
50-54	4.5%
55-59	5.5%
60-64	8.0%
65+	8.5%

ARTICLE XII

TERMINATION DATE

171. This Agreement shall remain in effect until 12:01 a.m. March 1, 2012 and shall continue in force thereafter from year to year unless either party shall have given sixty (60) days written notice to the other of its desire that the same terminate on the March 1 succeeding such written notice.
172. [Economics - The parties will implement such changes to wages, insurance, retirement, paid days off, term of agreement, or other economic terms as are agreed to between the Union and the Heinz factory. To the extent that benefits are changed, the Company will implement substantially the same changes, but the Parties agree to work cooperatively with respect to any issues associated with administrative differences, or the use of different providers, between the Company and Heinz.]

MUSCATINE LOGISTICS LLC

DISTRICT UNION 431 UNITED FOOD
& COMMERCIAL WORKERS

BY:

BY:

Robert G. Sullivan

Bob Kallenberger

Dennis Ford

Bob Bigford

Pat Murphy

Robert Lopez

Robert Jones

Billy Herlein

APPENDIX A

RULES GOVERNING JOB CLASSIFICATION

172. A. If the Union believes that an existing job has changed to an extent sufficient to warrant an adjustment in job grade or that a new job has been created even though the Company has not submitted to it in the job description and job grade it shall notify the Company in writing of the substance of its contention as to such alleged new or changed job.
173. B. Job descriptions are to be sufficiently accurate to reveal those features of the job that determine its classification.
174. C. Jobs of lead personnel will be graded and assigned as follows:
175. 1. Lead worker is one who:
176. a. Instructs.
177. b. Sees that the direction of the supervisor are carried out.
178. c. Coordinates the activities of the department.
179. d. Checks work.
180. e. Reports necessary information to appropriate people.
181. f. Performs manual duties as necessary within assigned departments.
182. 2. Employees appointed lead workers by Management will be paid grade 13.
183. 3. For the purpose of overtime, lead workers will assume their position on the seniority list. In the event of layoffs, leads will be laid off by seniority, except that if this would result in

undue burden to operations, the Parties agree to discuss and resolve the issue.

183. D. In the event the Company decides to eliminate or combine any jobs, the Union will be notified prior to any changes taking effect, to the greatest extent possible.

APPENDIX B

WAGES

184. 1. The job grade rates shall be as follows:

Exhibit "B"

Grade	Effective 9/01/2007	Effective 9/01/2008	Effective 9/01/2009	Effective 9/01/10	Effective 9/01/11
Grade 4	16.27	16.67	17.07	17.47	17.72
Grade 9	17.44	17.84	18.24	18.64	18.89
Grade 10	17.68	18.08	18.48	18.88	19.13
Grade 13	18.57	18.97	19.37	19.77	20.02

185. **New Hire Wage Progression:**

	Effective 9/01/07	Effective 9/01/08	Effective 9/01/09	Effective 9/01/10	Effective 9/01/11
Start	9.45	9.85	10.25	10.65	10.90
After 6 Months	9.85	10.25	10.65	11.05	11.30
After 12 Months	10.45	10.85	11.25	11.65	11.90
After 18 Months	10.75	11.15	11.55	11.95	12.20
After 24 Months	11.25	11.65	12.05	12.45	12.70
After 30 Months	Higher of \$12.75 or \$2.00 less than full rate of job performed.	Higher of \$13.15 or \$2.00 less than full rate of job performed.	Higher of \$13.55 or \$2.00 less than full rate of job performed.	Higher of \$13.95 or \$2.00 less than full rate of job performed.	Higher of \$14.20 or \$2.00 less than full rate of job performed.
After 36 Months	Full rate of job performed.				

General increases will apply to the rates specified above, but job grade rates of pay do not apply until regular status is achieved, unless regular status is granted sooner as specified below.

Should the Company determine that in order to attract and/or retain employees hired after 9/01/04 it is necessary to increase the starting rate or any of the rates in the schedule above, and/or to move such employees through the schedule above sooner than specified, and/or to grant health care and/or other benefits in advance of the periods specified above, the Company will meet and discuss its intentions with the Union prior to implementation. In making any such increase or advancement for any employees within the group hired after 9/01/04, the Company will ensure that senior employees within said group will not be paid less than employees hired after them, nor will they remain ineligible for benefits if employees hired after them are made eligible for benefits.

Health Care Benefits:

- 186. New employees will receive the following health care benefits after completion of one (1) year of continuous service:
- 187. Basic Security Plan plus chiropractic coverage, prescription drug coverage and Accident and sickness coverage.
- 188. Upon achieving two (2) years of continuous service, the employee shall be eligible for full benefits.
- 189. Health Insurance - current employee as of ratification:
Contribution \$25.00 per month for the term of the contract
- 190. Health Insurance - new hires: Plan as proposed by Muscatine Logistics. Employee contribution \$25.00

per month for the term of the contract. Buy-up option available in 4th year of eligibility with employee contribution of 10% of actual cost of the benefit program.

Personal Days:

191. Employees hired by July 1 of any year will receive two (2) personal days following completion of one (1) year of continuous service. Employees hired after July 1 will receive one (1) personal day.

192. 1. Employees whose age or physical condition prevents them from performing regular production or maintenance work may be assigned rates less than the minimum rates. Such rates in each individual case are to be agreed upon by the Company, the employee and the Union, and the exception is to be used only to provide essential employment for persons who are unable to carry on regular activity.

193. 2. Changes in rates of pay brought about because of fifty (50) days worked shall take effect upon the first day of the following pay period.

194. 3. An employee who is injured while on duty and who is disabled and unable to report to work on the next working day shall receive a payment equivalent to Workers' Compensation for that and each succeeding day during which he is disabled up to and including the seventh day absent at which time he shall be paid the regular Workers Compensation Benefits. Such employee shall not receive any additional compensation for the first week of injury which may be provided for in the applicable Sate Workers' Compensation Law regardless of the length of his absence for the same injury. Such employee will, upon return to work, maintain his

regular hourly rate of pay for a period not to exceed one (1) week.

195. 4. Medical restrictions will be considered when scheduling employees by seniority and ability. If work is available in accordance with medical evidence, employees will be scheduled. Otherwise, employees will be off on medical leave until appropriate work is available or the employees' seniority terminates.

APPENDIX C

RULES, REGULATIONS AND PENALTIES

196. The Company and the Union recognize the need to establish reasonable rules and regulations for the safe, sanitary and efficient conduct of the Company's business and the reasonable penalties for the violation of such rules.
197. If an employee is subject to discipline as defined below, he shall be given the opportunity to clear the record. A clear record for a particular offense for a period of one (1) year shall result in the last offense being removed from the employee's record and the previous step of the disciplinary system moved up to that date and the process continued until the record is cleared. The employees shall have the right to request the presence of a Union steward at any and all conferences which may result in disciplinary action. Such request for a steward at this conference will not be denied.
198. The penalties of suspension defined in these Rules and Regulations shall be issued as "paper suspensions" and shall not actually be served. However, the company reserves the right to impose actual suspensions for the following reasons: Gross Insubordination, Drinking on the job, Intoxication (any mind altering substance), Threats, Workplace Violence and Harassment of any kind.
199. An employee subject to discharge will be removed from the plant pending further investigation. An employee who is unfit for work regardless of cause shall be sent home. That day will be considered a day of absence and any other applicable rule shall also be applied.

Drinking and Intoxication:

200. Any employee who consumes or possess any alcoholic beverage or illegal drug on Company premises will be discharged for the first offense. Any employee who reports to work showing evidence of drinking to excess, or of being under the influence of drugs, will not be permitted to begin work for the first offense, will be suspended for one (1) week for the second offense, and will be discharged for the third offense.
201. Any employee who consumes or possesses “look-alike” drugs which appear similar to various narcotics, amphetamines, hypnotics, etc. on company premises will be subject to discipline action up to and including discharge.

Tobacco:

202. Smoking or other use of tobacco products will be permitted in designated areas and at designated times only. Any employee disobeying this rule will be warned in writing for the first offense, suspended for one (1) week for the second offense and discharged for the third offense.

Starting/Quitting:

203. All employees must be at their work station in the appropriate department promptly at the start of the shift, and be at their work station until released. Any employee violating this rule will be orally warned for the first and second offense, warned in writing for the third offense, suspended for one (1) week for the fourth offense and discharged for the fifth offense.
204. All employees are expected to return promptly to their work station following lunch (on premises). Failure to do so will result in an oral warning for the first offense, written warning and punching in and out for lunch for

three (3) months for the second offense, five (5) day suspension for the third offense and discharge for the fourth offense.

Leaving Premises:

205. No employee is permitted to leave the plant premises during normal working hours, excluding unpaid lunch periods, without the permission of the supervisor, and will be suspended for three (3) days for the first offense, suspended for one (1) week for the second offense and discharged for the third offense.

206. All employees leaving the premises during unpaid lunch periods must punch out. Any employee violating this rule will be warned in writing for the first offense, suspended for five (5) days for the second offense and discharged for the third offense. Failure to return promptly after lunch will result in written warning for the first offense, five (5) days suspension for the second offense and discharge for the third offense. However, an employee who returns to work one (1) hour or more late or fails to return at all will be suspended for five (5) days for the first offense and discharged for the second offense.

Necessary Relief:

207. Employees are not permitted to leave their work station during regularly scheduled working hours except for necessary relief with the permission of their supervisor or lead person. Any employee violating this rule will be warned in writing for the first offense, suspended for one (1) week for the second offense and discharged for the third offense.

208. It was agreed that gross abuse of necessary relief or extension of breaks (a break is 15 minutes, the unpaid lunch is 30 minutes, and "gross abuse" is taking 30 minutes or longer for a break or 60 minutes or longer for lunch) shall result in suspension or discharge at the

option of the Company, depending upon the circumstances of the particular case.

Hair Coverings:

209. All employees must wear hats and/or hairnets and facial hair coverings while on the job, and will be orally warned for the first offense, warned in writing for the second offense, suspended for three (3) days for the third offense and discharges for the fourth offense.

Jewelry:

210. Due to the potential for product contamination by personal decorative jewelry, the following rule will apply to personnel working occasionally or permanently around exposed food:

211. Earrings - All earrings are prohibited.

212. Watches - Watches are prohibited on food-handling employees.

213. Rings-Loose fitting rings and “Decorative” rings are prohibited. Tightly fitting plain rings are permitted providing there is no potential safety hazard to the employee.

214. Bracelets - Medic Alert necklaces with tight clasps are permitted. All other types are prohibited.

215. Necklaces - Medic Alert necklaces and religious medallions are permitted if kept inside clothing. All other types are prohibited.

216. Tie Tacks or Clasps - Tie tacks and/or clasps should not be worn in food area. A loose tie constitutes a significant safety hazard and supervisors or visitors wearing ties are advised to remove them, tuck them securely into shirts or wear the clip-on style.

217. Buttons, Badges, Pins, Etc.- All buttons, badges, pins, etc. on clothing are prohibited. Hairpins and bobby pins are permitted if completely covered by hairnets.
218. Fingernails - All fake fingernails and fingernail polish are prohibited.
219. Employees will be warned orally for the first offense, in writing for the second offense, suspended for three (3) days for the third offense and discharged for the fourth offense.

Footwear:

220. No employee may wear sandals, sneakers or similar-type open toe footwear while working. Any employee violating this rule will not be permitted to begin work and will be given a verbal warning for the first offense, warned in writing for the second offense, suspended for three (3) days for the third offense and discharged for the fourth offense.

Timecards:

221. Each employee must punch their own time card only, or be subject to immediate discharge. An employee whose time card is punched by another employee will also be subject to immediate discharge.
222. Any time card falsification will result in immediate discharge.

Food and Beverage:

223. All food and/or beverages must be stored and consumed in designated areas and at designated times only. Any employee violating this rule will be orally warned for the first and second offenses, warned in writing for the third offense, suspended for three days for the fourth offense and discharged for the fifth offense.

Cleanliness – Sanitation:

224. Any employee who willfully violates any known or posted rule as to cleanliness or sanitation will be discharged for the first offense. Non-willful violation is subject to the penalties described by “Careless or Inefficient Work.”

Sabotage:

225. Sabotage is the malicious waste, damage or destruction of the property of another, and will be penalized by discharge for the first offense.

Diseases:

226. Any form of social disease constitutes a serious menace in the preparation and production of food products. Any employee suspected of having such a disease will be required to submit to a physical examination and, if found to have an infection of that nature, will be immediately suspended. No employee will knowingly be permitted to work in the factory who is afflicted with any other contagious disease.

Theft and Pilferage:

227. Theft and pilferage from other employees or from the Company, including money, time, finished materials or materials in process, or other resources with the intent of using them in the plant or removing them from the plant, may be penalized by suspension or discharge at the discretion of the Company.

Opening Finished Products:

228. Opening finished products or unauthorized consumption of goods in process may be penalized by layoff of one (1) week for the first offense and discharge for any second offense.

Sleeping While on Duty:

229. An employee found or proven to have been sleeping while on duty will be disciplined as follows:

230. Deliberate Sleeping – First Offense – Discharge

231. Other Sleeping – First Offense – Written Warning
2nd Offense – 5-day Suspension
3rd Offense – Discharge

232. Deliberate sleeping includes those employees found asleep outside of their work areas or in their automobile, and locker rooms not associated with a break. Deliberate sleeping does not include those employees who fall asleep in the cafeteria or locker room during lunch or breaks, or those employees who punch out for lunch to go to their automobiles across the street.

Fighting:

233. Fighting in the plant is positively forbidden. Should a fight occur among employees on plant property, all employees engaging in the fight will be discharged, unless any such employees can clearly prove that he was acting entirely in self defense.

Safety Rules:

234. Willful disregard or violation of established safety rules will be penalized by disciplinary layoff or discharge depending upon the gravity of the offense. All employees handling cleaning chemicals and solvents must wear safety glasses.

Absenteeism:

235. See “Excessive Absenteeism Control Program.”

Careless or Inefficient Work:

236. All employees are expected to perform their work assignments in a good workmanlike fashion. Any

employee who is careless and/or inefficient will be orally warned for the first offense, warned in writing for the second offense, suspended for one (1) week for the third offense and discharged for the fourth offense. However, employee whose actions result in severe damage to Company property (in excess of \$2,500) may be placed at the third-offense level at the discretion of the Company.

Accidents:

237. All employees must report accidents, regardless of nature, to their supervisor and/or Medical Department immediately. Failure to report known accidents will result in suspension for one (1) week for first offense and discharged for second offense. An accident is any incident that results in any noticeable damage to property, equipment or product, or causes any injury to personnel (including to oneself).

Insubordination:

238. Gross insubordination is the direct refusal of an employee to carry out the lawful order of a supervisor or lead worker and will be penalized by disciplinary layoff or discharge at the discretion of the Company. Insubordination and insolence will not be tolerated and will be penalized by a warning in writing for the first offense suspension for one (1) week for the second offense and discharge for the third offense.

Miscellaneous:

239. Boisterous, disrespectful or improper language or conduct; posting improper notices; writing on or otherwise defacing walls, etc. will not be tolerate and will be penalized in proportion to gravity of each particular offense or combination of offenses set forth in these rules. Other rules and regulations which are in effect or placed in effect at a later date shall be posted in the factory prior to enforcement per the Collective Bargaining Agreement.

No Calls & late Call-Offs:

240. An employee must call within 30 minutes after scheduled start time. Failure to do so will result in an oral warning for the first offense, a written warning for the second offense, a final warning for the third offense and discharge for the fourth offense.

APPENDIX D

Identified Past Practices:

1. Shifts 2-3-1
2. 15 minute relief breaks to be provided on overtime.
3. Must have reported for work before going home.
4. Part-time leads will not be forced to weekend overtime (as a lead) if they have not worked as a lead during the week
5. No trading of scheduled shifts—violation of seniority rights.

ATTENDANCE PROGRAM

- I. All employees' attendance records shall be accurately kept in the Human Resource Department. ***The Union shall receive a copy of all discipline issued to employees.***
- II. Absentee records will be reviewed by department heads and/or the Human Resource manager, and when it is obvious that an attendance problem exists, the employee shall be called in for counseling by the department head involved and/or Human Resource manager. The Company reserves the privilege to review individual attendance at its discretion.
- III. A day of absence shall be any complete shift missed by an employee who is scheduled to work that shift.
- IV. The following days of absence shall not count toward the accrual of absences on the employee's attendance record.
 - A. Death in the family as defined in the current labor agreement.

- B. Days served on jury duty.
- C. Illnesses covered by Worker's Compensation benefits.
- D. Military duty of not more than 15 days, and monthly inactive duty training (weekend drill). Military duty must be documented with orders or correspondence from the Commanding Officer.
- E. Authorized Union business as defined in the labor agreement or as agreed to between the Company and the Union.
- F. Absences with permission from the employee's immediate supervisor and/or Human Resource Department.
- G. An employee who goes home sick twice with or without permission in a rolling 12-month period will have such future days counted as an absence, unless they present a doctor's note acceptable to the Company.

Situation	Qualifier	Occurrence charge	
Call off		1	
No call / No Show (1st offense)		1	
No call / No Show (each subsequent)		2	
Medical (non A&S approved)			
With Dr. Excuse	Day 1		Cumulative charge = 1
	Day 2		
	Day 3	1	
Continuous	Day 4		Cumulative charge = 2
	Day 5		
	Day 6	1	
	Day 7 +	1	Cumulative charge = 3

Approved A & S claim		1	1 charge per claim
Perfect Attendance Bonus	Every 3 months of perfect attendance earns ½ bonus day to offset occurrence, pay, or day off.	Can earn 2 bonus days per year with perfect attendance.	
Banking Bonus days	Up to 4 bonus days can be banked		
Bonus Day Use	24 hours' notice (prior to scheduled shift start time) is required for the use of bonus days.	If less than 24 hours' notice is given, the bonus day will be paid but will count as an occurrence unless excused by management.	
# of Occurrences		Corrective Action	
1 through 3		No action	
4		1st written warning	
5		2nd written warning	
6		Final written warning	
7		3-day Paper Suspension	
8		Discharge	

EXPLANATION OF CHART:

CALL OFFS – An employee must call within 30 minutes before scheduled start time. Charged 1 occurrence for each call-off.

NO CALL/NO SHOW – An employee who fails to call within 30 minutes after scheduled start time or doesn't call at all. Charged 1 occurrence for the first no call and charged 2 occurrences for each subsequent no call.

MEDICAL WITH DR'S EXCUSE – Approved doctor's excuse must be submitted to Human Resources upon return to work. Such absences do not qualify for Accident & Sickness leave (A&S). A cumulative absence of 1-3 days = 1 occurrence. A cumulative absence of 4-6 days = 2 occurrences. A cumulative absence lasting 7 or more days = 3 occurrences.

A&S – A medical absence which qualifies for A/S will count as 1 occurrence for each claim, regardless of the duration of the claim. If a "Medical with doctor's excuse" later qualifies for A&S, the A&S occurrence structure applies.

PERFECT ATTENDANCE BONUS – For every full three months of perfect attendance, the employee will earn ½ bonus day. The bonus day can be used to offset one occurrence, or cashed in for 8 hours of straight-time pay, or taken as a personal day. The bonus days can only be used in whole increments.

BANKING BONUS DAYS – Up to four bonus days can be banked to offset future occurrences in a rolling 12-month calendar

BONUS DAY USE - 24 hours' notice (prior to the scheduled shift start time) is required for use of bonus days in all circumstances. Where less than 24 hours'

notice is given, the bonus day will be paid but will count as an occurrence for purposes of the Attendance Policy unless excused at management's discretion.

ROLLING CALENDAR – Past occurrences drop off after a rolling 12 months. For example, an occurrence from March 15-20, 2002 will fall off March 14, 2003.

IMPLEMENTATION – Program will become effective January 1, 2002. Current employees will start with zero occurrences.

TARDINESS CONTROL PROGRAM

241. Employees shall be tardy if they are not at their work station at their scheduled time.
242. Excessive tardiness shall warrant the following disciplinary actions:
 243. A. 4th Offense – Oral Warning
 244. B. 5th Offense – Oral Warning
 245. C. 6th Offense – Oral Warning
 246. D. 7th Offense – Written Warning
 247. E. 8th Offense – Written Warning
 248. F. 9th Offense – Final Warning
 249. G. 10th Offense – Discharge
250. The Union shall receive a copy of all written warnings to employees.