

**2023 – 2026**

**FRITO-LAY, INC.**

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**UNITED FOOD & COMMERCIAL WORKERS OF INTERNATIONAL UNION, LOCAL UNION  
NO.540**

**&**

**INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS, LOCAL  
LODGE 526/DISTRICT LODGE 776**

**IRVING, TEXAS**

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## **Preamble**

This Agreement is entered into this the **12<sup>th</sup>** day of **May 2023**, between Frito-Lay, Inc., Irving Plant, hereinafter referred to as the Company, and the UNITED FOOD & COMMERCIAL WORKERS OF INTERNATIONAL UNION, LOCAL UNION NO. 540 and INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS, LOCAL LODGE 526/DISTRICT LODGE 776, hereinafter referred to as the Union. It is the intent and purpose of the parties to this Agreement to promote and improve all industrial and economic relations between the Company and the employees covered by this Agreement and to set forth the basic Agreement covering rates of pay hours of work and conditions of employment to be observed.

## **Article 1 - Recognition and Bargaining Rights**

**Section 1.** The Company hereby recognizes the Union as the certified collective bargaining agent for all production and maintenance employees of the Company at its plant located at 701 N. Wildwood, Irving, TX 75061, including quality control employees, shipping department employees, lunchroom attendants; excluding all other employees, including driver-salesmen, salesmen, over-the-road truck drivers, advertising-display warehouse employees, office clerical, guards, watchmen, and supervisor as defined in the Act.

**Section 2.** An excluded employee shall not be permitted to perform work of the bargaining unit employees except in cases of training or emergency.

**Section 3.** The parties intend for the use of the male gender pronoun in this Agreement to refer to both male and female employees, without any discriminatory effect.

## **Article 2 - Authorized Dues Deduction**

The Company shall deduct, as to each employee who shall authorize it in writing in an appropriate form agreed to by the Union and the Company, and as to each employee who has heretofore executed a form which is on file with the Company and which has not been revoked, and for so long only during the period of this Agreement is in effect as such authorization shall remain in force, from the first pay payable to such employee each week, weekly Union dues and initiation fees for the current week and remit same to the appropriate Local Union Officials. This authorization shall take effect as of the date hereof and shall continue in effect for successive one (1) year periods or until the termination of this Agreement.

In the event that an employee wins a bid or transfers affiliation or membership between Unions, the Company will inform both Unions of the change and it will be the responsibility of the receiving Union to obtain and provide to the Company the appropriate authorization in writing for dues deduction.

Additionally, upon written request by the employee on a proper form submitted by the Union, the Company shall deduct Active Ballot Club (ABC) contributions or Machinists' Non-partisan Political League contributions from employees' paychecks weekly that authorize said deductions and remit promptly to the Union.

### **Article 3 - Agency Shop**

**Section 1.** Membership in the Union is not compulsory. Employees have the right to join, not join, maintain, or drop their membership in the Union as they see fit. Neither party shall exert any pressure on or discriminate against an employee as regards such matters. The Union agrees to accept into its membership without discrimination any employee who properly tenders application for such membership.

**Section 2.** The Union is required under this Agreement to represent all of the employees in the bargaining unit fairly and equally without regard to whether or not any employee is a member of the Union. The terms of this Agreement have been made for all employees in the bargaining unit and not only for members of the Union, and this Agreement has been executed by the Employer after it has satisfied itself that the Union is the choice of the majority of the employees in the bargaining unit. Accordingly, it is recognized that it is fair for each employee in the bargaining unit, whether a Union member or not, to pay his proportionate share of the cost of representation and assume that share of the obligation along with his receipt of equal benefits contained in this Agreement.

**Section 3.** In accordance with the policy set forth in Sections 1 and 2 of this Article, each employee who is not a member of the Union shall be required to pay to the Union, the employee's exclusive bargaining representative, an amount of money equal to that paid by an employee in the bargaining unit who is a member of the Union, which shall be limited to an amount of money equal to the Union's regular and usual dues. This amount of money is in payment for services rendered by the Union and is not payment for the privilege to work. Accordingly, it is not, nor is it intended to be, a work permit or a condition for the privilege to work. It is a payment necessary to preserve, and to prevent limitations upon, the bargaining power of the Union and its power to represent the employees as to their wages, hours, grievances, terms and other conditions of employment. For present employees, such payments, shall commence thirty-one (31) working days following the effective date or on the date of execution of this Agreement, whichever is later, and for new employees, the payment shall start thirty-one (31) days following the date of employment.

## **Article 4 - Hours of Work**

**Section 1.** The workday shall be seven and one-half (7 1/2) hours per day for all shifts and five (5) such workdays shall constitute a workweek. All hours worked in excess of forty (40) hours in a workweek and/or eight (8) hours in a workday shall be paid for at the rate of time and one-half (1 1/2) the regular straight-time rate of pay. Nothing in this Section shall be construed as a guarantee for either hours or work.

**Section 2.** For the purposes of this Agreement, a workday shall be defined as the consecutive twenty-four (24) hour period beginning with the four (4) hours prior to the start of the first (1st) shift, and the workweek shall be defined as the consecutive one hundred sixty-eight (168) hour period beginning with the four (4) hours prior to the start of the first (1st) shift on Monday morning; employees with shift schedules which provide days off other than Saturday and Sunday will have their work week recognized to begin at the four (4) hour prior to the start of the shift of the first day immediately following their days off.

- A. The Company, at its discretion, may establish the workweek in all departments which begin other than first shift Monday.

**Section 3.** Employees required to work more than five (5) hours without a meal period, unless the work can be finished in five and one-half (5 1/2) hours, shall be compensated at one and one-half times (1 1/2) their basic straight time rate of pay for all work performed in excess of five (5) hours until a meal period is granted. Employees required to work more than ten (10) hours in any one (1) day shall have a thirty (30) minute time off period with pay in order to eat a second meal. Luncheon periods shall be no less than thirty (30) minutes nor more than sixty (60) minutes in duration. The Company will make every effort to allow an employee to go to lunch no later than five (5) hours from the beginning of their work shift.

**Section 4.** Any employee required to report for work at the start of a regular shift shall be guaranteed four (4) hours employment or four (4) hours pay. After an employee has worked for four (4) hours, he shall be guaranteed a total of six (6) hours employment or six (6) hours pay for that workday. The Company may deprive an employee of the above guarantees should the employee report late and be unexcused. In the event of fires, storms, floods, power or mechanical breakdowns, strikes, stoppages of work in connection with labor disputes, or other causes beyond the control of the Company, which interfere with work being provided, this section shall not apply. It is also understood that the Company will attempt to notify all employees affected of a cessation as stated above by telephone with the telephone number provided by the employee, informing them not to report to work. If possible, such calls will be made at least two (2) hours prior to the start of the affected employees shift. During the telephoning process, if a steward is available, and if such steward can be relieved of his duties at that time, such steward would be made available to assist the supervisor (s) making the calls. The Company agrees, if requested, to give a written explanation as to the cause of the cessation of work to the Union. In addition, if requested, the Company will show copies to the Union as to the time the employees were called.

**Section 5.** Any employee recalled to work within twenty-four (24) hours of his starting time of his last shift shall be guaranteed at least four (4) hours of work, or pay in lieu of work, at one and one-half (1 1/2) times his regular straight time rate of pay.

**Section 6.** During a week in which one holiday occurs, the scheduled workweek for full-time employees shall consist of thirty (30) hours. During a week in which two holidays occur, the scheduled workweek for full-time employees shall consist of twenty-two and one-half (22 1/2) hours. All hours worked by employees in excess of thirty (30) hours during a week with one holiday or twenty two and one-half (22 1/2) hours during a week with two holidays, shall be paid at the rate of one and one-half times (1 1/2) the employee's regular straight-time rate, except for premium work performed on the seventh (7th) consecutive day worked or holidays as provided herein.

**Section 7.** Overtime pay shall not be pyramided.

**Section 8.** No split shifts shall be worked by any employee.

**Section 9.** If employees are required to attend meetings or social functions by the Company, outside of scheduled daily or weekly work hours, such time will be considered as time worked, and paid for as such.

**Section 10.** Employees shall be granted two (2) fifteen (15) minute rest periods, with pay, each day; one rest period to be taken in the first half of the shift worked prior to lunch and one rest period to be taken in the second half of the shift worked after the lunch period.

**Section 11.** In efforts to provide full weeks of straight time hours, the Company has the right to prioritize straight time work before over time. The Company's right to require overtime work, daily, sixth (6th) and/or seventh (7th) consecutive day work, and holiday work, is recognized. All such work, when performed on a voluntary basis, will be awarded to employees in the following order, using plant seniority:

- 1) Employees within the classification, within the department.
- 2) Employees within the classification, outside the department.
- 3) Employees outside the classification, within the department, provided qualified.
- 4) Employees outside the department, provided qualified.

A notice will be posted informing employees that one or more classifications in one or more departments will be forced for more than six (6) consecutive days if insufficient volunteers sign up for overtime.

If there are still insufficient volunteers, volunteers from other shifts will be accepted prior to forcing.

If there are insufficient volunteers, the following procedures will govern forced overtime assignments:

Department Classification	Procedure
All	All classifications force in reverse seniority order, starting with category one (1) above and proceeding down the list after each category is exhausted.

Personnel not signing the list by the scheduled removal time will be considered to have not volunteered. Voluntary overtime will then be awarded as specified above from those who have signed. This list shall be available to the Union Steward upon request.

The methods of offering voluntary overtime opportunities shall be by use of a Voluntary Overtime Sign Up List. All overtime lists will be posted 120 hours prior to the shift being crewed for and will be removed 48 hours prior to the shift being crewed.

For daily overtime, the parties agree that employees have the right to remove their name from the daily overtime sheet up to six (6) hours prior to the end of the shift.

**Section 12.** Two (2) hours off shall be allowed for voting purposes on election day, if necessary, for all who show eligibility and that they actually voted.

**Section 13.** All work performed on a holiday shall be paid for at the rate of double (two times) the regular straight time rate of pay which shall be in addition to regular holiday pay.

**Section 14.** All work performed on the sixth (6th) consecutive workday will be paid at the rate of one and one-half times (1 1/2) the straight-time rate of pay, provided the employee has worked all scheduled

hours available, unless excused absence, during the preceding five (5) calendar days. All work performed on the seventh (7th) consecutive workday will be paid at the rate of two times (2x) the straight-time rate of pay, provided the employee has worked all scheduled hours available, unless excused absence, during the preceding six (6) calendar days. Any employee away from work because of unexcused absence may be declared ineligible for sixth (6th) and/or seventh (7th) day work. Such denial of premium pay shall not affect the procedures specified in Article 4, Section 11. Sixth (6th) and seventh (7th) days will be designated for continuous operations prior to the start of continuous operations.

**Section 15.** Employees shall have a specific pay period and each employee shall be furnished with a Company receipt each pay day specifying his gross earnings, hours worked, holiday pay allowance and any and all deductions made from his gross pay.

**Section 16.** Overtime notice will be posted before the end of the shift which begins 40 hours prior to the overtime shift. Overtime notices for forced overtime will be no less than one and a half (1.5) hours before the end of the employee's shift, except when required to replace an employee who has failed to call in to report his absence; (or for other bona fide emergencies). In addition, the Company agrees to furnish a written explanation as to the cause of the emergency or the list of names of employees who have failed to report their absences to the Union if requested.

**Section 17.** No employee shall be required to work in excess of twelve (12) hours in any one (1) day.

**Section 18.** For purposes of determining premium pay for work done on a sixth (6th) and/or seventh (7th) consecutive day in the workweek, the calendar day at the start of the shift shall govern the pay for the entire shift.

The Company may, with prior notice to the Union, change the arrangement so that the calendar day at the end of the shift shall govern the pay for the entire shift.

**Section 19.** No Employee shall be required to work more than thirteen (13) consecutive days without a day off. After working thirteen (13) consecutive days, an employee may take off what would have been their fourteenth (14) consecutive day, or the employee must de-crew within seven (7) calendar days after what would have been their fourteenth (14<sup>th</sup>) consecutive day worked. In either case, the employee must notify their manager and the crewing coordinator no later than forty-eight (48) hours prior to the start of this shift they are requesting off. If the employee does not take off on the day that would have been their fourteenth (14<sup>th</sup>) consecutive day and does not provide at least forty-eight (48) hour notice within seven (7) calendar days after what would have been their fourteenth (14<sup>th</sup>) consecutive day off, the employee will be force de-crewed. The new fourteen (14) day calendar for purposes of this Section starts the day after the employee takes the day off or is force de-crewed.

## **Article 5 – Wages**

**Section 1.** Effective on the 7<sup>th</sup> day of June 2020, employees covered by this Agreement shall be paid accordingly as provided in the Wage Schedule herein provided, titled Appendix A.

**Section 2.** The Wage Schedule for employees covered by this Agreement is attached hereto in the form of Appendix A and hereby made an integral part of this Agreement. Such rates as shown in Appendix A are to be considered minimum rates.

**Section 3.** Employees performing work in a higher paid classification under this contract for more than one (1) hour per day shall receive the pay scheduled for the higher paid classification for all hours worked in the higher classification.

**Section 4.** Employees performing work on the second shift shall receive a premium of seventy-five (75) cents per hour for each hour worked during the second shift.

**Section 5.** Employees performing work on the third shift shall receive a premium of seventy-five (75) cents per hour for each hour worked during the third shift.

**Section 6.** If the minimum rate in an employee's new classification is higher than the employee's rate in his old classification, he shall receive such minimum rate and then progress in the new classification as a new employee starting in such new classification would.

If the employee's minimum rate in the new classification is lower than the employee's rate in his old classification, he shall receive the lesser of the maximum rate in the new classification or remain at his current rate and then progress to the maximum rate in the new classification in accordance with the time prescribed in the schedule.

If an employee is awarded a new classification under the bidding procedure, the length of time between the beginning rate and the top rate may be shortened at the discretion of the Company if the employee has worked in the new classification and providing he can perform the new job without assistance.

**Section 7.** The Company may adopt payroll practices from time to time consistent with the technological and procedural changes which may be developed and implemented in similarly situated employees across the organization. All employees are to be paid weekly and will maintain the option of receiving a paper check mailed to their home.

## **Article 6 - Discharge and Suspension**

**Section 1. Just Cause** The Company may discharge, suspend, or otherwise discipline employees only for just cause.

**Section 2. Suspension or Discharge Without Notice** The Company may suspend or discharge an employee without a prior written warning notice only for serious offenses, such as:

- A. Violence or threats of violence, proven sexual harassment, or proven harassment based on race, gender, sexual orientation, national origin, religious affiliation, or ethnicity. The Company will consider the severity and context of any threats of violence, proven sexual harassment, or proven harassment prior to making a determination as to the degree of discipline to be issued.
- B. Theft or pilferage.
- C. Sabotage or vandalism.
- D. Extreme recklessness resulting in injury or property damage.
- E. Intoxication from unlawful drugs and/or alcohol on the job, bringing illegal drugs and/or alcohol into work areas, using illegal drugs and/or drinking alcohol on Company property or on Company time, or possession of illegal controlled substances on Company property.
- F. Refusal to work as assigned.
- G. All other like offenses which directly interfere with the safety, efficiency, profitability or order of the Company operation.
- H. Willful falsification of Company records. The Company will consider the severity of the falsification prior to making a determination as to the degree of discipline to be issued.
- I. Sending or viewing websites, messages, material, and/or email which are proven sexual, harassing, and/or violent in nature, during Company time, on Company premises, and/or on Company equipment.

**Section 3. Warning Notices** For violation of other plant rules, failure to follow instructions properly, and all other instances of misconduct, (excluding absence and tardiness) the Company may issue a written warning notice to the offending employee. The supervisor who issues the warning notice will explain the offense to the employee in the presence of a Steward or Union Business Representative, if requested. The employee is to sign the notice, but such signature shall not constitute an admission of guilt. Warning notices shall have no force or effect after six (6) months from date of offense for employees who have six (6) years of service or more with the Company. For employees who have less than six (6) year's service, warning notices shall have no force or effect after twelve (12) months from the date of offense. The Company may suspend up to one (1) week any employee who repeats the same offense during the six (6) month period in which the prior warning notice has effect. The Company may discharge any employee who commits the same offense a third time while two prior notices are in effect. In addition, the Company may suspend up to one (1) week any employee who has five (5) current warning notices, even if they are all for different offenses. The Company may discharge any employee who has six (6) or more current warning notices. Warning notices for habitual offenders shall have no force or effect after twelve (12) months from date of offense, for warning notices issued after 6/11/94. Habitual offenders will be defined as those who receive four (4) warnings in a six (6) month period and who have developed a pattern of disciplinary action.

All discipline will be administered using the current collective bargaining agreement.

**Section 4.** The Company has fourteen (14) calendar days after knowledge of the event giving rise to discipline in which to take action against any offending employee. If no action is taken within the limitation period, the Company is deemed to have waived the right to impose discipline for that particular offense. The time period for taking action may be extended by mutual agreement between the Company and local union representative.

**Section 5.** Notice to the Union The Company agrees that all discipline must be by written notice to the employee, and within five (5) working days after the issuance of a written contact sheet, to furnish a copy to the Union.

The Union Business Agent, Chief Steward, and/or available Steward should be present, if requested by the employee, when the Company issues a discharge or suspension. If the Union Business Agent or Chief Steward is not present, the Union will be notified within one (1) business day.

**Section 6.** Plant Rules The Company may post on the bulletin board rules that do not conflict with this Contract. The Company will notify the Union of any changes in posted rules. The Company may not impose any greater discipline than prescribed in the posted rules, but the Company may, at its sole discretion, impose lesser discipline, provided that such leniency shall not violate Article 15 of this Contract.

**Article 7 - Holidays**

**Section 1.** The Company agrees to recognize the following days as holidays:

New Year's Day	Thanksgiving Day
Memorial Day	Juneteenth
Independence Day	Christmas Day
Labor Day	Employee's Birthday
Good Friday	Dr. Martin Luther King, Jr. Day

Employees who have completed their probationary period, and who worked the workday before and the work day after the holiday, or who were excused from working those days in writing, shall be entitled to holiday pay. Employees who were scheduled to work the week of the holiday and failed to work either the workday immediately before or the work day immediately after the holiday because they were not scheduled to work those days, but who worked the other scheduled days of the holiday week shall be entitled to holiday pay.

**Section 2.** For employees on a 5x8 work schedule, when any recognized holiday as provided herein falls on the employee's seventh day, the employee's first day of their next scheduled week shall be observed as the holiday. When any recognized holiday as provided herein falls on the employee's sixth day, the employee's fifth day of their scheduled week shall be observed as the holiday.

For all other employee schedules, the holiday will be recognized on the date on which it falls.

A birthday holiday may be observed on a day other than the actual birthday provided the employee and the immediate supervisor mutually agree on the day it will be observed. The birthday holiday must be observed within the month in which the birthday falls.

**Section 3.** Employees enjoying vacations during a week in which one of the recognized holidays occurs will be granted an additional scheduled workday as the holiday for which the employees will receive the holiday pay allowance, or pay in lieu thereof, if worked.

**Section 4.** Holidays not worked shall be computed as normal shift hours worked in determining overtime payments, or for seniority and vacation purposes.

**Section 5.** A normal day's pay at straight time hourly rates will be allowed each employee for the holidays set out above.

**Section 6.** In the event of State or Federal legislation directing the observance of one or more of the above holidays on a day other than the date traditionally observed, then such holiday shall be observed on the day directed rather than the date traditionally observed.

**Article 8 - Union Visitation**

Representatives of the Union shall have the right to visit the Company's place of business covered by this contract at any time during normal working hours and after notifying the Manufacturing Manager or his representative, for the purpose of ascertaining whether this Agreement is being properly observed, provided that there shall be no major interruption of or interference with the Company's business.

## **Article 9 - Leave of Absence**

**Section 1.** Seniority employees may be granted a leave of absence for the following reasons:

- A. Medical (work related or nonwork related accident or illness).
- B. Personal.
- C. Death in the family, other than immediate family.
- D. Military Leave.

### **Section 2. Medical Leaves of Absence.**

- A. Medical Leaves of Absence may not total more than twelve (12) months in a twenty-four (24) month period.
- B. A Medical Leave may be extended or allowed to accumulate to a total of twenty-four (24) consecutive months for a single serious condition, which interferes with a major life activity. At the end of said twenty-four (24) months of extended leave, the employee will not be terminated but will cease to accrue plant seniority and will no longer be covered by the Company's benefit plans.
- C. An employee on medical leave of absence for up to twelve (12) months will be assigned to the same job and shift held prior to the medical leave within two (2) working days of submitting a medical release to return to work.
- D. Should a court of last resort determine that a no fault leave policy violates the Americans with Disabilities Act, then, in that event, the Company shall cease enforcing the provisions of this Section 2 and the parties will meet to negotiate a revised medical leave provision.
- E. An employee on medical leave of absence shall be required, when starting such leave, to furnish the Company with a medical report stating the reasons for absence, the employee's condition, and the anticipated date of return to work. Such documentation must be kept current with the Company. Failure to submit such documentation in a timely fashion will result in the employee's termination from employment, provided that the Company has sent (through certified mail, return receipt requested) one notice of this provision to the employee's last address appearing on Company records.
- F. Employees who are absent from work due to an occupational injury/illness for twenty-one (21) calendar days or more are expected to initiate contact with their Resource on or about the 21st day. The purpose of the contact is to update the Company regarding their status and anticipated return to work. The frequency of subsequent contacts will be dependent upon the nature of the injury/illness and the related schedule of treatments.

**Section 3.** A personal leave of absence may be granted by the Company for a period not to exceed three (3) consecutive months to an employee with six (6) months or more of continuous seniority. An employee promoted out of the bargaining unit to a supervisory position with the Company may return to the unit without loss of seniority within six (6) months of promotion.

**Section 4.** An employee may be granted time off from work in the event of death in the immediate family. The term "immediate family" shall mean spouse, domestic partner, child, father, mother, brother, sister, grandchild, grandmother, grandfather, grandparents-in-law, stepparents any in-law relationship, cousin, aunt, uncle or any relative living in the employee's immediate household.

**Section 5.** In the event that an employee shall be drafted or enlisted by the Government for Military Service subject to the Universal Military Training and Service Act of 1951 amended, or the Armed Forces Reserve Act of 1955 as amended, he shall retain his full seniority rights and upon his return be reinstated to his former position, based on his seniority, without loss of rights, provided, however, that he shall make his request for reinstatement within the time limit under the applicable act and further provided that he is physically able to do the work and has completed satisfactory service with the Armed Forces.

**Section 6.** The Company agrees that officers of the Union shall be given time off without pay in order to take care of Local Union business activities such as conventions. It is further agreed that any member of the Local Union employed by the Company who is elected to a full-time job in the Union shall be granted a leave of absence for the term of his office, and upon his failure to be re-elected, he shall be guaranteed re-employment at his former seniority and will be guaranteed his former wage rate plus any wage increases or less any reductions that may have become effective during his absence.

**Section 7.** Seniority rights shall not be broken when an employee is on a leave of absence, however, if any employee, while on a leave of absence, accepts any other job or goes into business for himself, he automatically terminates his employment and loses all rights with the Company.

**Section 8.** The Union shall be notified by the Company in writing when any employee is granted a leave of absence, indicating the date the leave becomes effective and the date it ends as well as the reason for such leave of absence.

## **Article 10 - Vacation**

**Section 1.** Any employee who has been on the payroll of the Company for one (1) anniversary year shall be entitled to two (2) week's vacation with pay of eighty (80) hours at straight time rates.

**Section 2.** After seven (7) anniversary years of service on the payroll of the Company, all full-time employees shall be entitled to three (3) week's vacation with pay of one hundred and twenty (120) hours at straight time rates.

**Section 3.** After fifteen (15) anniversary years of service on the payroll of the Company, all full-time employees shall be entitled to four (4) week's vacation with pay of one hundred and sixty (160) hours at straight time rates.

**Section 4.** For the purpose of this section, a week's vacation shall mean seven (7) consecutive calendar days beginning with the starting of the third shift on Sunday evening.

**Section 5.** Any employee who has earned his vacation before he has been given an opportunity to take said vacation and leaves the employ of the Company for any reason shall be paid his vacation pay, together with any other wages due upon leaving.

**Section 6.** Employees shall not be given pay in lieu of a vacation absence unless mutually agreed between the Company, the employee, and the Union.

**Section 7.** For the purpose of computing vacation eligibility only, any employee who worked at least one thousand four hundred and fifty (1450) straight time hours during a continuous twelve (12) month period starting with the employee's anniversary date shall be considered eligible for a full vacation with pay. Any employee who worked less than one thousand four hundred and fifty (1450) hours during such continuous twelve (12) month period shall receive pro-rata vacation pay based on one thousand four hundred and fifty (1450) hours as full vacation entitlement. Employees may request up to half of their paid vacation hours be used concurrently with approved intermittent or consecutive FMLA hours, in full day increments.

**Section 8.** Employees, within a department, by shift, by classification, shall have preference in exercising vacation selection based upon their total plant seniority. It is understood, however, that the Company retains the right to determine at any time the number of employees on vacation. However, no vacation may be canceled without the mutual consent of the employee and the Company within two (2) weeks of the scheduled vacation.

**Section 9.** Any employee's vacation beginning Monday of any work week shall not be required to work the preceding Saturday or Sunday.

**Section 10.** Employees may take one (1) week of each anniversary years vacation entitlement in increments of one, two, three or four days (exceptions may be granted for additional days of single day vacations, at management's sole discretion). Employees with over 20 years of service may take two (2) weeks of vacation in increments of one, two, three, or four days. Normally, the time during which such vacation days are taken shall be during short weeks when production or shipping activity is not scheduled due to mechanical, equipment failure or other bona fide reasons. Production needs permitting; such short increment vacations may be taken during other than short weeks upon a request being made seventy-two (72) hours prior to the desired vacation. When more than one employee in the same classification and department makes such a request, if any such request is granted, it shall be the request of the most senior employee. Vacation days will not be substituted for days absent.

**Section 11.** If the death of an “immediate family” member occurs during the course of an employee’s vacation, the employee will be eligible to replace scheduled vacation day(s) for funeral leave provided the Company is notified of the death before or during the course of the vacation. The unused vacation day(s) must be scheduled in accordance with the Irving vacation policy as detailed above.

An “immediate family” member is defined in Article 9, Section 4.

**Section 12.** After completion of the 90-day probation period, a regular, full-time new hire will be eligible for forty hours (40) of vacation which can be split into day increments. After completion of one (1) year of service, the employee will transition to the sick/vacation provisions stipulated in the collective bargaining agreement in Article 10, Section 1 and Article 16, Section 1. Should an employee not complete one (1) year of service, they will be required to pay back any used vacation day(s). Unused time at the conclusion of one year will be forfeited and not paid out to the employee.

## **Article 11 - Jury Duty**

**Section 1.** An employee who is called to serve as a juror, whether actually reporting in person for jury duty or serving on a standby basis shall be required to obtain pre-approval one (1) week in advance by presenting the official jury notification request form to management to receive pay for scheduled days of work.

**Section 2.** An employee will receive pay in lieu of work only when actual jury time or serving on a standby basis affects his or her work shift or his or her ability to act effectively as a juror.

**Section 3.** An employee shall be paid the amount he or she would have earned if he or she had been ready and available for such work as was available to him or her, not exceeding normal shift hours in a week.

## **Article 12 - Funeral Pay**

**Section 1.** In the event of death in the immediate family, employees will be entitled to a leave of absence of three (3) consecutive calendar days, provided that one of the days coincides with the date of the funeral. During such leave of absence employees will be compensated at their straight time hourly classification rate (including any applicable shift premium) for all regular working time lost. Such absentee compensation will not include pay for lost overtime. Nor will employees receive funeral pay when it duplicates pay received for time not worked for any other reason. Time paid pursuant to this provision will be counted as hours worked for purposes of determining overtime and premium pay liability.

**Section 2.** "Immediate Family" is defined as the employee's spouse/domestic partner, child, father, mother, brother, sister, father-in-law, mother-in-law, grandparents, grandchildren, brother-in-law, sister-in-law, grandparents-in-law, stepparents, and stepchildren.

**Section 3.** Employees may be required to provide written verification to be eligible for funeral pay; verification to be in the form of newspaper death notice or funeral program.

## **Article 13 - Laundry, Uniforms, and Tools**

**Section 1.** The Company will make uniforms, protective clothing and tools available to employees. Said protective clothing and tools at all times will remain the property of the Company, issued to the employees on a charge memorandum and accountable for by the employee to the Company.

**Section 2.** The Company will make an issue of six (6) uniforms to each non- probationary employee each successive year during the month of their anniversary. Maintenance and Sanitation employees will be issued ten (10) uniforms each. Probationary employees will be issued three (3) uniforms initially (or 5 for those in classifications requiring 10). If the employee leaves during the probationary period, the price of the uniforms will be deducted from the final paycheck. Upon completion of the probationary period, such employees will be issued an additional two (2) uniforms (or 5 for those in classifications requiring 10) to total five (5). The wearing of uniforms is required. A uniform maintenance allowance of two cents (\$.02) per hour shall be added to the employee's basic straight-time rate. The Company and the Union agree to address any problem areas in regard to uniforms as they arise. In addition to the above uniform allowance each non-probationary employee will be provided with one (1) jacket or one (1) sweatshirt when a need has been determined. A jacket or sweatshirt may be replaced upon turn-in when a need has been determined.

**Section 3.** The Company shall furnish an initial issue of hair nets to employees and agrees to replace them on a turn-in basis.

**Section 4.** The Company will pay up to one hundred fifty dollars (\$150) for the purchase of slip resistant and steel-toed shoes or boots for those employees who are required by the Company to wear same.

**Article 14 - Change of Ownership**

In the event of a change of ownership of the operation, the Company shall pay off all obligations regarding accumulated wages, pro rata of earned vacation, or other monetary benefits due employees under the terms of this Agreement at the time of the transfer of ownership.

## **Article 15 - Non-Discrimination and Intimidation**

The Company and the Union agree that they will not discriminate against any employee or prospective employee on the basis of race, creed, color, sex, national origin, age, religious belief, handicap or veteran status, as these terms are defined and interpreted under the provisions of Title VII of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, the Age Discrimination in Employment Act, as amended, the Vietnam Era Veterans Readjustment Assistance Act of 1974, the Americans with Disabilities Act and the Family Leave Act. Supervisors will not retaliate against any employee for utilizing their rights within the National Labor Relations Act.

## **Article 16 - Sick Pay**

**Section 1.** Employees, upon completion of one (1) year of full-time employment, will be eligible for four (4) days sick leave for the remainder of the calendar year. Successive sick leave benefits will be credited each calendar year, January 1st through December 31st, on the following basis:

- A. Employees with one (1), but less than two (2) years' service on January 1st will be eligible for four (4) days paid sick leave for that calendar year.
- B. Employees with two (2) or more years of service on January 1st will be eligible for six (6) days paid sick leave for that calendar year.

**Section 2.** Sick pay computed on the basis of the employees normal work pay hours will commence on the first (1<sup>st</sup>) working day of illness and will only be paid for working days. No payment will be made after the seventh (7th) calendar day of absence. Any remaining days credit will be applicable only to other illness during the remainder of the calendar year in which it was granted. Unused sick leave will not be paid to an employee upon termination of employment for any reason.

**Section 3.** Upon request by the Company, the employee must furnish evidence of illness satisfactory to the Company. Failure to produce such evidence when requested will result in denial of sick leave pay.

## **Article 17 - Health and Safety Committee**

**Section 1.** A Health and Safety Committee shall be established. This Committee shall be composed of three (3) representatives of the Union and three (3) representatives of the Company, with one of the representatives to be a chairman jointly agreed upon by the six (6) committee men representing the Company and the Union. The purpose of this Committee shall be to set up reasonable safety rules, weight limitations, sanitation requirements, ventilation requirements, etc.

**Section 2.** No employee shall be requested to perform any work where it is hazardous to their safety.

**Section 3.** A Union Steward will be present for any investigation, if requested by the employee, of a work-related safety incident that is a lost time injury or requires medical treatment in the plant or outside of the plant.

## **Article 18 - Seniority**

**Section 1.** The length of service from the last date of hire on entry into the bargaining unit shall determine the seniority of the employee. Such length of service shall include service as other than a full-time employee. For the purpose of this Article, seniority will mean plant seniority.

**Section 2.** The parties recognize the following departments:

- A. Potato Chips
- B. Cheetos
- C. Corn Products
- D. Popcorn
- E. Maintenance
- F. Receiving
- G. Carton Sorting
- H. Shipping
- I. Quality Control
- J. Facilities Maintenance
- K. Sanitation

In situations where there is a crewing need for a "partial person" in one or more departments, such need may be met by crewing across department lines within the classification, in the department where most of the work exists. Such departments shall be adjacent. An employee who is crewed as a partial person will not be used in a different classification in the other department. For instances, a PMO will not be used to pack in the other department. The partial person shall not be responsible for the transfer of his or her time.

**Section 3.** Seniority, for the purpose of this Article, shall be the determining factor in matters affecting layoff, recall, transfer, demotion, promotion, vacancies at new jobs, provided that the individual can perform the job or learn to perform the job within a reasonable period of time, not to exceed the probationary period.

- A. Permanent Vacancies. When any opening (including prebids, etc.) occurs, the Employer shall post on the bulletin board for seven (7) calendar days a notice informing the employees of such opening. Bid winners must accept/decline posters immediately upon notification that they won. Failure to accept/decline will be considered a decline forfeiting the bid and subjecting the employee to the applicable bid restriction. This notice shall contain the following information:

- 1) Department
- 2) Job Title
- 3) Job Description
- 4) Pay
- 5) Reasonable education, physical work experience requirement necessary to perform the job
- 6) Shift Hours
- 7) Normal job area and primary assignment

PMO openings (bids) will be awarded first to PMO bid holders within their classification utilizing plant seniority, then to the bidder with most plant seniority.

Employees can exercise their seniority for job bidding purposes on any bona fide job vacancy anywhere in the plant. All references to qualifications, work history and the pre-bid process still apply. Such opening

shall be awarded first to the pre-bid holder with the most seniority and second to the bidder with the most plant seniority provided such an employee is qualified to do the work. The Company's determination under this Article as to whether any employee is qualified shall be subject to the grievance procedure.

In determining whether any employee is qualified to do the work, the following factors may be relevant: ability, physical fitness, skills, experience, work record and other like considerations. The Company will provide a written explanation of why any highest seniority bidder is not qualified to win a bid. Employees will not be disqualified upon work record if they have one (1) active written warning. With the exception of the first Packaging Machine Operator training class following the ratification of the 2014 contract, an employee within the Packaging Machine Operator classification will be deemed qualified to win the bid and begin training only after they have first passed the Frito-Lay Aptitude Test for that classification. When the bidders skills are equal, seniority shall prevail.

The classifications of Packaging Machine Operator, Sheeter Operator, Fryer Operator, Extruder Operator, Potato Chip Cook, Popcorn Processing Operator, and Material Handler will have a probationary period of one hundred and twenty (120) working days. Packaging Machine Operators, Sheeter Operators, Fryer Operators, Extruded Operators, Potato Chip Cooks, Popcorn Processing Operators, and Material Handlers will be eligible for overtime after ninety (90) working days. Successful bidders will work at least twenty (20) calendar days on a probationary basis. All other classifications will have a probationary period of thirty (30) working days. In ordinary circumstances, the successful bidder will work at least fifteen (15) calendar days on a probationary basis.

If the employee during the probationary period demonstrates that he does not have the qualifications to do the job, the Company will return him to the job and shift from where he came. The Company will provide a written explanation of what caused the employee to be disqualified, if requested. During the first ten (10) working days of the probationary period, the employee shall have the right to return to the job and shift from where he came.

If a prevailing bidder, for any reason, does not successfully complete the probationary period, the subsequent bidder will be afforded the opportunity on the job provided it has not exceeded thirty-five (35) working days from the time the job was first posted for bid. If so, the Company agrees to repost the job for bid.

It is agreed that during the time the Company is required to keep notices posted, the Company shall have the right to assign the job temporarily as set out in this Article.

Once an employee has won a job through the bid procedure, he/she cannot bid on any job for six (6) months, except that an employee winning an Operator, Cook, Crewing Coordinator, CLT, Safety, Material Handler 2 (ICS Specialist and Warehouse Technology Operator) or Maintenance classification (including Critical Care Tech) bid may not bid on any job for twelve (12) months. All newly hired full-time employees will be bid restricted for six (6) months. The parties expressly agree that should any new specialty roles be created during the course of this Agreement, bid restrictions will be discussed and agreed upon by the parties.

Employees will have the option to maintain their prior qualifications upon acceptance of a new bid per the following:

1. Employees are expected to remain qualified in their prior qualifications for a minimum of 6 months from acceptance of the new bid before disqualifying themselves.
2. To disqualify him/herself, an employee must submit a properly completed form to his/her manager with 7 calendar days of accepting the new bid.
3. If an employee chooses to remain qualified in their prior qualifications, he/she must work in the classification at a minimum, once over 3 months to remain qualified.

- a. If the 3-month period lapses, then the employee may be re-qualified through refresher training at the Company's discretion.
4. The Company will maintain a list of qualified individuals and make said list available to the Union at the Union's requests.

B. Pre-bid Program. The Company, at its discretion, may post training openings for the classifications of Packaging Machine Operator, Extruder Operator, Potato Chip Cook, Fryer Operator, Popcorn Processing Operator and Sheeter Operator, Q.C. Technician, Wastewater Technology Operator and Leads for any of these roles. The provisions of the immediately preceding subsection (A) will govern such bids with the following exceptions:

1. Once a successful pre-bidder has been sufficiently trained on a pre-bid job, he will be returned to his classification and shift. A pre-bid bid may be posted for a specific shift.
2. Notwithstanding Article 18, Section 3A, if there are no volunteers for bona fide job vacancies, the least senior pre-bidder who has completed the training will be forced to fill the opening.
3. The parties agree that such pre-bid opportunities shall be posted for bid, in accordance with Article 18 and Appendix A. The Company will only train pre-bid employees in higher paying classifications and only utilize such employees once training has been completed and the employee has been deemed qualified.
4. Pre-bid employees can be used to cover an outage on their shift or hold over per the contract. If needed in early the following day, they will be notified per the contract.
5. Pre-bid employees will be crewed for overtime assignments based on the classification that they worked for the majority of the day for daily overtime assignments and for the majority of the week for 6th and 7th day overtime except in extreme circumstances/ line shutdown due to personnel shortage situations.
6. The parties agree that pre-bidders may be trained in only a portion of the full position based on business needs. The abbreviated training plan will be agreed upon by the company and the Union prior to the start of training. Upon reaching 12 months as a pre-bidder, if not completed yet, the company will train the pre-bidder on the entirety of the role.
7. Pre-bid roles are on top of an employee's regular bid role. A bid restricted employee based on schedule change only (not performance, attendance, or classification change bid restrictions) is still eligible to obtain a pre-bid role.
8. The parties agree that the Company has the right to train and utilize a maximum of two (2) employees per shift per department as pre-bids for departments with 10 or more employees and one (1) employee per shift per processing department as pre-bids for departments with less than 10 employees.

The probationary period for pre-bidders will begin to run as of the first day of their training. Classifications not listed above may be included in the pre-bid program through mutual consent of the Company and Union.

C. Temporary Vacancies.

1. All temporary vacancies of one (1) calendar day or more may first be assigned, in seniority order, to pre-bid holders.
2. Temporary vacancies of seven (7) calendar days or more may be assigned to pre-bid holders in seniority order first then offered to qualified available employees, regardless of shift, within the department in which the vacancy exists. The opening will then be offered, in seniority order, to qualified available employees plantwide, regardless of shift. If the vacancy cannot be filled in this manner, then the junior qualified available employee within the department, regardless of shift, will be assigned. If the vacancy still remains open, then the junior qualified available employee plant-wide, regardless of shift, will be assigned.
3. Residual vacancies resulting from application of the above procedure will be filled in the same manner.

D. Layoffs. When a reduction in force becomes necessary (for three (3) days or more), the layoff procedure and seniority rights will be applied as set forth in this section.

The Company shall determine which departments, which shift, and which classifications will be affected. The employees displaced shall be those with the least plant seniority in each classification within each department being reduced in size. A displaced employee shall have the following eligibility:

1. Displace a less senior employee within the same classification, regardless of department or shift.
2. Fill an existing opening within the same classification, regardless of department or shift.
3. Displace a less senior employee outside the classification regardless of shift, provided that the employee was previously certified in that classification.
4. Fill an existing opening outside the classification regardless of shift (excluding Maintenance).

Employees exercising their “displacing” rights in accordance with their plant seniority will be given the appropriate refresher training for the position they select. This may include training on new machines or processes.

The foregoing layoff procedure will also apply when an employee is displaced from his departmental classification because of some form of permanent disability (physical or otherwise).

In the event of a temporary layoff of less than three (3) days, the Company will just ask for volunteers within the classification within the department within the shift to leave. Those allowed to leave will be chosen from the volunteers in accordance with their plant seniority. If there is an insufficient number of volunteers, the least senior employees within the classification within the department within the shift will be laid off.

- E. Recall. The parties agree that when there are employees on layoff, openings that occur in the normal course of business will be filled in the following manner (excluding Maintenance).
1. Openings shall first be offered by seniority to those full-time employees in the classification.
  2. Once shift preferences have been exhausted, openings shall then be made available to employees in that classification on layoff by plant seniority.
    - a. An employee who is displaced from his classification due to a reduction in force will retain recall rights for a period of eighteen (18) months or until they reject a bid in the classification they were in prior to the layoff.
  3. Next openings shall be posted for bid by seniority to full-time employees plant wide.
  4. Remaining openings shall be offered to employees on layoff in other classifications by seniority.
  5. Openings shall then be made available to non-full-time employees plant-wide.
  6. If there remains an opening after the previous steps, that opening may be filled by hiring externally.

**Section 4.** A new employee shall not acquire seniority rights until he has been on the payroll for ninety (90) days of work. If he is retained in the employ of the Company beyond said ninety (90) calendar days, his seniority shall be established from the initial date of employment.

**Section 5.** A copy of the seniority list, both department and plant-wide, shall be posted on the bulletin board within thirty (30) calendar days of the signing of this Agreement, and shall be revised at least quarterly. In addition, the Company agrees to provide to the Union electronically a current Seniority List, both department and plant-wide at least quarterly. This list shall include date of hire, job classification, rate of pay and KRONOS identification number. Information currently provided to the Union for dues-paying members as part of their initial sign-up and ongoing notifications will continue to be provided.

**Section 6.** The seniority rights of an employee shall be considered broken and all rights forfeited when he:

- A. Voluntarily leaves the service of the Company
- B. Is discharged for just cause
- C. Fails to return to work within seventy-two (72) hours when recalled by the Company by Certified Mail (Return Receipt Requested) to his last known address
- D. Fails to return to work at the termination of any leave of absence authorized under Article 9
- E. Has been laid off for a period of eighteen (18) consecutive months
- F. Accepts a position outside the bargaining unit for over six (6) months.
- G. Retires.

**Section 7.** Seniority shall prevail in determining which employees will be required to have an early or late starting time within each shift, department, classification. Volunteers will be solicited by seniority; draftees will be the least senior.

## Section 8.

- A. When in judgment of the Company there exists a need for a specialized skill which does not exist in the plant, such need being of a duration and extent so as to justify the addition of an employee or employees who possess the requisite skill, then in that event the Company may employ a specialist to be so designated, assigned at a rate of pay to be agreed upon by the Parties.
- B. Such specialist shall be designated by specialty, Example: Painting Specialist or Air Conditioning or Heating Specialist, and when not engaged in performing specialist duties shall be utilized for maintenance duties of a general nature for which such specialist is qualified.
- C. For purposes of Article 18, Seniority, a specialty shall be treated as a separate classification. The Company will make every effort to recruit from within the unit through the job bid procedure. If no qualified candidates are available through the bid procedure, then the Company may hire externally.
- D. If the Company determines that there no longer exists a need of such duration and extent, so as to justify the retention of any particular specialty, then there shall be a reduction in force pursuant to Article 18, as modified by "C" above.

**Section 9.** To enable plant employees to acquire the skills necessary to qualify for a Maintenance Mechanic position, the Company will maintain a work force of at least one (1) employee as Maintenance Apprentice. The training program for this position shall be approximately twelve (12) months in duration. Progress reviews will be conducted at the end of each month in the program to determine if the trainee's progress is sufficient to justify continuation in the program.

Maintenance Mechanic apprentice openings shall be awarded to the bidder with the highest score on the Maintenance Bidding Evaluation System. Where the highest scores are equal, seniority will prevail. In the event there are no bidders with qualifications, the senior bidder will be awarded the training opportunity. To become a Maintenance B Mechanic, the bid winner must either successfully complete the Maintenance Training Program or demonstrate the ability to perform all the maintenance tasks required for successful completion of the Maintenance Training Program.

Maintenance Bidding Evaluation System. In order to provide the best possible success rate and provide continuing advancement opportunities to Frito-Lay employees, the following procedure will be used to determine Maintenance Mechanic Trainee bid winners.

There are six (6) basic evaluation categories, and a ten (10) part sub-listing for each category.

The bidder will be given the opportunity to perform each sub-listing under each category. The skill will receive a go or no go decision by the tester.

The scoring for each evaluation category would be based on ten (10) possible points for each category; one (1) point for each sub-listed item in each category. In addition, for each complete year of service, the candidate will receive one-half (1/2) of a point.

The bidder obtaining the highest cumulative, ***qualifying score (40% minimum)*** in all six (6) categories plus seniority points will be awarded the bid.

The following are the evaluation categories:

- I. Electrical
- II. Electronic
- III. Mechanical
- IV. Welding
- V. Shop Tools - Lathe & Mill
- VI. General Maintenance Skills

As openings in Maintenance occur, the Trainees passing the program will be slotted into those openings. The starting rate for such position shall be the entry rate presently for the classification of Maintenance B.

Upon the Union's request, the Company will provide the Union with a copy of an employee's test.

If Maintenance B employees pass the test for welding or mechanical skills, they will receive an additional 1.8% of the Maintenance B rate at the time the employee passes the welding or mechanical skills test per hour for each. If Maintenance B employees pass the test for electrical or electronic skills, they will receive an additional 2.4% of the Maintenance B rate at the time per hour for each. Maintenance B employees shall receive a skills evaluation a minimum of every three (3) months to determine if such employee has the requisite skills to perform as a Maintenance Mechanic A. Such evaluation is subject to the grievance procedure.

The Company and the Union agree to jointly implement a mentoring program to facilitate the three (3) month skills evaluation.

Summary:

- 40% minimum score threshold to qualify
- Seniority points added to test score
- Highest overall, qualified score wins bid

**Section 10.** On a daily basis, if a Packer is decrewed for more than two (2) hours due to lack of work, the Company will make every effort to ensure that Packers who wish to work are offered an opportunity to work when other Packers volunteer to leave early.

**Section 11.** On and after the ratification of the Collective Bargaining Agreement, any Flex Crew employee who has been employed in such capacity in excess of twelve (12) continuous months shall be made a permanent full-time employee with a seniority date of the original date of their hire as a Flex Crew Employee.

**Section 12.** Employees will be moved to bid jobs within fourteen (14) calendar days. If not moved within fourteen (14) calendar days, the employee will receive the rate of pay of the new classification beginning on the fifteenth (15) calendar day, unless the new rate of pay is less than the current rate of pay; in that event, the employee shall continue to receive the current rate of pay until actually moved to the new job.

The Company recognizes its obligation to move employees to bid jobs as soon as is practical.

**Section 13.** The Parties agree that the Company shall have the right to hire permanent part time employees for weekend Sanitation work only. At no time will the Company employ other part time help for work in other areas of the plant, department or classifications. The Company privilege is restricted to weekend Sanitation work only.

## **Article 19 - Grievance Procedure**

**Section 1.** A grievance is a dispute, claim or complaint involving the interpretation, application or alleged violation of the terms of this contract.

Any employee, groups of employees, the Company, or the Union may present a grievance.

If any employee has any reason to expect that he is to be disciplined in any conversation with management, that employee shall have the right to have a Steward present.

**Section 2.** During the life of this contract, the Union and Company agree on a pilot basis to implement the following procedures for employee grievances:

**STEP ONE:** The aggrieved employee, with or without a Steward, shall present his written grievance to the Department Manager within fifteen (15) working days after he becomes aware of the potential grievance. A grievance shall not be presented during regular working periods if it can be conveniently discussed during non-working periods. The Department Manager shall investigate the grievance and within five (5) working days of receipt of the grievance notify the employee and the Steward of his decision in writing. If the grievance remains unsettled, it may be appealed to the next step of the grievance procedure. In the event the Department Manager fails to respond in writing in a timely manner, the grievance may be appealed as though an unsatisfactory answer was received.

**STEP TWO:** If a grievance is not resolved in step one, the employee or his steward can appeal to step two. A copy of the written grievance must be presented to The Human Resources Manager and Senior Site Director or his designee within five (5) working days of the Department Manager's response or lack thereof. The Human Resources Manager shall then investigate the grievance and meet with the Senior Site Director, the Chief Steward, and a representative of the written grievance from the employee or his steward. Within five (5) working days after such meeting, the Human Resources Manager will notify the Union in writing of the decision, unless the matter was resolved at the earlier meeting. Such written decision shall be given to the Union Representative, with a copy to the employee and Chief Steward. If the grievance remains unresolved, the Union may appeal the grievance to arbitration within ten (10) working days of the answer of the Human Resources Manager. In the event that the Human Resources Manager fails to make a timely response, the union may appeal the grievance to arbitration within ten (10) working days of the date the Human Resources answer was due. The Union will, within ten (10) working days after the date of such appeal, request an arbitration panel of seven (7) arbitrators from the F.M.C.S. All arbitrators shall be members in good standing of the National Academy of Arbitrators. All arbitrators will be selected within twenty-one (21) calendar days of receipt of the panel, unless mutually agreed in writing by both parties. In the event the parties have not selected an arbitrator within 21 days after receipt of the panel, either party may initiate the priority selection process administered by FMCS. Once an arbitrator has been selected, unless otherwise agreed, both parties commit to schedule the hearing for arbitration within ninety (90) days consistent with the arbitrator's schedule. In the event a panel has been obtained in a timely manner, but no arbitrator has been selected from such panel, within twelve (12) months of the date of appeal to arbitration, the grievance will be considered to have been withdrawn. The Company agrees to provide the Union two (2) weeks advanced notification prior to the grievance being automatically withdrawn at the twelve (12) month expiration date.

Discharge, suspension and class action grievances shall enter the procedure at Step Two.

The above steps of procedural time limits provided for in this Article may be extended by mutual agreement between the Company and the Union.

For the purposes of this Article, the parties agree the term working days shall be defined as regular working days, Monday through Friday.

**Section 3.** The Union has the right to withdraw grievances that have no merit. The Union has the right to protest by grievance any settlement between the Company and individual employees if such settlement violates this agreement.

**Section 4.** The Union and the Company agree to make every effort to enter grievances in a timely fashion and to respond to grievances in an expeditious manner. Neither party will create any unnecessary delays in the processing of grievances.

Section 5. By mutual agreement, the parties can implement a pre-arbitration meeting after step 2, which must be scheduled within ten (10) working days of the Company's Step 2 response. This meeting, which could include the presence and support of a federal mediator as appointed by FMCS, will be held for the sole purpose of trying to resolve outstanding arbitrations. This meeting would not replace any other part of the arbitration procedure as outlined in Article 19 of the collective bargaining agreement.

## **Article 20 - Grievance and Arbitration Procedures**

**Section 1.** All controversies as to the interpretation and/or application of this Agreement that cannot be settled between the employees and management in accordance with the provisions of Section 9(a) of the Labor-Management Relations Act of 1947, or between the Company and representatives of the Union, shall be submitted to an impartial arbitrator. Grievances taken before the Arbitrator shall be submitted in writing and shall specify the nature of the grievance.

It is distinctly understood that the Arbitrator is not vested with the power to change, modify, or alter this Agreement in any of its parts. The Arbitrator may, however, interpret the provisions of this Agreement and such interpretation shall be final and binding on the parties hereto. In the event the parties shall be unable to agree upon an impartial Arbitrator within ten (10) working days, the Federal Mediation and Conciliation Service shall be requested to submit a list of seven (7) qualified and approved arbitrators, one of which shall be selected to act as the impartial arbitrator. All arbitrators shall be members in good standing of the National Academy of Arbitrators. If the parties are unable to agree upon one arbitrator from the list given them, then each party will be permitted to strike from the list three (3) names and the one remaining name will be the one selected.

**Section 2.** All expenses of arbitration shall be borne equally by the parties, except that each party shall bear the expense of his own witnesses and representatives.

**Section 3.** There shall be no strikes, slow-downs, lock-outs, or other interruptions of work called or established in the plant or factory for the duration of this contract.

**Article 21 - Management Rights**

The rights of the Union are those set forth in this Agreement, and all matters not covered by this Agreement shall remain the sole right of the Company and shall not be subject to arbitration.

## **Article 22 - Miscellaneous General Provisions**

**Section 1.** The Company agrees to post on the bulletin board a printed copy of the Company rules, policies and benefits which shall not be in conflict with this Agreement or discriminatory to any individual or group of the Company's employees. The Union shall also be furnished with copies of such rules, policies and/or benefits.

**Section 2.** The Company shall provide a bulletin board or other suitable arrangements within the establishment where the Union may post notices of Union recreational and social affairs, notices of elections, death notices, Union appointments, and results of Union elections pertaining to the establishment, notices of Union meetings, and a copy of this Agreement. At no time will there be posted political campaign material of a controversial nature.

**Section 3.** As a condition of employment, no employee shall be required to have deducted from his pay or to make any financial donation or contribution to or for any cause not specifically provided for in this Agreement or required by State or Federal Statutes of Law.

**Section 4.** Jobs presently being rotated shall continue to be rotated.

**Section 5.** Employees enjoying wages, hours, benefits, or conditions in excess of these stipulated herein shall not receive a reduction during the life of this Agreement, except in the case of re-assignment to another job in accordance with the seniority provision of this Agreement.

**Section 6.** It shall not be a violation of this Agreement nor grounds for discharge, discipline or replacement for persons covered hereunder to refuse to cross a picket line of any other employer where the employees of such employer are engaged in a strike ratified or approved by the Union or such employees whom such employer is legally required to recognize.

**Section 7.** The Company agrees that Floor Leaders and Crewing Coordinators cannot:

- A. Hire
- B. Fire
- C. Discipline
- D. Recommend discipline
- E. Assume the responsibilities of a supervisor

**Section 8.** In the event an employee is injured on the job, and leaves the plant (to see the doctor, for instance), the Company will pay the employee the remainder of that day for any lost wages. Presuming the employee cannot return to work immediately, the following two (2) workdays will not be paid to him. If the employee is still off at that time, the Company agrees to pay the employee a maximum of three (3) days lost wages.

**Section 9.** Those employees in the classification of Packer, who wish to be considered for the position of Ticket Taker, shall make their request in writing to the Personnel Department. Such employees, when openings arise, shall be considered for the openings based upon seniority and qualifications.

### **Article 23 - Separability**

The provisions of this Agreement are deemed to be separable to the extent that, if and when a court of last resort adjudges any provision of this Agreement in its application between the Union and the undersigned Company to be in conflict with any law, such decision shall not affect the validity of the remaining provisions of this Agreement, but such remaining provisions of this Agreement shall continue in full force and effect, provided further, that in the event any provision or provisions are so declared to be in conflict with a law, both parties shall meet immediately for the purpose of negotiation and agreement on the provision or provisions so invalidated.

**Article 24 - Polygraph Tests**

No employee shall, as a condition of employment, be required to submit to a Polygraph Test.

**Article 25 - Union Notification**

The Company agrees to notify the Union in writing of all permanent changes made in job rates, transfers, layoffs, the discharges, recalls and new employees being hired on a monthly basis. In addition, the Company will provide a copy of all posted bids and a list of employees on LOA upon request, but not more frequent than on a monthly basis.

**Article 26 - Health & Welfare & Pension**

The Company shall maintain for the employees covered by this Agreement, subject to the changes and revisions, a pension plan and the Company's National Flexible Benefits Plan as described in the National Company Plan and for the term of the Agreement. Each employee who qualifies shall receive a certification card with a policy number, if so requested. The Company and Union will work together to better educate the workforce on ways to become good health-care consumers.

**Article 27 - Severance Pay**

**Section 1.** In the event of the closure of the entire Irving Plant, severance pay shall be paid to those employees on the active payroll at the time of the actual closing of the entire plant.

**Section 2.** Severance pay shall be computed as one (1) week's pay for each full year of service.

## **Article 28 - Successors and Assigns**

This Agreement and any supplemental Agreements thereto shall be binding upon the parties hereto, their successors, administrators, and executors and assigns. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy to the local Union at least thirty (30) days prior to the time the seller transferred, or lessor executes a contract or transaction herein described.

## **Article 29 - Continuous Operations**

Present contract language notwithstanding, the following terms and conditions will apply to continuous operations: (Unless specified for continuous operations, present contract language will apply.)

1. Upon ratification, twenty-five (25%) of the total plant population can be placed on a continuous operations schedule.
2. Effective January 1, 1992, an additional twenty-five (25%) of the total plant population can be placed on a continuous operations schedule, for a total of fifty (50%) of the total plant population.
3. Effective June 1, 1992, an additional twenty-five (25%) of the total plant population can be placed on a continuous operations schedule, for a total of seventy-five (75%) of the total plant population.
4. Effective January 1, 1993, an additional twenty-five (25%) of the total plant population can be placed on a continuous operations schedule, for a total of one hundred (100%) of the total plant population.

The Company may institute a continuous operations schedule upon thirty (30) day's notice to the Union.

For payroll purposes, the workday for employees on continuous operations schedules, shall be defined as the consecutive twenty-four (24) hour period, beginning with the start of the employee's first work shift of the workweek. The workweek shall be defined as the continuous one hundred sixty-eight (168) hour period beginning with the start of the first workday of the employee's workweek.

Overtime of time and one-half (1 1/2) will be paid for hours worked over forty (40) in a workweek, and for hours worked in excess of the normal number of scheduled hours in a workday. Additionally, overtime of time and one-half (1 1/2) will be paid for work on the fifth (5th) and sixth (6th) consecutive workday for employees on twelve (12) hour day schedules, provided the employee has worked all scheduled hours available, unless absent due to proven illness or excused, during the preceding four (4) calendar days, and for work performed on the sixth (6th) consecutive workday for employees on an eight (8) hour day schedule, provided the employee has worked all scheduled hours available, unless absent due to proven illness or excused, during the preceding five (5) calendar days.

All work performed on the seventh (7th) consecutive workday will be paid at the rate of two times (2x) the straight time rate of pay, provided the employee has worked all scheduled hours available, unless absent due to proven illness or excused, during the preceding six (6) calendar days. Any employee away from work because of unexcused absence may be declared ineligible for fifth (5th), sixth (6th), or seventh (7th) day work.

Pay for vacation or military reserve training will be based upon a forty (40) hour workweek.

Pay for jury duty, funeral pay, Company paid sick pay, and holiday pay will be based upon the normally scheduled daily work hours for that employee.

Nothing in this Article shall be construed as a guarantee for either hours or work.

Employees scheduled for full days (twelve (12) hour shift) shall be entitled to one (1) thirty (30) minute unpaid lunch period and three (3) paid rest breaks of fifteen (15) minutes each. Employees scheduled for one-half (1/2) days (six (6) hour shift) shall be entitled to one (1) thirty (30) minute unpaid lunch period and one (1) paid rest break of fifteen (15) minutes.

Employees working the twelve (12) hour second shift (6:00 p.m. to 6:00 a.m.) will receive a shift premium of fifteen (15) cents per hour.

Immediately prior to employees being placed upon a continuous operation, the Company will require departmental incumbents to exercise shift preference within the departmental classification. Any remaining open positions will then be bid in accordance with Article 18 Section 3 (A).

Employees whose workweeks are modified due to continuous operations (i.e., 3 1/2 day workweek, weekend schedules) will utilize their seniority rights within their classification consistent with the efficient operation of the department or product line. Affected employees and incumbent employees shall utilize their plant seniority for shift preference for the available opening. The above will not adversely impact the employees right to bid on other positions.

If, during the term of the contract, a product line or a department that has been on continuous operations ceases continuous operations for a period of time, the ensuing workweek and shift arrangement in place prior to continuous operations will be put into effect.

#### Continuous Operations Schedules

The initial Continuous Operations schedule for Maintenance will be:

	S	M	T	W	TH	F	S
1st shift 6 A.M.-6 P.M.	B	A	A	A	A*	B*	B
2nd shift 6 P.M.-6 A.M.	D	C	C	C	C*	D*	D

\*Designates 1/2 shift (6 hours)

Crews will exchange early and late week schedules after every four (4) weeks.– The initial Continuous Operations schedule for Shipping employees will be:

(8 hour shifts)	S	M	T	W	TH	F	S
1st shift		A	A	A	A		
2nd shift		B	B	B	B		
3rd shift		C	C	C	C		
1st shift (12 hours)		D				D	D
2nd shift (12 hours)		D				D	D

The initial Continuous Operations schedule for Production employees: (all 8 hour shifts)

	S	M	T	W	TH	F	S
1st shift	D	A	A	A	A	A	D
2nd shift	Open	B	B	B	B	B	Open
3rd shift	C	D	D	C	C	C	C

Such above schedules will serve as models when the Company elects to go to continuous operations. In the event that changes in work schedules are desired by either the Company or the Union during the life of the agreement, representatives designated by the Company and the Union will meet for the purpose of resolving such issues. Failing to resolve the issues, either party may take economic action.

In efforts to provide full weeks of straight time hours, the Company has the right to prioritize straight time work before over time. When crewing overtime for departments on continuous operations, work will be awarded to employees in the following order, using plant seniority:

1. Employees within classification, within the department, within the shift.
2. Employees within the classification, outside the department, within the shift.
3. Employees outside the classification, within the department, within the shift, provided qualified.
4. Employees outside the classification, outside the department, within the shift, provided qualified.
5. Employees within the classification, within the department, outside the shift.
6. Employees outside the classification, within the department, outside the shift, provided qualified.
7. Employees within the classification, outside the department, outside the shift.
8. Employees outside the classification, outside the department, outside the shift, provided qualified.
9. In the event there are insufficient volunteers, employees will be forced in reverse seniority order.
10. If there are sufficient volunteers from the daily overtime list, they will replace the number of individuals that were forced. (Moved from Letter of Understanding)

**Article 30 - Term of Agreement**

This Agreement shall remain in full force and effect from the 12<sup>th</sup> day of May, 2023 to the 30<sup>th</sup> day of June, 2026 and for a period of one (1) year thereafter unless either the Company or the Union desires changes in this Agreement at its expiration date; in which event, on or before sixty (60) days prior to the expiration date of this Agreement or one (1) year renewal date, written notice outlining the changes desired shall be given by the party proposing the changes to the other party to the Agreement.

**FRITO-LAY, INC**

**United Food and Commercial Workers, Local 540**

\_\_\_\_\_  
Jonathan Stuhl  
Director, Labor Relations

\_\_\_\_\_  
Felipe Mendez  
President

\_\_\_\_\_  
Erica Hauck  
Human Resources Director

\_\_\_\_\_  
Andrew Cortes  
Business Agent

\_\_\_\_\_  
Matt Aurand  
Site Senior Director

\_\_\_\_\_  
Vincent Collier  
Chief Union Steward

\_\_\_\_\_  
Ryan Thurman  
Maintenance/Engineering Senior Director

\_\_\_\_\_  
Conterri Moore  
Steward

\_\_\_\_\_  
Pam Thalmann  
Manufacturing Director

\_\_\_\_\_  
Sandra Jenkins  
Steward

**International Association of Machinists &  
Aerospace Workers, AFL-CIO, Local Lodge  
526/District Lodge 776**

\_\_\_\_\_  
Daniel Jones  
Steward

\_\_\_\_\_  
Earnest Boone  
Business Agent

\_\_\_\_\_  
Adric Smith  
Steward

\_\_\_\_\_  
Frank Silva  
Chief Union Steward

\_\_\_\_\_  
Kim Bridges  
Committee

## Appendix A – Wages

Classification/Title	Starting Rate	Year 1	Year 2	Year 3
Center Lab Technician 1	\$25.90	\$27.47	\$28.30	\$29.15
Crewer 1	\$28.74	\$30.49	\$31.40	\$32.34
Environmental Technician	\$27.24	\$28.90	\$29.76	\$30.66
Hostler 2	\$22.35	\$23.71	\$24.42	\$25.15
Lead Mechanic 1 Maintenance Coordinator	\$36.57	\$38.79	\$39.96	\$41.16
Lead Sanitor 1	\$21.91	\$23.24	\$23.94	\$24.66
Maintenance Mechanic 2	\$31.59	\$33.51	\$34.52	\$35.55
Maintenance Mechanic 3	\$35.60	\$37.76	\$38.90	\$40.06
Maintenance Mechanic 4	\$39.97	\$42.40	\$43.67	\$44.98
Maintenance Technician 1	\$26.49	\$28.10	\$28.94	\$29.81
Material Handler 1	\$21.63	\$22.95	\$23.63	\$24.34
Material Handler 2	\$22.10	\$23.44	\$24.15	\$24.87
Materials Handler Lead 1	\$22.60	\$23.97	\$24.69	\$25.43
Materials Handler Lead 2	\$23.83	\$25.28	\$26.04	\$26.82
Packaging Lead	\$26.49	\$28.10	\$28.94	\$29.81
Packaging Machine Operator 1	\$26.24	\$27.84	\$28.67	\$29.53
Packaging Utility 1	\$20.36	\$21.60	\$22.25	\$22.91
Packer 1	\$20.36	\$21.60	\$22.25	\$22.91
Processing Operator 1	\$24.46	\$25.95	\$26.73	\$27.53
Processing Operator Lead 1	\$25.46	\$27.01	\$27.82	\$28.65
Quality Technician 1	\$22.74	\$24.12	\$24.85	\$25.59
Safety Team Lead 1	\$27.24	\$28.90	\$29.76	\$30.66
Sanitor 1	\$20.91	\$22.18	\$22.85	\$23.53
Sanitor 2	\$21.33	\$22.63	\$23.31	\$24.00
Wastewater Technology Operator 1	\$22.54	\$23.91	\$24.63	\$25.37

The above are minimum rates.

- The Company shall have the right to waive any or all of the qualifying steps for Maintenance to Machine Operator employees.
- Crewing Coordinators, Floor Leaders, Maintenance Lead / Maintenance Coordinator, Maintenance Technician I (Critical Care Tech), AGV/ANCRA Operator, Sanitor II, and pre-bids for these positions: The appointment and selection of Crewing Coordinators, Floor Leaders, all maintenance positions, AGV/ANCRA Operator, Sanitor II, and pre-bids for these positions is a management right and such assignments are not subject to the provisions of Article 18 of this agreement.

- Site expert training pay for CLT-2, Packer, Material Handlers, Certified Sanitarian, PMO and Processing Operator, AGV/ANCRA Operator
- 6% for SETs, 10% for RETs, per hour above your own base pay
- Premium pay is for all hours including all hours worked, vacation, holiday, sick time, etc.
- Site expert training pay for PMO Leads, Processing Operator Leads, Sanitation Leads, Material Handler Leads
  - 15% for SETs, 20% for RETs over operator base rate
  - Premium pay is for all hours including all hours worked, vacation, holiday, sick time, etc.
- Where the SET/RET program does not apply, Performance Based Trainer(s) will receive one dollar (\$1.00) above their regular classification rate for all time spent in actual training activities.
- The Environmental Coordinator Position will move to a union-free salaried position upon separation of the current incumbent.
- Employees who are otherwise eligible for an increase but who are on leave of absence will not receive the increase until they return from such leave.
  - Year 1: For an employee to be eligible for a base increase, they must be actively employed at the time of ratification.
  - Year 2 & 3: All active employees will receive the base increase based on classification

## LETTER OF UNDERSTANDING - MISCELLANEOUS

The following are issues between Frito-Lay, Inc. and UFCW Local Union 540 and IAM Local Lodge 526/District Lodge 776, which are not a part of their collective bargaining agreement but are fully enforceable between the parties and are effective from June 7, 2020, through June 10, 2023.

All side letters will continue into the next CBA.

### **Employee Seniority Dates**

Following is the understanding of the parties regarding the proper treatment of seniority dates for part-time and Flex Crew who subsequently obtain permanent full-time employment:

- A. Previously published seniority dates will be deemed to be correct.
- B. Effective immediately, future publications of the seniority list will be divided into three sections:
  - 1. Bargaining Unit Employees (permanent full-time).
  - 2. Flex Crew Employees.
  - 3. Part-time Employees.
- C. Effective immediately, Flex Crew and part-time employees who obtain permanent full-time employment will have their seniority dates adjusted to their most recent date of hire.

The parties agree that all individuals currently listed under interest bid positions (and have no letter on file) are Red-Circled into those positions. When these positions become available, they will be bid pursuant to Article 18, Section 3 and Appendix A of the Collective Bargaining Agreement.

### **Work Redesign**

In the event the Company elects to combine and/or eliminate classifications or departments, such changes will be first discussed with the Business Agent of the Union. In the event the parties cannot agree to an appropriate rate of pay for new or combined classifications or departments, then, in that event, each party is free to take economic action in an attempt to force a resolution. In no event, however, shall such matters be subject to the grievance procedure or arbitration process.

### **General Utility Classification**

Incumbent Packaging Machine Operators and Shipping Department employees will be given the opportunity to volunteer, in seniority order, for the General Utility classification in the Shipping Department. Those who successfully volunteer will retain recall rights to their former classification unless they win a permanent bid into another classification. If there are insufficient volunteers, the General Utility openings will be filled in accordance with the provisions of Article 18.

Employees assigned to the General Utility classification through the above procedures will receive the following benefits:

- 1. Red-circle earnings protection.

2. Prior to layoff, such employees will be entitled to displace, in accordance with their seniority and qualifications, the overall least senior employee in all of the classifications which they have previously held.

These benefits will be forfeited if the employee wins a permanent bid out of the General Utility classification or is recalled, on a permanent basis, to his former classification.

### **Carton Sorting**

The carton sorting operation will be relocated to the FLEM building. All carton sorters employed prior to June 10, 1994 will have red - circled wage protection for the life of the agreement. Any carton sorters hired after ratification will be hired at the new rate. The new rate will be a minimum of \$8.00 per hour for each year of the agreement.

### **Work Schedules**

For the term of this agreement, jobs presently on Monday through Friday schedules will remain on those schedules; excepting those jobs which are authorized by the parties to have a workweek beginning other than first shift Monday.

### **Flex Crew**

In order to provide for special needs of the business such as heavy promotions, heavy vacation periods, poor quality potatoes, and continuous operations, a "Flex Crew" may be established. Flex crew employees will be offered full-time job opportunities in order of seniority if no full-time employees bid on such vacancy, but before the Company does any outside hiring. The probationary period for a Flex Crew (FC) employee shall be ninety (90) calendar days. If a Flex Crew employee achieves regular full-time status in the same classification in which they were working, and they have completed their Flex Crew probationary period, such employee is not required to complete an additional probationary period.

An FC employee who is hired as a full-time employee shall have his or her most recent date of hire as his or her full-time seniority date. The number of FC employees that may be hired is limited to ten percent (10%) of the number of regular full-time employees. During the months of April, May, June, July, and August, the number of FC employees may be increased not to exceed fifteen percent (15%) of the number of regular full-time employees in the plant.

1. An FC employee may not displace a permanent full-time employee for any reason.
2. Two separate seniority lists will be maintained, one for permanent full-time employees and one for FC employees.
3. FC employees may only be used for work within the Packer, General Utility and Sanitor classifications. Flex Crew General Utility may be assigned warehouse deadstack duties.
4. In the event of a layoff of permanent full-time employees, after the layoff procedures specified in Article 18, Section 3D are exhausted, such displaced permanent full-time employees shall have the right to replace FC employees if they wish.
5. All FC work will be assigned.

6. In the event that additional FC employees are needed for special promotions or other bonafide reasons, the number of FC employees may be increased with the mutual agreement of the parties.
7. Within the first sixty (60) calendar days of employment, Flex Crew employees shall be limited to forty (40) hours of work per week.

FC employees will not qualify for benefits with the exception of the following:

1. If a FC employee works in excess of 1500 hours in a year, he or she will be entitled to the Company's National Flexible Benefits Plan as described in the National Company Plan.
2. After 6 months' service, FC employees will receive the same holiday pay as full-time employees.
3. After 1 year anniversary of service, a FC employee will be entitled to vacation benefits on a pro-rata basis as per Article 10.
4. FC employees shall be subject to the same rules and have the same rights regarding discipline and grievance rights as full-time employees.
5. The rate of pay for FC employees will be a minimum of \$12.00 per hour for each year of the agreement.
6. The Company will keep the Union always informed as to the number of FC employees employed, their name, and primary job assignment.
7. FC employees will be paid at the rate of one and one-half times their straight time rate of pay for all hours worked over ten (10) in a workday or forty (40) per week.

### **Alternative Workweek**

In the implementation of the Alternative Workweek language of Article 4, Section 2, the Company will implement alternative workweek schedules for departments other than maintenance as follows:

1. Alternative workweeks will be implemented through the addition of new positions and attrition.
1. No full-time employee on the payroll as of June 9, 1999, will be forced to an alternative workweek.
3. Both parties agree to continue to work together to improve on the alternative work schedules.

### **Overtime Sign Up Book**

For all employees on 3 ½ day continuous operations schedules the overtime sign up book will be removed at the end of their shift on the third working day.

1<sup>st</sup> shift book will be picked up at 6 p.m. Wednesday and 6 p.m. Saturday.  
2<sup>nd</sup> shift book will be picked up at 6 a.m. Thursday and 6 a.m. Sunday.

### **Overtime Notification for 5th, 6th, and 7th day.**

For 5th, 6th, and 7th day overtime, notice is required before the end of the employee's shift on their 4th workday.

Day shift - will be notified by 12:00 p.m. on Thursday for employees working the front half of the week.  
Day shift - will be notified by 6:00 p.m. on Sunday for employees working the back half of the week.  
Night shift - will be notified by 12:00 a.m. on Friday for employees working the front half of the week.  
Night shift - will be notified by 6:00 a.m. on Monday for employees working the back half of the week.

### **Forced Overtime**

Day Shift - will be notified by 6:00 p.m. on Wednesday for employees working the front half of the week.  
Day shift - will be notified by 6:00 p.m. on Saturday for employees working the back half of the week.  
Night shift - will be notified by 6:00 a.m. on Thursday for employees working the front half of the week  
Night shift - will be notified by 6:00 a.m. on Sunday for employees working the back half of the week.

Front Half = Monday through Thursday.  
Back Half = Thursday through Sunday.

### **Monday Holiday Overtime**

When a holiday falls on Monday, the shift that would have normally worked this day will have priority when approving overtime.

Because this shift will end its previous week on Thursday, of the preceding week, they will have until the end of the shift Wednesday of that week to volunteer, and approval will be posted before they go home at noon on Thursday.

The shift that is working the weekend will continue as normal, they will have until the end of the shift Saturday to volunteer and will be approved before they go home at the end of their shift Sunday.

### **VPP**

The Company and the Union agree to explore the possibility of making application for participation in OSHA's Voluntary Protection Program (VPP). It is understood that such action will be taken with the assistance of the UFCW International and the IAM International.

### **Realignment**

In the event of a major bona fide business reason, the parties agree that twice per term of the contract, they shall meet and review for input and issue discussion the planned realignment of the workforce to match its Master Production Schedule (MPS). The Company agrees to give the Union 90 days advance notice of such meeting.

## **Shared Work Program**

The Parties agree to appoint a subcommittee, consisting of Three (3) representatives appointed by the Union and Three (3) representatives appointed by the Company, for the purpose discussing the potential implementation of the Shared Work Program [Program]. Said committee will meet no later than September 1, 2014, and the team's work will be completed no later than November 3, 2014. The team is allowed to seek direct input from the Shared Work Program's administrators as part of the team's work. Factors to be considered are administrative burden, costs, etc.

The Parties understand that implementation is only agreeable by mutual consent of the parties and also understand that the Company is not obligated to implement if there are any costs at all to the Company. Examples of such costs are, but not limited to, direct labor charges, chargebacks or increases to the Company's unemployment or other insurance tax rates, etc.

## **Maintenance Apprentice Program**

The parties expressly agree that notwithstanding the language outlined in Article 18, Section 9, the Company is obligated to place only one individual in the Maintenance Apprentice Program during the life of the current contract, and such person will be placed in the program no later than 12 months prior to the expiration of the contract. At the expiration of the contract, this Letter of Understanding will expire.

In efforts to design a support system to enable the continued success of the Maintenance Apprentice Program, the parties agree to meet within 60 days of the ratification of this agreement to identify a 6 member committee, 3 identified by the Union and 3 identified by the Company. That 6 member committee will meet no later than 90 days from the ratification of this agreement to discuss ways to design a support system to ensure the Maintenance Apprentice Program's success. Item for consideration should include training design, managerial and front-line support, testing criteria, etc.

The committee will report out to Company and Union leadership no later than 180 days from the ratification of the agreement at which time the parties may agree to continue working on this issue or the Company may decide a successful support system exists and may go forward with implementation.

## **Potato Ordering**

Effective, January 1, 2019, the Company may choose to perform the potato ordering duties outside the bargaining unit.

## **New Employee Orientation**

The Irving location is a unionized facility, which is represented by two Unions:

- UFCW, Local 540 and IAM, Local Lodge 526, District Lodge 776

The Union represents you and you have a right to representation for discipline purposes or filing grievances. You should contact either the IAM Chief Steward, Frank Silva or the UFCW Chief Steward, Vee Collier to further discuss representation and introduce the Union contract, including potentially joining the Union.

## **Emergency Provisions**

In the event of a declaration of a state of emergency and/or imposition of civilian controls, during the life of this contract, the Union and Company agree to modify the Wage and Benefit Plan provisions of this Agreement, and applicable policies such as schedules and attendance (provided that the Company would not reduce applicable wage scales, healthcare or retirement benefits) in order to maintain the safe and effective operations of the site and ensure the wellbeing of our employees for the duration of the emergency. The Company will notify the Union of the changes as early as possible and agree to meet with the Union if requested. These changes shall remain in effect only as long as the emergency significantly impacts the operation. If Governmental approval of revisions should become necessary, all parties will cooperate to the utmost to attain such approval. The parties agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of applicable law. All changes to this agreement implemented during the emergency will be null and void upon its conclusion. None of these temporary changes will be precedent setting. It is understood that the Union is not waving its right to the grievance and arbitration procedures as outlined in this agreement, however processing these disputes shall be suspended during the state of emergency as will the timeliness provisions.

**FRITO-LAY, INC. AND  
UFCW LOCAL UNION NO. 540 AND IAM LOCAL 526/776**

**2020 – 2023  
LETTER OF UNDERSTANDING**

**GES Reopener**

In the event that the Company decides that GES is an effective Warehouse and delivery system for the Dallas/Irving market to serve its customers during the course of this contract, both parties agree to further discuss GES and its effects in good faith. No later than one hundred (100) days before implementation of GES, the Company will give written notice to the Union to reopen the agreement for the purpose of renegotiating the affected provisions of this agreement. The Company and the Union shall meet to negotiate concerning the effects of the implementation on the bargaining unit. These effects on the bargaining unit include, but are not limited to, wage rates, work schedules, duties and responsibilities, bidding, layoff/recall, severance, outplacement, etc. If after one hundred (100) days, the Company and the Union do not reach agreement, the Company can proceed and implement its proposals, and either party may take economic action.

**Frito-Lay**

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**Jonathan Stuhl**  
**Director, Labor Relations**

**UFCW Local 540**

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**Andrew Cortes**  
**Business Agent**

**IAM Local 526/776**

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**Earnest Boone**  
**Business Agent**

**FRITO-LAY, INC. AND  
UFCW LOCAL UNION NO. 540 AND IAM LOCAL 526/776**

**2020 – 2023  
LETTER OF UNDERSTANDING**

During the life of this contract, the Unions and Company agree to implement the following on a pilot basis:

Each quarter, the Unions' Presidents or their delegates will meet with the Company VP of Labor or his delegate for the sole purpose of taking an inventory of outstanding arbitrations and reviewing the docket. This meeting would not replace any part of the grievance process as outlined in Article 19 of the collective bargaining agreement. The goal of this meeting would be to ensure the timely execution of the grievance procedure and support the resolving of any open grievances.

By mutual agreement, the parties can implement a pre-arbitration meeting after step 2. This meeting, which could include the presence and support of a federal mediator as appointed by FMCS, will be held for the sole purpose of trying to resolve outstanding arbitrations. This meeting would not replace any other part of the arbitration procedure as outlined in Article 19 of the collective bargaining agreement.

**Frito-Lay**

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**Jonathan Stuhl  
Director, Labor Relations**

**UFCW Local 540**

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**Andrew Cortes  
Business Agent**

**IAM Local 526/776**

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**Earnest Boone  
Business Agent**

**FRITO-LAY, INC. AND  
UFCW LOCAL UNION NO. 540 AND IAM LOCAL 526/776**

**2023 – 2026  
LETTER OF UNDERSTANDING**

The Company agrees to allow, during new employee orientation, a Union representative the opportunity to discuss the Union's role at the Irving, Frito-Lay Plant. Such presentations will be approved by management and not exceed fifteen (15) minutes.

**Frito-Lay**

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**Jonathan Stuhl  
Director, Labor Relations**

**UFCW Local 540**

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**Andrew Cortes  
Business Agent**

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**FRITO-LAY, INC. AND  
UFCW LOCAL UNION NO. 540 AND IAM LOCAL 526/776**

**2023 – 2026  
LETTER OF UNDERSTANDING**

The Company and the Union will establish a labor-management committee to make recommendations on work-related issues, ideas, concerns, as well as staffing and overtime. The committee will be as follows:

- a. The Company and the Union will each select 3 members of the six (6) person committee
- b. The committee will meet at least quarterly, for at least ninety (90) minutes.
- c. Labor management meetings shall not be for the purpose of initiating or continuing collective bargaining, nor in any way to modify, add to or detract from the provisions of this Agreement, and such meeting shall be exclusive of the grievance and arbitration proceedings in this Agreement, as grievances shall not be considered proper subject at such meetings.
- d. Employees who participate in the labor management meetings will be compensated for time spent in this quarterly meeting.

**Frito-Lay**

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Director, Labor Relations**

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**FRITO-LAY, INC. AND  
UFCW LOCAL UNION NO. 540 AND IAM LOCAL 526/776**

**2023 – 2026  
LETTER OF UNDERSTANDING**

To support retention and attraction to our frontline roles this memorandum confirms understandings reached between Frito-Lay Irving Plan and IAM Local Lodge 526/District Lodge 776 and UFCW Local 540. This agreement replaces the 7<sup>th</sup> Day Letter of Understanding from July 2021. Below outlines a temporary non-precedent setting agreement to introduce a new Overtime principle when assigning forced work.

Below are the terms of the understandings to begin February 27, 2022, and remain in effect until our next contract negotiations:

1. Employees who work 5 12-hour shifts within their scheduled work week will not be forced on their 6<sup>th</sup> or 7<sup>th</sup> day.
2. Employees will not be forced to work more than 6 days in their workweek. Our intent is that all employees have at least one day off from work each week, which in practice will generally be their 6<sup>th</sup> or 7<sup>th</sup> day. In the event an employee has an excused or unexcused absence within the same work week, the Company may force them on their 6<sup>th</sup> and/or 7<sup>th</sup> day.
3. Employees can continue to volunteer to work beyond 60 hours or to work more than 6 days, per Article 4 Section 11 of the CBA.
4. The Company and Union must mutually agree to adjust this guideline in cases of business-critical emergencies that may impact production.

The Company and Union agree to review the new practice and discuss learnings in the first 3 months. Thanks for your cooperation in this matter. We appreciate the support for our employees with regards to forced overtime.

**Frito-Lay**

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**Jonathan Stuhl**  
**Director, Labor Relations**

**UFCW Local 540**

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**FRITO-LAY, INC. AND  
UFCW LOCAL UNION NO. 540 AND IAM LOCAL 526/776**

**2023 – 2026  
LETTER OF UNDERSTANDING**

Employees covered under this Agreement will be compensated according to Frito-Lay's National Educational Assistance Program if they qualify under the Program.

**Frito-Lay**

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**Jonathan Stuhl  
Director, Labor Relations**

**UFCW Local 540**

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**FRITO-LAY, INC. AND  
UFCW LOCAL UNION NO. 540 AND IAM LOCAL 526/776**

**2023 – 2026**

**LETTER OF UNDERSTANDING – Parental Leave Policy**

Frito-Lay Irving offers paid parental leave to eligible employees to allow for a time of bonding with their newborn or newly adopted child. Up to six weeks of paid parental leave is available under this Policy for births or adoptions on or after [date of contract ratification].

Eligibility - In order to be qualified for this leave, employees must:

Be a regular, full-time employee;

Have a newborn or newly adopted child (under age 18), be in the process of adopting a child, or otherwise qualify for child-bonding leave under any applicable federal, state, or local law;

Be employed by Frito-Lay Irving when the child is born or placed for adoption; and

Have worked for the Company for at least 90 days.

Note that both parents are eligible if they both work for Frito-Lay Irving and meet the eligibility requirements.

**Description of Leave**

Parental leave must be taken within six months of the birth, adoption, or other eligible event, unless otherwise required by applicable law. The six weeks do not have to be taken consecutively, but each week must be taken in full week increments.

Following a parental leave, an employee has the same right to return to work as if he/she had been actively working (i.e., with the same return to work benefits as those under the Family and Medical Leave Act (FMLA) or similar laws).

For employees qualifying for leave under the FMLA or any similar unpaid state or local law, parental leave may be taken during or after such family/medical leave. For employees qualifying for leave under state or local paid family leave benefits laws, parental leave taken under this Policy will run concurrently with any such leave and shall count toward the employee's leave entitlement under this Policy, unless otherwise required by applicable law. Employees who qualify for leave under any such state or local paid family leave benefit laws are required to apply for benefits under such laws, if permitted by law. The pay provided under this Policy will supplement the benefits provided under the law for the duration of the leave that is covered both by this Policy and the law.

Only one parental leave is available per event. (For example, only one leave for the birth of twins.) However, if both parents are employed by Frito-Lay Irving, parental leave under this Policy is available to both employees.

Application Process

Employees who intend to take parental leave must provide their manager with at least four (4) weeks advance notice.

**Frito-Lay**

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