

COLLECTIVE BARGAINING AGREEMENT

**PepsiCo Beverages North America
Lancaster, Texas**

and

UFCW Local 540

**Duration of Agreement
August 31, 2024 - August 31, 2028**

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ARTICLES OF AGREEMENT

This Agreement made and entered into this 30th day of August 2024, by and between PepsiCo Beverages North America located at 2101 Daniieldale Road, Lancaster, Texas 75134 (hereinafter referred to as the Employer or Company”) and United Food & Commercial Workers Union, Local 540, AFL-CIO (hereinafter referred to as the “Union”).

ARTICLE 1 - PURPOSE

It is the intent and purpose of the parties hereto that this Agreement shall serve to establish and maintain harmonious labor relations between the Company and the Union and to set forth the wages, hours, and working conditions of the employees covered by this agreement.

No employee covered by this Agreement shall be discriminated against by the Company because of membership in the Union or any protected Union activities.

ARTICLE 2 - NON-DISCRIMINATION

The Company and the Union agree that the provisions of this Agreement shall be applied to all employees without regard to race, color, sex, age, religious, creed, marital status, sexual orientation, gender identity, national origin, veteran status, disability as defined by the American Disability Act, and with regard to all applicable Federal and/or State Laws.

When the masculine or feminine gender is used in any job title or in any provisions of this Agreement, it is used solely for the purpose of illustration and is not, in any way, intended to designate the sex of the employee eligible for the position or the benefits provided by this Agreement.

ARTICLE 3 - WAIVER OF BARGAINING AND COMPLETE AGREEMENT

It is agreed and understood that there are no side agreements, verbal understandings, or past practices relative to this Agreement, and the entire present contract between the parties is as set forth herein, except as may be mutually agreed upon in the future in writing and signed by both parties. The express language of this Agreement shall be the sole source of any right asserted under this Agreement.

The parties expressly acknowledge and declare that, during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the full exercise of that right and opportunity are set forth in this Agreement.

ARTICLE 4 - RECOGNITION

Local 540, United Food and Commercial Workers International Union, AFL-CIO and CLC (herein and after call the Union) has been designated and selected as the exclusive representative of the "Unit" for the purpose of collective bargaining with respect to rates of pay, wages, hours of employment, and other conditions of employment.

The "Unit" to which this makes reference shall consist of all Transport Drivers employed by the Employer at its facility located at 2101 Danieldale Road, Lancaster, Texas 75134, as certified in **16-RC-246315**. All other employees, in all of the employer's divisions and locations, including, but without any limitation on the generality of the foregoing, all other Transport drivers, Over the Road Drivers, Delivery Drivers, warehouse persons, production employees, maintenance employees, mechanic employees, yard jockeys, clerical and office employees, guards, supervisors as defined in the Act, professional employees, and seasonal employees are further not included in the bargaining unit.

ARTICLE 5 - CHECK-OFF

Section 1.

The Company shall deduct for each employee who shall authorize in writing on an appropriate form submitted by the Union for a period of the Agreement and so long as such authorization shall remain in force from the first payroll week the regular weekly Union dues or Union representations fees for the current week. Employees who have authorized such deductions and who are not at work in any week shall have their Union dues or representation fees deduction made in the next payroll week they work. Deductions for newly hired employees will be made in the first payroll week following receipt of the payroll deduction authorizations. The initiation fee and the weekly Union dues or representation fees shall be remitted on a monthly basis by the Company to a duly designated officer of the Union. The Union shall advise the Company in writing of the name of such officer.

Section 2.

The Company shall furnish the Union with a list of employees for whom the deductions were made. The list shall include the employee's name and the amount of the deduction made from each. The Company agrees to provide the Union with a list of new hires and terminations upon request.

Section 3.

The Union agrees that it will indemnify and hold the Company harmless from any and all liability, claims, responsibility, damage or suit which may arise out of any action taken by the Company in accordance with the provisions of this article or in reliance upon the authorization mentioned in this article.

Section 4.

The Company shall provide the opportunity for a payroll deduction for a voluntary Active Ballot Club contribution. Any such payroll deductions shall be remitted by the Company, in accordance with the procedures outlined in Section 1 of this Article.

ARTICLE 6 - MANAGEMENT RIGHTS

The Company has, retains and shall continue to possess and exercise each and every management right, right to function, privilege and authority which it had prior to the certification of the Union except, as expressly limited, relinquished, modified, or restricted by this Agreement. Illustrative, but not all inclusive of the rights of management retained, are the right to manage the Company; to direct the workforce and to make and enforce rules of conduct and/or policies; to change hours and days of work and the workweek; to make and change work duties and assignments; to determine the quality and quantity of work to be performed and productivity required; the right to determine if overtime work is necessary and to require that it be performed; to change or adjust the hours and numbers of shifts and assignments thereto; to hire employees; to classify, promote and demote employees; to discipline and discharge employees for just cause; to lay off and recall employees; to select and make technological changes and processes, tools, equipment and facilities; to determine the number of employees to be employed in any particular work function or assignment; to decide the methods, equipment, processes, methods, and means of distribution; to determine the utilization of labor saving devices which may result in the reduction of the workforce; and to establish new departments and job classifications; the right to determine the qualifications for each and every position covered by this agreement; the right to determine acceptable standards of performance and to require that such standards be met; to establish or eliminate jobs or classifications; the right to transfer duties from one classification to another; including to classifications not covered by this Agreement; the right to utilize temporary and/or part-time employees in all classifications; the right to determine the extent to which work will be performed at this facility or at other facilities, to move work to and among facilities, and the extent to which work will be performed through the use of contractors, subcontractors, or contract carriers; the right to merge, transfer, relocate, restructure, discontinue, or close down any or all operations at this or any other facility; the right to determine who will service customers; and the right to determine what procedures and equipment shall be used in the Employer's operations. The management rights set forth in this paragraph are not to be interpreted as being all inclusive, but merely indicate the types of rights which belong to and are inherent in management. The employer shall be the exclusive judge of all matters pertaining to the conduct of its business, including those set forth above.

ARTICLE 7 - NO STRIKE/REFUSAL TO WORK/NO LOCKOUT

There will be no strikes of any kind, including sympathetic strikes, no boycotts or public disparagement of the Employer or its products, by any employee or the Union, during this Agreement. "Strikes" includes any work stoppage, slowdown, picketing, honoring of any picket lines (whether at the Employer's facilities or at any other location), sympathy strikes, or any other concerted activity, or attempt at concerted activity, which would interrupt or limit the performance of services. Neither the Union nor any employee will encourage, authorize, participate in, or condone any strike or any other conduct prohibited by this Article. In consideration of this no-strike/refusal to work pledge by the Union and the employees, the Company shall not lockout employees for the duration of this agreement.

The Union will use its best efforts to prevent any violation of this Article and to terminate any violation once it occurs. If a violation of this Article occurs, the Union will immediately and publicly denounce the strike, and will provide the Employer with written notice that the strike is not authorized, is in violation of this Agreement, and is not to be honored.

Any employee who participates in activity prohibited by this article will be subject to disciplinary action including discharge; and only the question of whether the employee did, in fact, participate in or promote such action shall be subject to the grievance procedure and arbitration.

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

ARTICLE 8 - UNION VISITATION/UNION STEWARDS

Union Visitation

Section 1.

Duly authorized representatives of the Union shall be allowed access to the facility for the purpose of conducting necessary Union business and investigating grievances. However, such visitation shall be by advance notice. When visiting the facility, the Union representative shall follow visitor policies and safety policies and shall make their presence known to management. Employee interviews must be conducted during breaks or meal periods and shall not interfere with the performance of the work of others. Requests to inspect areas shall be granted, but inspections will be conducted with a management person.

Section 2.

Upon request, the Employer agrees to furnish the Union with a list of the name(s) of employee(s) hired and/or separated once each month, and if terminated, the reason thereof. The list shall include name, address, phone, and date of hire.

Union Stewards

Section 1.

Union Stewards to administer and enforce the terms and conditions of this Agreement shall be designated in writing, by the Union, to the Company. The Local Union shall designate a reasonable number of Stewards, in writing and the location/shift each Steward will represent. Only such Stewards named by the Union will be recognized.

Section 2.

In addition to the Stewards in Section 1, the Union may designate a reasonable number of Chief Stewards.

Section 3.

The Company will not discriminate against a Steward in the proper performance of his/her Union duties, provided that such duties do not interfere with his/her regular work or with the work of other employees and provided further that he/she shall not leave his /her work station without first obtaining permission from his/her supervisor. Furthermore, he/she shall notify his/her supervisor as to his/her intent, the reason therefore, where he/she can be reached and the estimated length of time he/she will be gone.

Section 4.

It is specifically understood and agreed that Stewards shall have no authority to take strike action or any other action interrupting the Company's business.

Section 5.

Union Stewards (no more than two (2) may be off at the same time) shall be granted three (3) days off per year without pay, in order to attend a Union Steward's training seminar, provided that such time off for the training will not be granted if it would interfere with the normal operations of the Company. The Company may require proof of attendance by the Steward.

It is understood that Union representative visitation and Union steward activities will take place only at the Lancaster facility.

Section 6.

The Company agrees to allow, during new employee orientation, a Union representative the opportunity to discuss the Union's role at Lancaster, TX PepsiCo Beverages. Such presentations will be approved by management and not exceed ten (10) minutes.

ARTICLE 9 - NEW HIRE PROBATIONARY PERIOD

All new employees shall be on a probationary period of ninety (90) calendar days of employment. The Company and the Union may extend the probationary period of an individual employee by mutual written agreement because of particular circumstances, which require additional time to assess the performance of said employee. No seniority shall accrue to any employee during the probationary period and such employee may be laid off or discharged without reference to their length of service, and such layoff or discharge decision shall not have recourse to the grievance and arbitration process. Any employee who is retained after their probationary period shall have their seniority dated back to the first date of their employment.

ARTICLE 10 - SENIORITY

Section 1. – Definition

Seniority shall be defined as an employee's length of continuous service with the Company in the bargaining unit commencing with the employee's most recent date of hire.

Section 2. – Seniority Lists

A list of all Bargaining Unit employees shall be furnished to the Union upon request. The lists will include the employees' first and last names, dates of hire, job titles, and shifts in Seniority order on the excel spreadsheet. The Union reserves the right to post such list on its designated bulletin board.

Section 3. – Layoff and Recall Procedure

When layoffs become necessary, the Company will first ask for volunteers on the shift where the reduction of force is necessary. Volunteers, in seniority order, will be given the opportunity for layoff given the remaining employees have the qualifications necessary to perform the remaining available work. Should there not be sufficient volunteers the Company will layoff in reverse order of seniority given the remaining employees have the qualifications to perform the available work.

Probationary employees will be laid off prior to any regular full time employee being forced to layoff given the remaining employees have the qualifications to perform the available work.

Employees will be recalled to work in seniority order provided they have the qualifications to perform the available work.

It shall be the responsibility of the employee to keep the Company informed of his/her current address and telephone number and to notify the Company, following proper procedures, of any changes so that the Company can recall them when work is available.

By mutual agreement, the Company and Union shall have the right to modify the procedure outlined in this Section 3, on a case-by-case basis.

Section 4. – Accrual of Seniority While on Layoff

An employee on layoff, shall continue to accrue seniority for a period of up to twelve (12) months.

ARTICLE 11 - LOSS OF SENIORITY

Section 1

Seniority shall be lost for the following reasons:

1. Discharged for just cause;
2. Resignation or other termination of service by voluntary act of employee;
3. Absence for three (3) successive working days without permission or proper notification to the Company. Such employee shall be considered to have quit voluntarily;
4. Continued absence for any reason other than industrial illness or injury for twelve (12) months or more;
5. Continued absence as a result of industrial accident or injury for a period of eighteen (18) months or more;
6. Failure to return to work upon completion of an approved leave of absence without good cause;
7. Failure to respond to recall notice for work within three (3) days of receipt of notice or failure to report for work within seven (7) calendar days of receipt of notice. The employee is responsible for keeping the Company up to date on a current address and phone number;
8. Continued lay-off for more than 1 year.

Section 2

In the event an employee returning from a work related injury is physically incapable of performing their former duties, as supported by a doctor's certificate, they shall return to transitional duty for a period not to exceed 90 days. At that time, they will return to their regular position as long as all job requirements of such position can be met. An employee returning from a non-work related injury or illness is not eligible for transitional duty and must present a full release verifying capability to perform his regular job duties.

ARTICLE 12 - JOB POSTINGS

1. When filling any vacancy or any new position within the unit, the Company shall inform the employees by posting notices on the jobs board. All job vacancy and new position postings shall include the start time, designated days, off and any specific qualifications. Any employee desiring to bid on the position shall inform the Company within seven (7) calendar days of the vacancy being posted.
2. The vacancy or new position shall be filled by the employee with the most seniority unless the position requires specific qualifications and thus the employee must meet the qualifications and unless they are bidding to a different position in which the employee must not have received any discipline within the last six (6) months. The position will be awarded within five (5) calendar days after the posting period has ended.
3. The successful bidder of the posted vacancy or new position shall be moved to his/her new assignment within two (2) weeks of being awarded the bid if no replacement is needed.

ARTICLE 13 - GRIEVANCE AND ARBITRATION PROCEDURE

Section 1.

The Company and the Union shall make a good faith effort to settle promptly any violation of this Agreement.

Section 2.

In the event a dispute arises over the interpretation, or application of this Agreement, the employee or the Union should take up this dispute with his/her Supervisor for adjustment, within five (5) calendar days after the occurrence of the incident of the violation. If the employee or the Union feels the contract violation has not been solved to his/her satisfaction and he/she desires to make a grievance, the grievance must be reduced to writing and submitted (Section 3, Step 1) within five (5) calendar days of the incident mentioned above. Having been submitted, the grievance will be dealt with as prescribed below:

Section 3. Grievance Procedure

Step 1. The employee should report the grievance to his/her Steward/Chief Steward These parties will meet with the employee's supervisor within ten (10) calendar days to adjust the grievance. The Company will provide an answer within fourteen (14) calendar days from the Step 1 meeting. The Union shall have five (5) calendar days following the date of the Company's written answer in which to accept the decision or appeal the grievance to Step 2.

Step 2. The grievance shall be discussed with the Company's Site Manager, or his/her designated representative, by the authorized Union Representative or his/her designee within twenty (20) calendar days of the conclusion of Step 1. The Site Manager, or his/her designated representative, shall discuss the grievance with the authorized Union Representative or his/her designee and endeavor to settle it. The Company shall provide an answer within fourteen (14) calendar days from the Step 2 meeting. The Union shall have ten (10) calendar days following the date of the Company's written answer in which to accept the decision or appeal the grievance to arbitration.

Section 4. Arbitration Procedure

Either party may request the Federal Mediation and Conciliation Service to provide a list of seven (7) names of arbitrators available to hear and determine the grievance, in accordance with the rules of Federal Mediation and Conciliation Service. The nominees must be a member of the National Academy of Arbitrators. A request for arbitration shall be submitted not later than ten (10) calendar days following the Company's written answer in the last step of the Grievance Procedure in this article. The arbitrator shall be selected by alternate striking of the names, until one remains. The Union shall strike first. The arbitrator shall have no authority to add to, subtract from, alter or amend any of the provisions of this Agreement.

The decision of the arbitrator shall be final and binding upon the parties to this Agreement and the employees covered hereby.

The fee and the expenses of the arbitrator and the cost associated with the hearing room shall be borne one-half (1/2) by the Company and one-half (1/2) by the Union.

Section 5.

Any of the time periods in this article may be extended by mutual agreement of the Company and the Union.

ARTICLE 14 - DISCHARGE

The Company shall not discharge any employee without just cause.

ARTICLE 15 - HOURS OF WORK

Section 1.

The normal work week for all regular full-time hourly employees shall consist of any five (5), eight (8) hour days Sunday through Saturday.

The normal work week for regular full-time non hourly employees shall consist of any five (5) days Sunday through Saturday.

Section 2.

The Company will post the current start times and designated days off on the jobs board.

ARTICLE 16 - LIMITATION OF WORK BY SUPERVISORS

A supervisor shall not perform work exclusively reserved to the bargaining unit except in the event of emergencies, for the purposes of instruction or training or where employees are absent, or in any situations where there are lack of available bargaining unit employees.

ARTICLE 17 – WAGES

Lancaster Daily Trip Pay Sheet - Effective August 11th, 2024

Name:
Tractor #:
Start Time:

Date:
Base Location(Circle One): Lancaster / Conroe / Houston
End Time:

Trip	# of Runs	New Trip Pay
Pre / Post Trip		15.05
Detention		14.77
Meeting- Notes Required		22.30
Crown /PACTIV (Stop off)		25.75
Sunnyvale Relay		40.04
Lancaster-Westport FT Worth		77.25
Gatorade-Chalk Hill		23.47
Lancaster-Chalk Hill		39.28
Gatorade-Lancaster		36.15
Gatorade Bottles		54.01
Dunnage (Plastipak Only)		11.74
Lancaster-Power Packaging		49.36
Gatorade-Power Packaging		48.22
Mesquite-Chalk Hill		41.08
Mesquite-Lancaster		44.08
Mesquite-Gatorade		44.08
West Rock Mesquite- Lancaster		42.97
West Rock- Power (Grand Prairie)		60.28
West Rock- Gatorade		60.28
Lancaster-PBC Ft Worth		60.28
Lancaster - Target Midlothian		54.59
CHEP Pallets (Ft Worth)		36.15
Mesquite - Refresco Ft Worth		51.50
Ball Refresco		52.53
DART-Mclane		63.04
DART-FT Worth		70.04

** First 30 Minutes at each Stop is deducted from the total. No notes, no pay.*

World Wide Flavors		28.17
Lancaster-Pepsi Grand Prairie		48.62
Lancaster-Gatorade-Pepsi Grand Prairie		51.48
Lancaster-Chalk Hill-Pepsi Grand Prairie		51.48
Lancaster-Mesquite-Pepsi Grand Prairie		57.19
Lancaster-Pepsi Arlington		45.76
Lancaster-Gatorade-Pepsi Arlington		51.48
Lancaster-Chalk Hill-Pepsi Arlington		48.62
Lancaster-Mesquite-Pepsi Arlington		57.19

Current Mileage Rate: 0.5727		
Run	Miles	New Trip Pay
Lancaster-Abilene	374	214.20
Lancaster-Abilene w/ Corsicana Backhaul	502	287.50
Mesquite-Abilene	406	232.52
Lancaster-Austin	360	206.19
Mesquite-Austin	399	228.52
Lancaster-Austin-Crown-Lancaster	525	300.68
Lancaster-Conroe	388	222.22
Gatorade-Conroe	408	233.68
Mesquite-Conroe	423	242.27
Conroe-Gatorade-Houston-Conroe	526	301.25
Lancaster-Hallettsville	492	281.78
Lancaster-Houston	484	277.20
Gatorade-Houston	503	288.08
Mesquite-Houston	517	296.10
Lancaster-Houston w/ CHEP Backhaul	509	291.52
Gatorade-Houston w/ CHEP Backhaul	528	302.40
Lancaster-San Antonio	516	295.53
Lancaster-Tyler	199	113.97
Lancaster-Waco	175	100.23
Other:	Miles	

Empty Trailer Moves/ Load Already Dispatched		
Example: LANCASTER / MESQUITE	1 meeting + 22 miles	
/	1 meeting + _____ miles	
/	1 meeting + _____ miles	
/	1 meeting + _____ miles	
/	1 meeting + _____ miles	
/	1 meeting + _____ miles	
/	1 meeting + _____ miles	
/	1 meeting + _____ miles	
/	1 meeting + _____ miles	
/	1 meeting + _____ miles	
Pending manager approval. If trip run is less, that is what will be paid.		

Comments and Meeting Detail:						
Detention	Start Time	Stop Time	Total	Deduction	Total Paid Time	Comments
Example:	1:00pm	3:30pm	2.5	-30 minutes =	2	Live unload in Houston.
Delay #1				-30 minutes =		
Delay #2				-30 minutes =		
Delay #3				-30 minutes =		
Delay #4				-30 minutes =		
Delay #5				-30 minutes =		

Signature:

ARTICLE 18 - DAILY GUARANTEE

Section 1.

Employees who have reported to work shall be provided with a minimum of six (6) hours of work or pay in lieu of work if they are regularly scheduled for twelve (12) hours, or with a minimum of four (4) hours of work or pay in lieu of work if they are regularly scheduled for eight (8) hours. The Daily Guarantee provision shall not apply if the cessation of operations is due to weather, public utility failures, major equipment breakdowns, or "act of God".

Section 2.

Rate of pay for the Daily Guarantee shall be the rate of pay for Training/Meeting.

ARTICLE 19 - VACATION

All employees covered by this Agreement, will accrue vacation days based on their years of service from the date of last hire. Vacation is accrued over the course of the calendar year with every full month of service. The rate of accrual is determined by equally dividing the number of vacation days allotted that year by twelve (12) months. Vacations reset on January 1st of each year and are eligible for use until December 31st of each year.

Completed Years of Service (from last hire date) (Based on anniversary date in the upcoming year)	Eligible Vacation Time
Year of Hire	1 week/5 days/40 hours accrued over the course of the year if hired between January 1 and May 31 0 weeks if hired on or after June 1
1 - 2 Years	1 week/5 days/40 hours accrued over the course of the year
3 - 7 Years	2 weeks/10 days/80 hours accrued over the course of the year
8 -11 Years	3 weeks/15 days/120 hours accrued over the course of the year
12 or more Years	4 weeks/20 days/160 hours accrued over the course of the year

Employees (as of contract ratification date) that are receiving more vacation time than the above, will not see a reduction in their current vacation time, however they will follow the above completed years of service for additional vacation time going forward.

A vacation week shall be five (5) consecutive workdays. However, an employee may elect to take one (1) week of vacation a single day at a time. Single day vacations can be requested after the completion of the vacation bidding process and can be utilized only for regularly scheduled days. Request for single vacation days must be made at least two (2) weeks in advance and is subject to management approval. Any changes to vacation days must be given at least two (2) weeks in advance and are subject to management approval. In case of emergency, employees must submit a single day vacation request at least twenty-four (24) hours prior to the start of their scheduled

shift. Such requests will be reviewed on a case by case basis and is subject to management approval.

Vacations shall be allocated by bid based on departmental seniority. Vacation bidding will begin November 1 and will be completed by November 30. The Company will post a vacation-planning calendar in a location accessible to all Transport Drivers indicating the number of drivers permitted to be on vacation each week. Vacations will be scheduled in seniority order on a one week at a time basis. All approved vacations will be posted by January 1. Vacations request made after January 1st will be reviewed and approved on a first come first serve basis.

Unused vacations will not be cashed out or carried over from year to year. If an employee who is entitled to a vacation shall leave the service of the Company, he/she is entitled to be paid for any prorated vacation accrued but unused as of the termination/retirement date. Vacation will be prorated for every full month of service completed and is determined by equally dividing the number of vacation days allotted that year by twelve (12) months.

Non-hourly employees vacation pay shall be compensated at his/her average rate of pay (ARP) up to eight (8) hours per day / forty (40) hours per week. Non-hourly employees within their first year shall be compensated at the hourly rate of \$25. Hourly employees will be calculated on the basis of eight (8) hours per day / forty (40) hours per week times their hourly rate of pay.

Employees will not be forced to take any unused vacation in the event of layoff or shutdown.

ARTICLE 20 - HOLIDAYS

Employees will be given New Year's Day, Martin Luther King Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day as paid holidays. These holidays shall be observed on the day they occur and if the holiday occurs on the weekend then the holiday may be observed the following Monday.

Employees will also be given two (2) floating holidays. The Floating Holidays must be scheduled with one (1) week advanced notice and management approval. Employees with less than one (1) year of service will be eligible for floating holiday after completion of their ninety (90) day probationary period as outlined below:

- Hired between January 1 and March 31: 2 days
- Hired between April 1 and July 31: 1 day
- Hired between August 1 and December 31: 0 days

To be eligible for holiday pay, employees must have completed their probationary period. Non-hourly employees Holiday pay shall be compensated at his/her average rate of pay (ARP) up to eight (8) hours per day / forty (40) hours per week. Non-hourly employees within their first year shall be compensated at the hourly rate of \$25. Hourly employees will be calculated on the basis of eight (8) hours per day / forty (40) hours per week times their hourly rate of pay.

In order to receive holiday pay, the employee must complete their entire scheduled shift/assignment both the day before and the day immediately following the holiday. If the holiday falls immediately before, after, or during your vacation, this attendance requirement will consist of completing your entire shift/assignment on the appropriate scheduled/assigned day of work relative to your scheduled vacation. Payment for the vacation week will consist of four days paid

as vacation and one day paid as a holiday. The fifth day of vacation may be used at a later date. At no time will holiday pay and vacation pay be received for the same day.

If an employee is required to work on any of the holidays, his/her weekly pay will include the holiday pay in addition to pay for the actual work performed on the holiday.

Any employee drawing Worker's Compensation, Short Term Disability or any other approved leave when a holiday occurs shall not be eligible for any holiday pay.

ARTICLE 21 - FLEX DAYS

Flex Days are defined as time away from work because of an employee illness or injury and other scheduled absences approved by management with at least minimum forty-eight (48) hours advanced notice.

At the beginning of the calendar year, all employees with more than one (1) year of service will be eligible for five (5) flex days with pay. Employees with less than one (1) year of service will be eligible for prorated flex days after six (6) months of service as outlined below:

- Hired in January: 5 days
- Hired in February: 4 days
- Hired in March: 3 days
- Hired in April: 2 days
- Hired in May: 1 day
- Hired between June 1 and December 31: 0 days

Unused flex days will be paid out in the employee's paycheck in the month of December of the calendar year. Any flex days taken after payment has been received (the remaining weeks of December) the employee will return the overpayment. Unused flex days are not cashed out upon a separation of employment.

Flex days will be paid in increments of eight (8) hours for all employees. Non-Hourly employees flex days shall be compensated at his/her average rate of pay (ARP). Non-Hourly employees within their first year shall be compensated at the hourly rate of \$25. Hourly employees will be calculated on the basis of eight (8) hours per day / forty (40) hours per week times their hourly rate of pay.

ARTICLE 22 - FUNERAL LEAVE

After completion of the probationary period, an employee may be absent from work for up to a maximum of three (3) consecutive days to make arrangements for and to attend the funeral in the event of death of an employee's immediate family (the employee's parents, spouse, child(ren), brother(s), sister(s), father-in-law, mother-in-law, grandparent, sister-in-law, brother-in-law, stepparent, stepchild and domestic partner).

Non-hourly employees shall be compensated at his/her average rate of pay (ARP) for each such working day lost. Non-hourly employees within their first year shall be compensated at the hourly rate of \$25. Hourly employees will be calculated on the basis of eight (8) hours per day / forty (40) hours per week times their hourly rate of pay.

If a service is held out-of-state in which the employee lives/works, he/she may request up to two additional unpaid days off. To receive additional unpaid time off, approval must be given by both the individual's supervisor and the Human Resource Manager prior to taking the time off.

ARTICLE 23 - JURY DUTY

Should an employee be required to serve as a juror, the Company shall allow use of paid flex days with a minimum of forty-eight (48) hour notice. An employee who is subpoenaed to serve as a juror shall submit his summons to the Company not later than the third (3rd) day after receiving same. After being discharged as a juror, the employee shall submit to the Company on the next regular work day a statement issued by the Court showing the date of discharge.

ARTICLE 24 - HEALTH AND WELFARE

The Company shall provide health and welfare benefit programs affording certain benefits to employees covered by this agreement meeting the eligibility requirements of the program and certain benefits to their eligible dependents as set forth in the benefit program's official documents. Such program and/or benefits are subject to change. Each year, the Company will determine the employee contributions, benefit levels and plan design for the health and welfare programs offered. The Union can request to see such details prior to open enrollment.

The addition or change to any employee wellness program shall be solely determined by the Company.

Employees must make employee contributions for applicable benefit coverage that continues during any approved leave of absence. If the employee fails to make any employee contributions, the Company may terminate the applicable benefit coverage based on the terms of the official documents.

Short Term Disability (STD) will be paid at a rate of:

- August 30, 2024: \$505.00
- August 30, 2025: \$525.00
- August 30, 2026: \$550.00
- August 30, 2027: \$575.00

per week for eligible employees up to a maximum of twenty-six (26) weeks.

The manner in which benefits will be provided shall be solely a matter of Company discretion. This includes whether any health and welfare benefit is insured or self-insured, pre-funded through a trust, the carrier or third party administrator who administers the benefit and any other design, term, condition or procedural aspect related thereto.

It is explicitly understood and agreed that the specific health and welfare benefits provided, the costs of benefits to the employee (including any employee wellness program), how the benefit is administered or whether it is insured and who administers or insurers the benefit may change periodically with no obligation on the parties to bargain such changes.

ARTICLE 25 - PENSION AND 401(k)

Employees will continue to be eligible for the Account Balance Program. The Account Balance Program is a defined benefit program that provides participating employees with a retirement benefit in the form of an account balance that is increased by “pay credits” and “interest credits.”

- Pay Credits –
 - For eligible active employees with less than ten (10) years of service with the Company: the account balance of these eligible employees will be credited with an amount equal to 4% of their eligible compensation
 - For eligible active employees with ten (10) or more years of service with the Company: the account balance of these eligible employees will be credited with an amount equal to 5% of their eligible compensation
- Effective January 1, 2021, Pay Credits will be as follows:
 - For eligible active employees with less than five (5) years of service with the Company: the account balance of these eligible employees will be credited with an amount equal to 6% of their eligible compensation.
 - For eligible active employees who have five (5) but less than ten (10) years of service with the Company: the account balance of these eligible employees will be credited with an amount equal to 7% of their eligible compensation.
 - For eligible active employees with ten (10) or more years of service with the Company: the account balance of these eligible employees will be credited with an amount equal to 8% of their eligible compensation.
- Interest Credits – A participant's account balance will be increased by an annual interest credit based on the account balance at the end of the prior calendar year equal to the rate of interest on 30-year US Treasury bonds on the measurement date defined in the program document. The method of crediting interest may be amended by PepsiCo from time to time.

Eligible employees covered by this agreement are eligible to participate in the PepsiCo 401(k) Program without Company matching contributions. Participation under the 401(k) Program is subject to the standard plan provisions.

ARTICLE 26 - UNIFORMS

All employees shall wear a standard Pepsi uniform as prescribed by the Employer. Uniforms issued by the Company shall become the property of the Employer and must be turned in upon termination of employment. The employees shall be required to maintain the uniforms in a neat and clean manner.

1. Uniform allowance shall be provided from an approved vendor up to \$150.00 after completing the probationary period and every anniversary date thereafter. All employees shall be responsible to return all Pepsi property (or its equivalent monetary value), including uniforms, to the Company upon termination of his/her employment.

2. Employees are eligible to order one (1) pair of Safety Shoes from a Company approved vendor after completing the probationary period and every anniversary date thereafter through the preferred vendor website.

ARTICLE 27 - LEAVE OF ABSENCE

Section 1. Personal Leaves of Absence

An employee may take a personal leave of absence without pay for a period of up to 30 days. Any employee taking a personal leave of absence must secure written permission from the Company. Employees shall be required to exhaust their unused vacation prior to being placed on a personal leave of absence.

Section 2. Union Leave of Absence

Any employee accepting a full-time position with the Union, shall be entitled to a leave of absence for a period not to exceed the term of the collective bargaining agreement, in which the leave is granted, without pay or any fringe benefits, from the date of accepting such positions, during which time he/she shall retain and accumulate seniority.

ARTICLE 28 - UNION BULLETIN BOARD

The Company will provide a bulletin board in the facility so the Union may post notices relating to meeting, elections, appointments and educational, professional or recreational programs, as necessary for conducting Union business.

ARTICLE 29 - NEW TECHNOLOGY & BUSINESS PROCESSES

PepsiCo is constantly evaluating improvements in the manner in which it utilizes technology to operate its business as well as to make important information available/accessible to its employees. Advances in the information technology field have already provided and, we believe will continue to provide opportunities to streamline many areas of our business. To focus its efforts, PepsiCo has initiated a corporate-wide effort to utilize SAP. Several project teams have been commissioned to review certain technological and procedural advances that may provide for more efficient and effective practices in payroll procedures, accessibility of benefit information, management of personnel-related procedures, and other information-laden processes. These changes may result in new or different procedures either utilized by the company or required for employees. The Company shall have the right to implement such changes as part of this on-going effort. It is agreed that any implemented changes will not have an adverse economic impact on employees. When such changes are brought to our attention, we will work together with the Union to plan and coordinate the implementation of these technological improvements in our operation and jointly educate our workforce in their use and application. In doing so, the parties are committed to resolving any issues that might surface that impact the workforce, implementation timelines, and previously accepted practices and procedures.

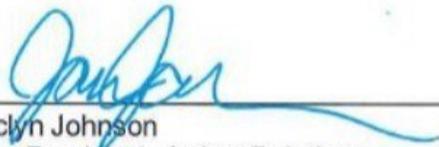
ARTICLE 30 - DURATION

This Agreement shall be and remain in full force and effect from the date hereof until midnight August 31, 2028; and shall continue in effect from year to year thereafter unless notice in writing shall be given by either party to this Agreement to the other party not more than ninety (90) nor less than sixty (60) calendar days prior to August 31, 2028; or any anniversary date thereafter of the desire to amend, modify or terminate this Agreement.

IN WITNESS THEREOF, the parties execute this Agreement.

FOR THE COMPANY:

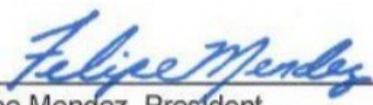
PepsiCo Beverages North America

BY: 

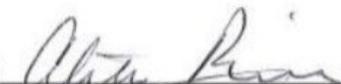
Jaclyn Johnson
Vice President - Labor Relations

FOR THE UNION:

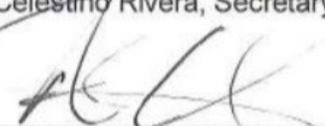
**United Food & Commercial Workers Union,
Local 540, AFL-CIO**

BY: 

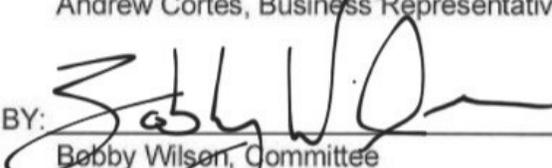
Felipe Mendez, President

BY: 

Celestino Rivera, Secretary Treasurer

BY: 

Andrew Cortes, Business Representative

BY: 

Bobby Wilson, Committee

BY: 

Mathew Hasty, Committee