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## **AGREEMENT**

THIS AGREEMENT entered into this 1st day of May 2023 by and between SVC Manufacturing, Inc., Dallas, Texas processing plant, an indirect subsidiary of The Quaker Oats Company, hereinafter referred to as the "Company", and the United Food & Commercial Workers International Union & CLC, Local 540, hereinafter referred to as the "Union". The Company and the Union agree that the contract effective date will be May 1, 2023 through May 1, 2027.

The parties to this Agreement desiring to promote harmony and cooperation between them and to ensure the most efficient operation of the Company's plant hereby mutually agree as follows:

### **Article 1 - Recognition**

**1.1** The Company recognizes the Union as the sole collective bargaining agency as to rates of pay, wages, hours of employment, and all other conditions of employment of the employees covered by this Agreement, namely, all regular hourly-paid production workers, maintenance employees and warehouse employees; but, excludes recognition of the Union for all over-the-road truck drivers, city truck drivers, automotive mechanics, salaried employees, office and clerical employees, sales employees, laboratory employees and all supervisory employees as defined in the National Labor Relations Act of 1947, as amended.

### **Article 2 - Check Off**

**2.1** The Company agrees to deduct weekly from the earnings of its employees covered by this Agreement who have signed individual authorization cards supplied by the Union, those prescribed uniform initiation fees and dues or Representation Fees, and to remit same to the duly designated officer of the Union; provided, however, that said authorization may be revoked by the employee in accordance with the law applicable.

**2.2** The employer will deduct from its employees, who have certified in writing authorization to do so, a uniform

political deduction on a weekly basis, and forward such deduction by separate check to the officers of UFCW Local 540.

### **Article 3 - Management Rights**

**3.1** The management of the Plant and the direction of the working forces including the right to hire, suspend or discharge for just cause, or transfer, enlarge, combine, decrease, divide or rearrange departments, and the right to relieve employees from duty because of lack of work or other legitimate reasons, or to close operations completely, designate the type of product to be manufactured, where it will be manufactured, production scheduled and methods, processes and means of manufacturing are vested exclusively in the Company provided this will not be used for the purpose of discrimination against any member of the Union or be contrary to any other provision of this Agreement.

### **Article 4 - No Strike. No Lockout**

**4.1** There will be no strikes, work stoppages, picket lines, slow downs, secondary boycotts or other concerted activity by the employees; and, there will be no lockouts by the Company for the duration of this agreement.

**4.2** Any employee who participates in or promotes a strike, work stoppage, picket line, slow down, secondary boycott or other concerted activity 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.

### **Article 5 – Limitation of Production Work By Supervisor**

**5.1** Employees excluded from the bargaining unit defined in Article I of this Agreement shall not perform work of employees covered by this Agreement, except for purposes of instructing employees or in cases of emergency; but, in no event will employees of the unit thereby suffer loss of any working time or regular earnings.

## **Article 6 - Non-Discrimination**

**6.1** 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, military service during the veteran status, disability as defined by the American Disability Act, and with regard to all applicable Federal and/or State Laws.

**6.2** Where the masculine or feminine gender is used in any job title or in any provisions in 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 7 - Seniority**

**7.1** Effective September 1, 2017, all new employees shall be regarded as probationary until they have completed 720 working hours and shall not during such period be placed on the seniority list. If the employee qualifies at the end of the probationary period, his or her name shall be entered on the seniority list as of the date of his or her last hire.

**7.2** Plant-wide seniority shall prevail, except as herein-after provided, in all recalls and job bidding provided the employee is qualified as to fitness and ability to do the work. Department seniority will prevail in all reductions of force. In the event of a reduction of force, the Company will solicit the most senior affected employee for voluntary layoff. If the employee declines, employees shall be reduced in reverse order of seniority. An employee's departmental seniority date is equal to his/her plantwide seniority date.

**7.3** In the event of a reduction of force for a full work shift or more, the Company will solicit the most senior affected employee for voluntary layoff. If the employee declines, employees shall be reduced from the classification and department on the shift where the reduction is necessary, in reverse order of seniority, assuming the remaining employees can perform the work. An employee so displaced will be

assigned work as follows: reverse order of seniority, assuming the remaining employees can perform the work. An employee so displaced will be assigned work as follows:

1. Assigned to available work on that shift in the plant, if qualified, and be paid at the straight time rate of the job he or she is displaced from for the remainder of the week.
2. If no work is available on the shift in the plant, the employee would then displace the least senior employee on the shift within the plant on work he or she is qualified to do and be paid at the straight time rate of the job he or she is displaced from for the remainder of the week.
3. In the event there is no less senior employee on that shift, he/she will displace the least senior employee on the subsequent shift on a job he/she is qualified to perform within the plant. The employee would be paid at the rate of pay of the job he/she displaces into.
4. In the event there is no less senior employee on that subsequent shift, he/she will displace the least senior employee in the plant on a job he/she is qualified to perform within the plant. The employee would be paid at the rate of pay of the job he/she displaces into.

These employees who are not on their shift preference (bid shift) will try to displace into Steps 1 and 2 above and be paid the rate of pay of the job he/she displaces into. In the event there is no less senior employee on the shift to displace, the employee would remain on the job he/she displaced into the prior week and be paid at that rate.

**7.4** In recalling employees to work from layoff, the Company will attempt to contact the laid off employees by telephone at the telephone number provided by the employee, these calls will be documented. In the event the employee to be recalled cannot be contacted by telephone, the Company may continue down the seniority list until an adequate crew is obtained to fill the Company's production schedule. The employees whom the Company were unable to contact by telephone will be notified of their recall by mailgram. When the employees who have

received their recall by mailgram report within one (1) week, they will be assigned in accordance with the usual application of seniority upon recall. The above pertains to a daily schedule process.

Mailgrams will not be used in cases where the Company schedules employees on a weekly basis. In this instance, employees will be responsible for calling the Company on a weekly basis to receive information regarding their work schedules.

**7.5** Seniority shall be lost for the following causes:

a. Voluntary quitting;

b. Discharge by the Company for just cause;

c. Layoff of twelve (12) consecutive months;

d. Failure to return to work after layoff with one (1) week after notification by the Company by certified mail or telephone at the employee's last known address;

e. Missing a total of twelve (12) months in any twenty-four (24) month period, excluding layoff time and worker's compensation related injury time, due to an injury or illness unless such period is extended by mutual agreement between the Company and the Union;

f. Absence for two (2) consecutive days without permission or proper notification to the Company; and/or,

g. Failure to return to work at the expiration of an authorized leave of absence.

**7.6** All employees shall keep the Personnel Department of the Plant advised of their correct address and telephone number.

**7.7** A copy of any posted vacancy will be sent electronically to the Local Union.

**7.8** The Company agrees to electronically provide to the Union each month a list of names of the employees added, terminated, laid off, or on leaves of absence in the prior month. The Company agrees to electronically provide to the Union, upon request, a list of employees, dates of hire, job titles, rates of pay, employee company identification number, clock number, address, and the last 4 digits of the social security number. On a quarterly basis, the Company will post in a conspicuous location, a seniority list showing the name, clock number, seniority date and job classification of employee.

### **Shift Preference**

**7.9** Employees shall be given the opportunity to express their first and second choice of shifts within their job classification on September 1 of year 1 for a three-year contract, or, September 1 of year 1 and September 1 of year 3 for a four-year contract, ensuring the employees are fully trained across their classification. Insofar as practical, employees will be assigned shifts according to the employee's choice, seniority and ability to do the available job, excluding worker's compensation related injury time. If no work is available within an employee's classification on his preferred shift, he will be reassigned within his classification to the shift to which his seniority entitles him. The foregoing does not in any manner prohibit the transfer of an employee from one shift to another to compensate for shortages of adequately trained manpower.

### **Job Posting**

**7.10** When permanent vacancies occur in classification in Bracket I through VII, the job shall be posted on the Plant Bulletin Board for a minimum of three (3) working days. The posting shall set forth the job title, rate of pay, department and shift where the vacancy exists; and, any special requirements (including skills or physical qualifications) necessary to perform the job. All seniority employees may bid if they are not on any extended leave (subject to the Company's discretion) and do not have an active third (3rd) step of discipline. Employee(s) selected for the job will be given up to thirty (30) work days qualifying period on the job for the specific purpose of training, and may be retained,

at the option of the Company, during a reduction of force on the job during the qualification period. Such period may be extended by mutual agreement by the parties. In order to train employees in advance for known vacancies at a future date, the Company will post such known vacancies in advance of the job's actual existence. This shall include a posting to fill a vacancy up to sixty (60) days in advance of an employee's official retirement date. Should such advance posting be considered by the Company, the Union shall be notified, electronically, prior to the advance posting. In the case of retirement, the bid will be processed in accordance with the bidding procedure and upon acceptance of the job, the employee will then be permanently transferred to the job. Should the job or retirement not materialize as planned, the employee shall return to his previous job or department.

Employees who successfully bid into a higher paying classification will be moved to the job within fifteen (15) calendar days from the award or, if not moved, will be compensated at the rate of pay for the new job. Exclusive of lateral and downward bids.

The parties recognize the following departments:

Production  
Warehouse/Distribution  
Maintenance

**7.11** During the period the vacancy is posted, the Company may fill the vacancy without regard to seniority.

**7.12** If no one bids on the posted job within the three (3) working day limit, then the Company is free to fill the job from any source. If the vacancy is filled by permanent transfer, it will be filled by the least senior General Labor classification employee who is capable of performing the work.

**7.13** In order that a successful bidder for a permanent job not relinquish his right to the job from which he bid before he has qualified on the new job, he shall, if determined not to be qualified during the first thirty (30) work days on the new job, in the presence of a Union Steward if requested,

be advised of such disqualification and the reason therefore and shall be returned to his immediate former job.

**7.14** When a temporary vacancy occurs in classifications in Brackets I through VII for less than or greater than sixty (60) calendar days, the Company will, for seventy-two (72) hours, post a notification in the plant. At the request of a Steward, the Company will make this list available for review. The most senior qualified employee who can immediately perform the job within the plant and signs will be moved to this vacancy. If no qualified employee within the plant signs the list the Company will, when insofar as practical, fill this vacancy from the General Labor classification. If it is not practical to assign a General Laborer, the Company may assign the least senior qualified employee on that shift. This employee will return to their previous shift and position when this temporary vacancy ends.

Any vacancy created by the filling of a temporary vacancy in accordance with this Section may be filled by the Company, when so far as practical, within the General Laborer classification. If it is not practical to assign a General Laborer, the Company may assign the least senior qualified employee on that shift.

**7.15** Employees, if otherwise qualified, may bid up two (2) times, and down or laterally once in a twelve (12) month period. Employees may bid up after at least six (6) months in their current classification. It is understood that the twelve (12) month period begins from the date of the award and that temporary bids are excluded. It is understood that the six (6) month period begins from the date of the award. Employees that are subject to the Schedule "A" wage progression will be exempt from the six (6) month bid restriction, if by seniority the employee is able to bid on a classification within Bracket I.A. – IV.A-1.

**7.16 Operator Training.** After a successful bid has taken place on a previous vacancy the company and the Union will agree on a start date for training for successful bidder. Trainers will be selected by mutual agreement based on experience and skill. This is not a bid position. A trainer, trainee, line supervisor and Union Representative shall

follow the process of training from beginning to end and sign off by earlier described parties, and the parties shall meet weekly until process has ended or up to 240 hours of training is finished, or such period may be extended by mutual agreement by the parties. Once the Company's completed operator qualification form has been signed by the trainer, trainee, line supervisor and Union representative, the Trainer will receive an additional \$150 in a subsequent paycheck.

**7.17** The fifth (5th) vacancy created because of four (4) consecutive job placements may be filled with employees who do not currently hold a bid job or a new hire, with the exception of Bracket III, which is excluded.

## **Article 8 - Hours, Overtime and Holidays**

**8.1** The purpose of this Article is to outline the normal hours of work and to provide the basis for computing overtime payments; and, shall not be construed as a guarantee of, or limitation on, hours of work per day, per week or per year.

### **Hours of Work**

**8.2** The work week shall start at 12:01 am., Monday (Sunday midnight); however, the Company reserves the right to change the work week, the starting times and hours of work as may be necessary. All hours worked on any shift that begins at or before midnight shall be considered as belonging to the day in which such shift begins.

### **Overtime Premium Pay**

**8.3** Premiums will be paid for hours worked by employees as follows:

- a. Time and one-half (1½) for all hours worked over eight (8) in any one day;
- b. Time and one-half (1½) for all hours worked over forty (40) hours in any one week;
- c. Time and one-half (1½) for all hours worked on Saturday except when Saturday is part of a regularly scheduled work week; and,
- d. Double time (2) for all hours worked on Sunday except

when Sunday is part of a regularly scheduled work week.

Provided, however, that in order for an employee to qualify for premium pay under 8.3c and/or 8.3d, he must work all available hours in the work week in which the Saturday and/or Sunday occurs unless excused by the Company to attend a funeral as defined in Article XV, Jury Duty, Military Duty, or official Union business.

### **Continuous Operations / Alternative Work Schedules**

In order to support the possibility of future business growth, the Company needs the flexibility to implement a continuous operations schedule at the Dallas facility.

The Union understands that a change in production needs will require the addition of a continuous operations schedule, which may result in changes to the workweek, shifts, and starting times. If a continuous operations schedule is needed the Company agrees to meet with the Union at least 30 days in advance. Likewise, should the Company discontinue use of a continuous operations schedule it will provide a minimum of two (2) weeks notice to the Union. It is understood that the Company may continue to utilize an alternative work schedule on Line 1, Line 4, and Line 2. In addition, on or after June 1, 2016 the Company may utilize an alternative work schedule on Line 5. In addition, on or after May 1, 2023, the Company may utilize an alternative schedule on Line 3. It is further understood that in the event an additional production line is added to the Dallas Gatorade operation, the Company can also determine to operate this line utilizing an alternative work schedule, on or after June 1, 2016. The company can select from the following scheduling options:

#### **Consecutive 8 hour shifts:**

- All work performed on the sixth (6th) consecutive work-day will be paid at the rate of one and one-half times (1 ½) the straight-time rate of pay.
- All work performed on the seventh (7th) consecutive workday will be paid at the rate of two times (2X) the straight-time pay rate of pay.

- Provided, the employee has worked all available hours in the workweek unless excused by the Company to attend a Funeral as defined in Article XV, Jury Duty, Military Duty, or official Union Business.

### **12 Hour Shifts:**

- All work performed up to 12 hours on a shift will be paid at the straight time rate of pay, up to 40 hours in any pay week. All work performed in excess of 40 hours will be paid at the rate of one and one-half times (1 ½) the straight-time rate of pay.
- All work performed in excess of 12 hours on a shift will be paid at the rate of one and one-half times (1 ½) the straight-time rate of pay.
- All work performed on the sixth (6th) consecutive work-day will be paid at the rate of two times (2X) the straight-time rate of pay.
- At the September 2014 Shift Preference selection (under Article 7.8) employees on Continuous Operations will be given the opportunity to choose between the current 12 hour shift schedule and an alternative 6/6/6/12/12 hour schedule and the majority will determine the schedule to be utilized. If the 6/6/6/12/12 hour schedule is selected it will become effective when Line 2 transitions to continuous operations. It is understood that whichever schedule is selected, all 3 continuous operation lines will be on that same schedule.

Staffing of the continuous operations schedule will be handled by seniority in the process mutually determined by the Company and the Union. That is, the senior employees will have the opportunity to select the continuous operations schedule. Consequently, the junior employees will be assigned to this schedule if necessary.

**8.4** Time and one-half (1½) will be paid for all hours worked by all employees on the following holidays (in addition to holiday pay):

New Year's Day

Labor Day

Martin Luther King, Jr. Day

Thanksgiving Day

Good Friday  
Juneteenth \*  
Memorial Day  
Independence Day

Day after Thanksgiving  
Day before Christmas  
Christmas Day  
New Year's Eve

\* Effective January 1, 2024, Juneteenth will be considered a paid Holiday.

Employees who are scheduled to work a regular 12-hour shift will be paid accordingly in the event a holiday falls on their regularly scheduled workday. If the holiday falls on their day off, the employee will receive 8-hours of holiday pay. If a holiday falls on their regularly scheduled workday and the Company shuts down operations for the holiday, employees who are scheduled on a 12-hour shift will receive 12-hours of holiday pay at the straight-time rate.

**8.5** The Company will give as much notice as is possible to employees required to work overtime; however, it must be recognized that it is not always possible to give prior notice, or at the very best, very short notice in some cases.

The Company will post a notice of overtime work requirements for Saturday and Sunday overtime. Employees desiring the overtime work assignments may so indicate by confirming at the kiosk. Assignments of this overtime will be made based on Plantwide seniority from qualified employees within the classification who have confirmed at the kiosk and are qualified to perform the work. If there is not a sufficient number of classified employees who have confirmed at the kiosk, then the senior qualified employee Plantwide who has confirmed at the kiosk and is qualified to perform the work will be allowed the overtime. In the event there is not a sufficient number of employees who have confirmed at the kiosk, the Company may assign the least senior employee within the classification and department who is capable of performing the work. In the event, that the kiosk is not functioning, signing up for overtime work would default back to signing up on paper lists. At the request of a Union Steward the information will be made available for review. However, nothing in this section is to be construed as providing the employee the right to refuse an assignment of the Company.

Daily overtime will be offered in order of seniority within the classification within the department in which overtime occurs. If no one accepts such overtime, the least senior employee working in the classification within the department will be assigned to work the overtime. The above will not apply to overtime of two (2) hours or less in duration. To be eligible to work overtime, employees must sign the daily overtime list within one (1) hour of the start of their normal shift.

**8.6** Paid holidays not worked falling within the work week, Monday through Friday, will be counted as time worked for the purpose of computing weekly overtime.

**8.7** Pay for overtime hours will be based on the effective rate for the job actually performed. Both daily and weekly overtime will not be paid for the same hours worked. Employees shall be paid which ever is greater, but not both.

### **Pay For Holidays Not Worked**

**8.8** Each employee covered by this Agreement will be paid for eight (8) hours at his straight time hourly day rate, exclusive of overtime premium, for the following holidays:

New Year's Day	Labor Day
Martin Luther King, Jr. Day	Thanksgiving Day
Good Friday	Day after Thanksgiving
Juneteenth *	Day before Christmas
Memorial Day	Christmas Day
Independence Day	New Year's Eve

\* Effective January 1, 2024, Juneteenth will be considered a paid Holiday.

When no work is performed thereon, provided:

The employee must have worked his last scheduled work day before the holiday and the first scheduled work day after the holiday (unless on an excused absence or tardy); or, his/her last scheduled work day before and first scheduled work day after the holiday must fall within ninety (90) calendar days of the holiday. An excused absence will be recognized only when an employee secures permission from the

Department Manager in advance to be absent on the day before or the day after a holiday; or, shall present proof to the Company of his physical inability, due to confinement at home or in a hospital on doctor's orders, to report for work on the last scheduled work day before or the first scheduled work day following the holiday; and, further provided that such confinement commenced within the ninety (90) day period before or after the holiday.

**8.9** In the event a designated paid holiday falls on Sunday, the Monday immediately following will be observed as the holiday. In the event a designated paid holiday falls on Saturday, the Friday preceding may, at the Company's option, be observed as the holiday.

**8.10** When a paid holiday falls within an employee's vacation period, the employee will have the option to receive an additional day of vacation or pay for the holiday in lieu thereof. The employee must notify his Supervisor prior to starting his vacation if he will take the additional day(s) of vacation.

**8.11.1** 8.11.1 If called to work on the holiday, the employee must work or forfeit holiday pay unless the absence is excused.

### **Reporting Pay**

**8.12** Any employees reporting for work at his scheduled starting time, unless prior notice has been given not to report, shall receive four (4) hours of work or four (4) hours of pay (six (6) hours of work or six (6) hours of pay for employees on regular twelve (12) hour shifts) at his regular straight-time rate in lieu thereof. The reporting pay provision shall not apply if the cessation of operations is due to public utility failures or an act of God.

### **Article 9 - Wages**

**9.1** The job classifications, wage brackets and rates of pay are set forth in Schedule "A" which is attached and made a part of this Agreement.

**9.2** If any employee is upgraded temporarily to a higher classification he shall be paid at the higher classification for hours worked on the higher rated classification. Employees temporarily assigned to a lower classification, in other than a reduction of operations, shall continue to be paid at their regular classification.

**9.3** If a job is eliminated or separate jobs are combined or a new job is created, the Company will notify and supply a job description to the Union, and the Union shall have the right to negotiate wages and conditions for such new job being created or jobs being combined. Disagreements under this provision shall be subject to the grievance procedure.

**9.4** An employee assigned to work on the second or third shift shall receive an additional thirty cents (30 cents) per hour for all hours worked on such shift. Effective January 1, 2024, an employee assigned to work on the second or third shift shall receive an additional thirty-five cents (35 cents) per hour for all hours worked on such shift. Effective January 1, 2026, an employee assigned to work on the second or third shift shall receive an additional forty cents (40 cents) per hour for all hours worked on such shift.

## **Article 10 - Grievance Procedure**

**10.1** Should a difference arise between the Company and the Union - or any employee or group of employees - pertaining to the application or interpretation of the terms and condition of this Agreement, it shall be settled in accordance with the following procedure:

Step 1: Any grievance arising between an employee or employees and the Company must first be taken up by the employee or employees affected with the immediate Supervisor in the presence of a Union Steward. Both the Company and the Union encourage the resolution of a grievance at the lowest possible step. Any decision or interpretation reached and agreed to at this Step will be done on a non-precedent-setting basis.

Step 2: If a satisfactory settlement is not reached in the preceding Step, the grievance shall be reduced to writing

specifying the Article and Section of the Agreement alleged to have been violated and shall be taken up by the employee or employees affected and the Steward with the Department Manager or his designee.

Step 3: If the matter in controversy was not settled satisfactorily in the preceding Step 2, the written grievance shall be taken up by the Union Steward and the Business Representative of the Union, and the Human Resources Manager and/or his/her designated representative. The Union shall have ten (10) working days following the date of the Company's answer in which to accept the decision or appeal the grievance.

Step 4: If a settlement of the grievance was not reached in the preceding Step 3, the grievance may be referred to arbitration as hereinafter set out:

a. In case it becomes necessary to select an arbitrator, the Human Resources Manager and the Business Representative of the Union shall within five (5) working days agree upon an impartial arbitrator.

b. Should the Human Resources Manager and the Business Representative be unable to agree on an impartial arbitrator within the five (5) working day period, the parties shall jointly request the Director of the Federal Mediation and Conciliation Service to submit a panel of five (5) qualified arbitrators. The representatives of the parties shall, within five (5) working days after receipt of the panel from the Director of the Federal Mediation and Conciliation Service, select the impartial arbitrator by agreement; or failing agreement, by alternately striking names from the panel with the party requesting arbitration striking the first name.

c. The impartial arbitrator shall be empowered to rule on all disputes pertaining to the interpretation or application of this Agreement, provided however, that he shall have no power to add to, subtract from, nor modify any terms of this Agreement; nor any other agreement made supplementary hereto. Any case appealed to the impartial arbitrator on which he has no power to rule shall be turned back to the parties without decision.

d. The decisions and findings which must be reached within thirty (30) calendar days after the arbitration hearing has convened shall be final and binding upon the parties hereto; and, there shall be no strike, slow down, curtailment or interruption of operations, or lockout as a result of such decision.

e. The cost of the impartial arbitrator will be borne equally by the Company and the Union.

**10.2** Any decision or interpretation reached and agreed to as a result of the application of any one of the preceding Steps shall be binding on all parties hereto.

**10.3** Any decision on any grievance or complaint, not appealed by the employee or employees, the Union Representative, or the Company from any one of the foregoing Steps to the next Step within five (5) working days from the date of the decision (unless time limit is waived by written mutual agreement of the parties), shall be considered settled on the basis of the last decision and not subject to further appeal.

**10.4** Any grievance not answered by the Company within five (5) working days after being taken up in Steps 1 or 2 will be automatically appealed to the next Step without prejudice to the position of either party.

**10.5** All grievances to be considered must be reported and taken up with the Company within a period of five (5) working days from the date the grievance occurred.

**10.6** When it is necessary for any authorized Union Representative to leave his work for the purpose of adjusting a grievance, he shall request permission from his immediate Supervisor to do so, but shall not leave until a substitute worker is provided in his place, if necessary.

**10.7** In cases of suspension or termination, the employee or the Union shall submit a written grievance beginning with Step 3 of the grievance procedure. The Company agrees to respond to grievances in an expeditious manner and will not create any unnecessary delays in the processing of grievances and scheduling arbitrations.

## **Article 11 - Vacations**

**11.1** Employees with at least one (1) anniversary year but less than three (3) anniversary years of continuous employment with the Company, and who also meet the minimum qualifying requirements outlined in Section 11.5 of this Article, shall receive a vacation of one (1) week - forty (40) hours pay - at their regular straight time hourly rate.

**11.2** Employees with at least three (3) anniversary years but less than eight (8) anniversary years of continuous employment with the Company, and who also meet the minimum qualifying requirements outlined in Section 11.5 of this Article shall receive a vacation of two (2) weeks, eighty (80) hours pay, at their regular straight time hourly rate.

**11.3** Employees with at least eight (8) anniversary years but less than fifteen (15) anniversary years of continuous employment with the Company, and who also meet the minimum qualifying requirements outlined in Section 11.5 of this Article shall receive a vacation of three (3) weeks, one hundred twenty (120) hours pay, at their straight time hourly rate.

**11.4** Employees with at least fifteen (15) or more anniversary years of continuous employment with the Company, and who also meet the minimum qualifying requirements outlined in Section 11.5 of this Article shall receive a vacation of four (4) weeks, one hundred sixty (160) hours pay, at their regular straight time hourly rate.

**11.5** In addition to fulfilling the requirements of employment for a full anniversary year, each employee must as a further condition of vacation eligibility work a minimum of one thousand forty (1,040) hours within the prior calendar year. Any employee working less than one thousand forty (1,040) hours in a prior calendar year is not entitled to a vacation, excluding time off the active payroll due to worker's compensation related injury time.

**11.6** Continuous employment is defined as an employee's length of service since his last date of hire and shall include such time as he may have been on layoff as distinguished from termination. The continuous employment record of an employee is synonymous with the length of his seniority.

**11.7** "Anniversary Year" is defined as the calendar year of the employee's date of last hire.

**11.8** Vacation is not earned until after an anniversary year is completed even though all other conditions of vacation eligibility have been fulfilled.

**11.9** At an employee's one (1) year anniversary date, the employee will receive one (1) week of vacation to use in the balance of the calendar year in which the vacation is received.

**11.10** Vacation time may not be accumulated from year to year.

**11.11** Vacation pay will not be pro-rated. An employee either qualifies for full vacation or has failed to qualify for any vacation.

**11.12** Vacation time will be counted as time worked for computing vacation qualifications.

**11.13** The Company may schedule one week of vacation annually to fall during any period of plant or department shutdown. The Company shall not be restricted from working employees during such shutdown periods if, in the opinion of the Company, they are necessary for efficient plant operations.

Any operational shutdown will be according to the business' needs.

Any remaining vacations may, as far as possible, be scheduled by the employees according to seniority with mutual agreement of the employee and the Company.

**11.14** Employees entitled to vacation shall receive their vacation pay at the beginning of their vacation period. This provision does not apply when vacations are taken one day at a time.

**11.15** The hourly rate to be used in computing vacation pay will be the hourly rate in effect at the time vacation is taken, except when the employee is assigned to a lower rated job

due to a reduction of operations, in which case his vacation rate will be computed at his classified rate.

**11.16** Any employee entitled to two (2) weeks or more vacation may choose to take two (2) weeks (ten (10) working days) of vacation one day at a time. Any employee entitled to one (1) week may choose to take one (1) week (five (5) working days) of vacation one day at a time. Guidelines are as follows:

- a. Daily vacation(s) may only be used Monday through Friday.
- b. Employees may take up to four (4) vacation days in one week.
- c. When Saturday is part of an employee's regular scheduled work week, daily vacation may include Saturday and Sunday.
- d. Full week vacation(s) requests will be granted before daily vacation requests.
- e. Daily vacation(s) must be submitted to and approved by the employee's department by 2:00 p.m. Tuesday of the preceding week so the schedule will reflect vacation days.
- f. In cases of emergency, employees must submit a daily vacation request at least twenty-four (24) hours prior to the start of their scheduled shift. Such request will be handled on a case by case basis.

**11.17** Employees who have qualified for three (3) or more weeks of vacation, are eligible to sell one (1) week of vacation during each calendar year and such vacation shall be computed in accordance to Section 11.1.

**11.18** As each additional week of vacation is earned, employees will have the balance of the year (from the anniversary date) to use the additional week. During the remainder of 2005 any employee who has earned vacation time shall have the option to: a) Take the balance of vacation, b) be paid for the balance of their vacation, c) a combination of a) and b).

## **Article 12 & 13 - Benefit Plans**

**12.1-13.1** Employees covered by this collective bargaining agreement will continue to be covered under the current medical plan design for the remainder of calendar year 2005. Beginning January 1, 2006, employees covered by this collective bargaining agreement will participate in the new PepsiCo Benefit Plans, which are listed below. Each year the Company will determine the pricetags, Plan levels, Plan design for the benefit options. Any changes made by the Company to the price tags, plan levels, or plan design of these plans will apply to employees represented by The United Food and Commercial Workers, Local 540.

### Benefit Plans

- Medical
- Dental
- Life Insurance
- Supplemental Life Insurance
- Optional Dependent Life Insurance
- Accidental Death & Dismemberment (AD&D)
- Health and Dependent Care Spending Accounts
- Illness and Accident Plan (STD)
- Long Term Disability
- Vision Plan
- Adoption Assistance
- Group Legal
- Survivor Support
- 401(k)
- Pension
- Retiree Medical

## **Article 14 - Jury Duty**

**14.1** 14.1When employees covered by this Agreement are called upon for jury service, they shall advise their Supervisor upon receipt of such call, and if taken from their work for such services shall be recompensed for any loss in income based on a forty (40) hour work week. This Article is to apply only when an employee is called for jury duty and shall not apply if any employee voluntarily offers his services as a juror. Employees who are scheduled to work a regular 12-hour shift will be paid accordingly in the event jury duty falls on their regularly scheduled workday.

## **Article 15 - Funeral Pay**

15.1 In the event of a death of a member of the immediate family of an employee covered by this Agreement (immediate family being mother, father, sister, brother, spouse, child, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparents, grandparents-in-law, grandchildren, step-child and step-parents); three (3) days leave of absence based on an eight (8) hour day (twelve (12) hour day for employees on regular 12-hour shifts) shall be approved with pay for the specific purpose of attending the funeral.

## **Article 16 - Leave of Absence**

16.1 Upon written application and written permission of the Company, leaves of absence for personal reasons may be granted to employees for a period of not more than thirty (30) days. The Company and the Union will comply with the Family Medical Leave Act (FMLA).

16.2 Upon written application and approval, an employee who is elected to a permanent office in the Union or as a delegate to any labor activity necessitating a leave of absence shall be granted such leave of absence without pay and shall, at the end of the term in the first instance or at the end of the mission in the second instance, be re-employed with the accumulated seniority standing that he has when he returns to work with the Company. Not more than three (3) employees shall be granted such leave of absence at one time.

16.3 An employee who is selected or appointed to a supervisory or management position with the Company, necessitating a leave of absence without pay, shall be granted such leave of absence up to a maximum of one (1) year, but shall at the termination without cause of such employment, be reemployed with the accumulated seniority standing in the unit that he has when he returns to work in the unit or whatever job is available.

## **Article 17 - Plant Visitation**

17.1 The Company agrees that the Representatives of the Union shall be granted permission to enter the Plant

for the purpose of seeing that the Collective Bargaining Agreement is being properly administered and for any other official Union business with the understanding that the Union Business Agent notifies the local Human Resources Manager or designated representative when he enters the Plant and that his presence there will in no way interfere with the operation of the Plant.

### **Article 18 - Health and Safety**

18.1 The Company will continue to take all reasonable precautions to safeguard the health and safety of its employees during their regular hours of work. Chief Steward, or his designee, will be present for any investigation, if requested by the employee, of a work-related safety incident that is a lost time injury.

### **Article 19 - Bulletin Boards**

19.1 The Company agrees that notices and announcements having to do with official Union business may be posted on the Bulletin Boards, with the approval of the Human Resources Manager. This Section is not to be construed to permit the posting of any political, advertising, or controversial matter on Bulletin Boards or elsewhere on the Company's property. This will not preclude information notices.

### **Article 20 - Rules**

20.1 The Company reserves the right to make and publish rules not inconsistent with the terms of this Agreement. Violations of such rules shall constitute reason for discipline, suspension or discharge. Such disciplinary action shall be for just cause.

Written warning notices shall not be referred to for the purpose of progressive discipline after twelve (12) months from the date of issuance.

The Company has ten (10) calendar days after knowledge of the offense giving rise to discipline in which to take action against any offending employee. If no action is taken

within this period, the Company is deemed to have waived the right to issue discipline for such offense.

This time period can be extended by mutual agreement of both parties.

### **Article 21 - Separability and Savings Clause**

21.1 If any Article or Section of this Agreement should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or Section to persons or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

### **Article 22 - Sole Agreement and Waiver**

22.1 The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects of collective bargaining, and that all such subjects have been discussed and negotiated upon, and the agreements contained in this Agreement were arrived at after the free exercise of such rights and opportunities. Therefore, the Company and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waive the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

22.2 This Agreement, containing all the covenants, stipulations and provisions agreed upon, shall constitute the sole and complete Agreement between the parties hereto.

22.3 This Agreement may be amended or added to only by the written consent of both parties hereto.

22.4 The waiver of any breach or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all the terms and conditions herein.

### **Article 23 - Miscellaneous**

23.1 If the Company requires the employees to wear uniforms or furnish working tools, the Company shall supply such uniforms and tools without cost to the employee. The Company will allow each employee a maximum of two (2) hours pay when such employee is required to renew his/her health card or commercial driver's license. The Company will allow a maximum of four (4) hours pay for electricians to renew their state electrical license.

23.2 The Company agrees that each employee will be given a fifteen (15) minute relief period during each four (4) hour shift; however, it is clearly understood that production will not be stopped at any time for employee's relief period. The Company agrees that a relief will be provided for any employee who cannot leave the post without impairing production. Relief periods will be staggered throughout each four (4) hour shift, but insofar as is practical, will be granted during the middle portion of the shift.

a. An employee who works a regular twelve (12) hour schedule per day shall receive three (3) fifteen (15) minute relief periods per shift.

23.3 Employees scheduled to work daily overtime of at least two (2) hours will be given a ten (10) minute relief period at the end of the first hour of overtime; however, it is clearly understood that production will not be stopped at any time for employee's relief period. The Company agrees that a relief will be provided for any employee who cannot leave the post without impairing production.

23.4 Labor Management Committee. The Company and the Union agree to establish a joint Labor-Management Committee ("LMC") comprised of equal representatives from the management team and the Union team. There will be three (3) members from UFCW Local 540 and three (3) members from the Company. The LMC may mutually agree to additional members as needed. The primary

purpose of this Committee will be to discuss business updates and plant issues as they relate to the operation of the PBC Dallas Hotfill manufacturing & distribution center. The LMC will not reach agreement on issues that will be in direct conflict with any written provisions of the Collective Bargaining Agreement, nor will their discussions replace or become a substitute for the negotiations process. Committee members will meet on a monthly basis, time and date to be determined mutually.

#### **Article 24 - Duration**

24.1 This Agreement shall be and remain in full force and effect from the date hereof until midnight May 1, 2027; 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 May 1, 2027; or any anniversary date thereafter of the desire to amend, modify or terminate this Agreement.

24.2 The parties to this Agreement, SVC Manufacturing Inc., Dallas, Texas processing plant, an indirect subsidiary of The Quaker Oats Company, and the United Food and Commercial Workers, Local 540, hereby agree that within (60) days before the end of the third year of this Agreement, they will meet and discuss issues regarding the terms and conditions of this Agreement. They further agree that they will renew this Agreement and all of its terms for one additional year beyond the third year of this Agreement.

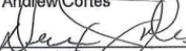
UNITED FOOD & COMMERCIAL  
WORKERS, INTERNATIONAL UNION &  
CLC COMPANY UNION LOCAL 540



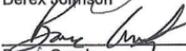
Felipe Mendez



Andrew Cortes



Derek Johnson



Bruce Crook



Vanko Frazier

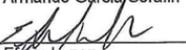


Ashley Bradley

Glenn Rodgers



Armando Garcia Serafin



Efraim Lopez

SVC MANUFACTURING, INC.  
an indirect subsidiary of  
THE QUAKER OATS COMPANY



William J. Conlin  
VP-Labor Relations

IN WITNESS THEREOF, the parties execute this Agreement.

## **SCHEDULE "A" - CLASSIFICATION AND WAGE MINIMUM BRACKETS**

### **DALLAS, TEXAS**

All regular full-time employees hired after August 21, 2014  
will be paid

- \$4.00 per hour less than the applicable classification rate below, until they reach their 1st annual anniversary, then
- \$3.00 per hour less until they reach their 2nd annual anniversary, then
- \$2.00 per hour less until they reach their 3rd annual anniversary.
- Upon reaching their 3rd anniversary, such employees will receive the full classification rate.
- Employees from Bracket I.A. - IV.A-1 are excluded (As of June 1, 2016).

		5/1/23	5/1/24	5/1/25	5/1/26
Bracket I.A.	Multi-Craft Technician Level I	\$39.95	\$41.15	\$42.18	\$43.45
	Multi-Craft Technician Level II	\$43.29	\$44.59	\$45.70	\$47.07
	Shift Lead Mechanic (ff/k/a Maint. Tech. Lead)	\$40.04	\$41.24	\$42.27	\$43.54
Bracket I.B-1	Electrical/Maintenance Planner	\$37.44	\$38.56	\$39.52	\$40.71
Bracket I.B	Electrical Technician Level I	\$39.07	\$40.24	\$41.25	\$42.49
	Electrical Technician Level II	\$39.88	\$41.08	\$42.11	\$43.37
Bracket I.C	Maintenance Technician Level I <sup>(1)</sup>	\$36.63	\$37.73	\$38.67	\$39.83
	Maintenance Technician Level II <sup>(1)</sup>	\$37.86	\$39.00	\$39.98	\$41.18
Bracket I.D.	Label Specialist	\$31.58	\$32.53	\$33.34	\$34.34
	Tier 1 <sup>(2)</sup>	\$31.91	\$32.87	\$33.69	\$34.70
	Tier 2 <sup>(2)</sup>	\$32.48	\$33.45	\$34.29	\$35.32
	Maintenance Apprentice	\$31.14	\$32.07	\$32.87	\$33.86
	Filler Capper Specialist	\$31.14	\$32.07	\$32.87	\$33.86
Bracket III	Gatorade Leadperson	\$28.51	\$29.37	\$30.10	\$31.00
	Tier 1	\$28.86	\$29.73	\$30.47	\$31.38
	Tier 2	\$29.41	\$30.29	\$31.05	\$31.98
	Warehouse Leadperson	\$28.51	\$29.37	\$30.10	\$31.00
	Floater	\$28.01	\$28.85	\$29.57	\$30.46
	Tier 1 <sup>(2)</sup>	\$28.36	\$29.21	\$29.94	\$30.84
	Tier 2 <sup>(2)</sup>	\$28.91	\$29.78	\$30.52	\$31.44
	Quality Assurance Operator <sup>(4)</sup>	\$28.49	\$29.34	\$30.07	\$30.97
	Tier 1	\$28.84	\$29.71	\$30.45	\$31.36
	Tier 2	\$29.39	\$30.27	\$31.03	\$31.96
	Operation Scheduling Lead	\$28.01	\$28.85	\$29.57	\$30.46
	*Line 4				
	*Production Line Operator	\$27.75	\$28.31	\$28.73	\$29.30
	*Operator - Tier 1	\$28.09	\$28.65	\$29.08	\$29.66
	*Operator - Tier 2	\$28.63	\$29.20	\$29.64	\$30.23

		5/1/23	5/1/24	5/1/25	5/1/26
Bracket IV.A-1	Batchdeck Operator <sup>(5)</sup>	\$26.16	\$26.94	\$27.61	\$28.44
	Tier 1 <sup>(2)</sup>	\$26.49	\$27.28	\$27.96	\$28.80
	Tier 2 <sup>(2)</sup>	\$27.06	\$27.87	\$28.57	\$29.43
Bracket IV.A	Utility Relief Gatorade	\$25.65	\$26.42	\$27.08	\$27.89
	Tier 1	\$26.00	\$26.78	\$27.45	\$28.27
	Tier 2	\$26.55	\$27.35	\$28.03	\$28.87
	Utility Relief Warehouse	\$25.65	\$26.42	\$27.08	\$27.89
	Tier 1 <sup>(2)</sup>	\$26.00	\$26.78	\$27.45	\$28.27
	Tier 2 <sup>(2)</sup>	\$26.55	\$27.35	\$28.03	\$28.87
Bracket IV.B-2	Gatorade Warehouseperson	\$24.73	\$25.47	\$26.11	\$26.89
	Tier 1	\$25.06	\$25.81	\$26.46	\$27.25
	Tier 2	\$25.61	\$26.38	\$27.04	\$27.85
	Warehouseperson	\$24.73	\$25.47	\$26.11	\$26.89
	Tier 1 <sup>(2)</sup>	\$25.06	\$25.81	\$26.46	\$27.25
	Tier 2 <sup>(2)</sup>	\$25.61	\$26.38	\$27.04	\$27.85
Bracket IV.B-1	Label Machine Operator	\$25.14	\$25.89	\$26.54	\$27.34
	Tier 1 <sup>(2)</sup>	\$25.50	\$26.27	\$26.93	\$27.74
	Tier 2 <sup>(2)</sup>	\$26.04	\$26.82	\$27.49	\$28.31
	Filler Operator	\$25.14	\$25.89	\$26.54	\$27.34
	Tier 1 <sup>(2)</sup>	\$25.50	\$26.27	\$26.93	\$27.74
	Tier 2 <sup>(2)</sup>	\$26.04	\$26.82	\$27.49	\$28.31
Bracket V.A	Palletizer	\$23.96	\$24.68	\$25.30	\$26.06
	Tier 1	\$24.31	\$25.04	\$25.67	\$26.44
	Tier 2 <sup>(2)</sup>	\$24.85	\$25.60	\$26.24	\$27.03
	Utility Truck Driver	\$23.60	\$24.31	\$24.92	\$25.67
Bracket V	Casing Machine Operator	\$24.17	\$24.90	\$25.52	\$26.29
	Tier 1 <sup>(2)</sup>	\$24.50	\$25.24	\$25.87	\$26.65
	Tier 2 <sup>(2)</sup>	\$25.06	\$25.81	\$26.46	\$27.25
	Depalletizer Operator	\$23.67	\$24.38	\$24.99	\$25.74
	Tier 1 <sup>(2)</sup>	\$24.00	\$24.72	\$25.34	\$26.10
	Tier 2 <sup>(2)</sup>	\$24.56	\$25.30	\$25.93	\$26.71
Bracket VI	Clean Up Person/Recycling	\$23.26	\$23.96	\$24.56	\$25.30
	Janitor	\$22.93	\$23.62	\$24.21	\$24.94
Bracket VIII	General Laborer <sup>(3)</sup>	\$22.30	\$22.97	\$23.54	\$24.25

\* Anyone working on Line 4 and is paid at the Line 4 Production Line Operator rates or receives a higher rate on Line 4 than the general classification rate will receive the equivalent of a 1% lump sum less applicable taxes (based on 2080 hours) each year of the contract.

(1)Maintenance Fabricator paid \$0.25 in addition to individual Mechanic classification rate when assigned planned fabrication work.

(2)Tier 1 and Tier 2 classifications apply only to current incumbents in the respective Tier.

(3) Covers all jobs not otherwise classified in Brackets I – VII.

(4) Effective August 22, 2014, Quality Assurance Technicians (1) Maintenance Fabricator paid \$0.25 in addition to individual Mechanic classification rate when assigned planned fabrication work.

(2) Tier 1 and Tier 2 classifications apply only to current incumbents in the respective Tier.

(3) Covers all jobs not otherwise classified in Brackets I – VII.

(4) Effective August 22, 2014, Quality Assurance Technicians receive a one dollar (\$1.00) one-time per hour increase.

Quality Assurance Operator	\$21.94
Tier 1	\$22.22
Tier 2	\$22.64

(5) Effective August 22, 2014, Batch Deck Operators assigned to Line 1 and 2 receive a one dollar (\$1.00) per hour premium above the Bracket IV.A-1 classification rate.

Line 4 employees, as of April 18, 2023, who currently are paid more than the same positions on other lines, will receive a partial increase and partial lump sum for the duration of the 2023 CBA. Once the line 4 rates are equal to the other line rates, the line 4 rates will no longer be in effect and will be deleted from the CBA. If a line 4 employee, as of April 18, 2023, bids to another position, that employee will receive the hourly rate of the new position. Any time after April 18, 2023, any employee who bids, moves, or is placed into a position will receive the rate of the job as outlined in Schedule A in the CBA. The line 4 rates in the CBA will only apply to those employees in the line 4 roles prior to April 18, 2023.

### **Letter of Understanding**

The Company and the Union agree that for the life of the Agreement, the practice regarding cross training is defined as ensuring each employee is fully trained in all aspects of their job classifications as defined.

The floater classification will be the first classification to begin cross training. Not more than (60) Sixty days upon ratification. The company and the union agree to meet to set-up the cross training, training time for each job etc...

Cross-training definition will also include working with Union Leadership to identify individual employees who may be displaced from their current classification to identify cross training opportunities in other classifications.

### **Letter of Understanding**

The Company will furnish to the Local Union, on a quarterly basis, a list of employees who have been terminated or laid off during the prior quarter.

### **Letter of Understanding**

The Company agrees to allow a Union Representative, during new production employee orientation, the opportunity to discuss the positive relationship between the Union and the Company, acknowledging the employees' option to join the Union in accordance with Texas State Law. Such presentation will not normally exceed thirty (30) minutes.

It is also understood that a Company representative may be present during this orientation.

### **Letter of Understanding**

The company and the JMIC have developed assessment tools for the maintenance organization. Employees hired since September 1, 2001 and future new hires of the Mechanical Technician Level I and Electrical Technician Level I positions must successfully complete their respective assessment requirements as defined below.

1. The employee may re-take the Assessment four (4) times, within twenty-four months of date of hire, but not more frequently than six months apart.

If the employee fails the last Re-Assessment, or does not take the last Re-Assessment, he or she will have the following options:

- a. Voluntarily terminate their employment with the Company with a separation allowance equal to \$1,000.00 per year of service. This decision must be made within seven (7) days of the date of the Re-Assessment. Employees who are terminated for just cause are not entitled to this separation allowance.
- b. Regress to the General Laborer classification, with earnings protection as specified in Paragraph 2 of this Letter of Understanding.

2. Those employees who regress to the General Laborer classification in accordance with Paragraph 1 of this Letter of Understanding will have their rate of pay "Red Circled" (frozen) until one of the following occurs:

- a. They are assigned to a permanent vacancy, which has not been filled, in accordance with Article VII-Seniority of the Labor Agreement. It is understood that for the purposes of this Letter of Understanding, the Company may assign displaced maintenance employees into open vacancies notwithstanding Article VII Section 7.11 of the Labor Agreement.
- b. They are awarded a permanent vacancy in accordance with Article VII-Seniority of the Labor Agreement.
- c. They fail to bid on any permanent vacancy that has been posted.

For the purposes of this Letter of Understanding, "Red Circle Pay" will be defined as follows:

"The hourly rate of the position the employee held at the time he was regressed to the General Laborer position".

3. The Company will provide a training program for the employees who fail to successfully complete the assessment process on their initial attempt, in order to facilitate their skills / knowledge improvement. The purpose of this company training is to help the employee to qualify, however,

the employee is strongly encouraged to seek out training opportunities on his own time to facilitate the learning process (example: community college courses, etc.). The Company will provide tuition reimbursement assistance to those employees who elect to receive this additional assistance. Such education/training must meet the following guidelines:

- a. Must be on the employees own time and must not interfere with the employees work schedule. The company will consider individual requests for scheduling adjustments to accommodate training on a case by case basis.
- b. Course must be approved by management and must be specifically related to the work performed by the maintenance department.
- c. An accredited University, College or Training Institute must offer course.
- d. The Company will reimburse the employee 80% of the tuition and 50 % of the books, payable after successful completion of the course.

4. The Company has the sole discretion to unilaterally implement the terms of this Letter of Understanding.

### **Letter of Understanding**

The Company and the Union recognize that the best companies today are able to react quickly and decisively to a changing work environment. The Dallas plant at times needs to supplement its regular full-time workforce with flexible workers. With these criteria in mind, the following provisions will apply:

#### 1. General

1.1 Flex workers may be provided by an agency, hired directly by the Company or a combination thereof, at the sole discretion of the Company.

1.2 The total number of Flex workers may not exceed 15% of the total number of regular full-time bargaining unit em-

ployees except under the following conditions listed below at which time the number may not exceed 20%:

- Capital improvement projects.
- New product or packaging introduction.
- Special promotions.
- During the heavy production season (March through September).
- Emergency conditions that require the addition of manpower.

Under the above listed conditions, the total number of Flex workers working in the plant at one time may not exceed 15% of the total number of regular full-time bargaining unit employees.

1.3 The Company may not utilize Flex workers while regular full-time bargaining unit members qualified in the position are on layoff.

1.4 Regular full-time qualified bargaining unit employees will be offered weekend work prior to the Company utilizing Flex workers on weekends. In the event a position on any shift cannot be filled at straight-time by either a regular worker or a Flex worker, and overtime is required, the Company will first offer such overtime to regular full-time bargaining unit employees in accordance with Article 8.5 of the Labor Agreement.

1.5 The Company will continue to use subcontractors and independent contractors in the same manner as it has in the past.

## 2.0 Agency Flex Workers

When a Flex worker is provided by an Agency, the following will apply:

2.1 That worker may perform work on any position in the

following classifications, provided the company determines that they are qualified:

- General Laborer
- Production Support
- Janitor
- Clean Up Person

2.2 If that worker works more than sixty (60) days within any one hundred twenty (120) continuous day period, the Company will offer them employment as a Quaker Flex Employee after successfully completing the hiring process.

### 3.0 Quaker Flex Employees (QFE)

3.1 If the Flex worker accepts employment with the Company under 2.2 of this Letter of Understanding or is hired directly by the Company, he or she shall be considered probationary until he or she has worked sixty (60) additional days as a QFE. During this probationary period, they will have no seniority standing, and will be subject to transfer, demotion, layoff, or discharge (with or without cause) at the sole discretion of the Company. A Probationary QFE will not have recourse to the grievance/arbitration procedure contained in the Labor Agreement.

3.2 Upon satisfactory completion of the probationary period, the QFE will be placed on the QFE list by hire date and this date will reflect his or her original hire date as a QFE.

3.3 A QFE may perform work on any job in brackets V through VIII, provided the company determines that they are qualified.

3.4 QFE's will not qualify for benefits with the exception of the following:

Hourly 401k Plan

Hourly Pension Plan

The employee will be eligible in accordance with the terms of the Plans.

3.5 The rate of pay for the QFE will be at least \$10.00 per hour, but less than the General Laborer rate for each year of the agreement. The Company has the unilateral right to determine the amount of pay the QFE will receive, as long as it is within the above pay limitations.

3.6 Those QFE's who have completed the probationary period detailed in 3.1 of this Letter of Understanding will be subject to Article II-Check Off of the Labor Agreement.

3.7 The Company will notify the Union, in writing, of the names of the QFE's. The Company will post a list showing the name, clock number, and hire date of the QFE's

3.8 QFE's will be eligible to bid on unfilled permanent or temporary vacancies after they have satisfactorily completed the probationary period and Company new hire requirements. A QFE who is awarded a permanent vacancy will be considered a regular full-time bargaining unit employee.

3.9 The Company has the right to establish reasonable rules, policies, and procedures regarding the use or management of QFE's as may be necessary.

### **Letter of Understanding**

The parties agree that during the life of the Agreement, should the needs of the business dictate the need to reduce permanently the number of bargaining unit employees at the Quaker Oats Dallas plant, the Company and the Union will meet to discuss the possibility of a separation allowance for employees affected that voluntarily wish to separate their employment with the Company.

*Added during 2014 Negotiations*

### **Letter of Understanding**

It is understood that under Section 11.14 employees are still entitled to vacation pay in advance, however to receive the advance an employee will be required to complete a

form requesting the advance. The form will be available from the supervisor and needs to be completed at least two (2) weeks in advance in order for the check to be processed timely.

*Added during 2014 Negotiations*

**Letter of Understanding**

Bumping sequence related to shifts:

8 hrs. 7am – 3pm:	<ul style="list-style-type: none"> <li>a) 7 am – 3 pm</li> <li>b) 7 am – 7 pm (any crew)</li> <li>c) 3 pm – 11 pm (any line)</li> <li>d) 7 pm – 7 am (any crew)</li> <li>e) 11pm – 7 am (any line)</li> </ul>
8 hrs. 3pm – 11pm:	<ul style="list-style-type: none"> <li>a) 3 pm – 11 pm</li> <li>b) 7 pm – 7 am (any crew)</li> <li>c) 11pm – 7 am (any line)</li> <li>d) 7 am – 3 pm (any line)</li> <li>e) 7 am – 7 pm (any crew)</li> </ul>
8 hrs. 11pm – 7am:	<ul style="list-style-type: none"> <li>a) 11 pm – 7am</li> <li>b) 7 pm – 7 am (any crew)</li> <li>c) 7 am – 3 pm (any line)</li> <li>d) 7 am – 7 pm (any crew)</li> <li>e) 3 pm – 11 pm (any line)</li> </ul>
12 hrs. 7am -7pm	<ul style="list-style-type: none"> <li>12 hrs. 7am -7pm</li> <li>a) 7 am – 7 pm</li> <li>b) 7 am – 3 pm (any line)</li> <li>c) 3 pm – 11 pm (any line)</li> <li>d) 7 pm – 7 am (any crew)</li> <li>11pm – 7 am (any line)</li> </ul>
12 hrs. 7pm -7am	<ul style="list-style-type: none"> <li>a) 7 pm – 7 am</li> <li>b) 11pm – 7 am (any line)</li> <li>c) 3 pm – 11 pm (any line)</li> <li>d) 7 am – 7 pm (any crew)</li> <li>e) 7 am – 3 pm (any line)</li> </ul>

*Added during 2014 Negotiations*

## **Memorandum of Agreement for Line 4**

**August 27, 2014**

Line Four (4) positions will be staffed as follows:

Palletizer/Depalletizer Operator will be bid as a single position not subject to rotation across Line Four (4) and will be classified under Bracket IV.A-1

Line 4 relief, this position will do Material & Supply (M&S) job and provide relief to the Palletizer/Depalletizer Operator. This position will be classified under Bracket IV.A. Line 4 Operators currently staffed on Line Four (4) will be red circled at their current rate for as long as they hold these positions.

Batch Deck Operator will provide relief to the “middle” operator(s) and will be classified under Bracket III Production Line Operator.

Palletizer/Depalletizer Operator, Relief and Batch Deck Operators currently staffed on Line Four (4) will be red circled at their current rate for as long as they hold these positions. In addition, the current open bids required to fully staff Line Four (4) will be paid at this rate for as long as the successful bidders hold these positions. Once these bids are successfully filled, subsequent bidders will be paid at the appropriate rate under the Bracket designated above.

The “middle” operator(s) on Line Four (4) will continue to be required to qualify on all three (3) pieces of equipment – Filler, Labeler & Case Packer – in order to hold this bid position. It is not a requirement to qualify on three (3) pieces of equipment in order to bid on this position. The “middle” operator will continue to be paid at Bracket III Line

4 Tier 1 or 2, if previously earning a tiered rate. Otherwise, the “middle” operator will be paid at Bracket III Production Line Operator.

There will be a one (1) time selection of Line Four (4) positions by employees currently holding bids on this line, to determine who will hold which specific position per above. Once this is completed, remaining open positions will be bid and awarded by seniority from employees not currently on Line Four (4).

*Added during 2014 Negotiations*

*Revised during 2019 negotiations*

### **Letter of Understanding**

(Effective 5/1/16)

1. The Company and the Union agree that employees currently bid to, and fully qualified on, an alternative schedule (Lines 1, 2, and 4) on June 1, 2016 shall receive a one-time payout of 88 hours at their current rate of pay. This one-time payout fully satisfies the agreed upon guarantee that previously existed from June 1, 2016 - May 1, 2017.

2. All subsequent employees who bid to an alternative schedule (Lines 1, 2, and 4) after June 1, 2016, upon their full qualification on this bid, will receive the following proration:

Date Qualified	Payout (in hours)
June 2, 2016	75.5
July 2, 2016	63
August 2, 2016	50.5
September 2, 2016	38
October 2, 2016	25.5
November 2, 2016	13

This one-time payout fully satisfies the agreed upon guarantee that previously existed from June 1, 2016 - May 1, 2017.

3. Any employee who successfully bids into an alternative schedule (Lines 1, 2, and 4), but has not been moved to begin the training and qualification process within the first forty-five (45) days, will receive the payout thereafter. This date will replace the qualification date for the purposes of calculating the payout as specified above. This one-time payout fully satisfies the agreed upon guarantee that previously existed from June 1, 2016 - May 1, 2017.

**After November 2, 2016 no employee will receive a payout in relation to the previously agreed upon guarantee.**

**Letter of Understanding** (added in 2019 negotiations)

The parties agree that within three (3) months from ratification, a subcommittee composed of two (2) representatives from the Union and two (2) representatives from the Company will meet to discuss and resolve the issue regarding days off. This will be on a per department or area basis. The parties may extend the three (3) months by mutual agreement.

If no agreement is met in any particular department or area after three (3) months, the Company will implement a consecutive 21-day maximum. After which, a 24-hour period of time off will be required.

**Letter of Understanding** (added in 2019 negotiations)

The parties agree that within six (6) months from ratification, a subcommittee composed of at least three (3) representatives from the Union and at least three (3) representatives from the Company will meet to discuss and resolve the issues related to:

- Modify daily overtime process “Change to an unplanned daily overtime process and establish process after entire classification is exhausted”
- Scheduling posted on Friday by 3:00pm for Weekend overtime and the following week

The parties may extend the six (6) months by mutual agreement. If no agreement is reached, current contract policy will stay in effect.

**Memorandum of Understanding** (added in 2019 negotiations)

As clarified during the 2019 negotiations, the following positions are subject to an interview process to determine whether the applicant meets the minimum qualifications of the classification, before such applicant is permitted to begin the training process:

- Shift Lead Mechanic
- Multi-Craft Technician Level I
- Electrical/Maintenance Planner
- Electrical Technician Level I
- Label Specialist
- Filler Capper Specialist
- Gatorade Leadperson
- Warehouse Leadperson
- Quality Assurance Operator
- Operation Scheduling Lead

The parties agree that within two (2) months from ratification, a subcommittee composed of two (2) representatives from the Union and two (2) representatives from the Company will meet to discuss the interview and testing process, in order to ensure the Union is able to support the process. Positions discussed will be those of which that were not interview-based prior to 2019 negotiations: Electrical/Maintenance Planner, Gatorade Leadperson, Warehouse Leadperson, and Operation Scheduling Lead.

If no agreement is met in any particular position after two (2) months, the Company will implement the interview and testing process, subject to the Union's right to grieve the application of this process.

The Chief Steward shall be authorized to observe interviews conducted by the Company.