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Title: Hormel Foods Corporation and United Food and Commercial Workers Union (UFCW), AFL-CIO Local 9 (2003)

K#: 207

Employer Name: Hormel Foods Corporation

Location: MN Austin

Union: United Food and Commercial Workers Union (UFCW), AFL-CIO

Local: 9

SIC: 2011

NAICS: 311611

Sector: P

Number of Workers: 1350

Effective Date: 09/08/03

Expiration Date: 09/09/07

Number of Pages: 89

Other Years Available: Y

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WORKING AGREEMENT

between

HORMEL FOODS CORPORATION

and

UNITED FOOD AND COMMERCIAL WORKERS UNION,

AFL-CIO, LOCAL 9

SEPTEMBER 8, 2003

THROUGH

SEPTEMBER 9, 2007

89 pages

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**WORKING AGREEMENT
BETWEEN
HORMEL FOODS CORPORATION
AND
UNITED FOOD AND COMMERCIAL WORKERS UNION,
AFL-CIO, LOCAL 9**

ARTICLE I - PURPOSE AND INTENT

- 1.1** The purpose of this Agreement is to establish fair, just and equitable wages, hours and working conditions and to promote the efficient, economical and profitable operation of the Company. Further, this Agreement is established to meet the requirements of state and federal statutes and recognizes that the principles of collective bargaining represent a medium of establishing the most dependable employment, the most satisfactory and humane working conditions, and the greatest and most fairly distributed compensation.
- 1.2** It is the further intent and purpose of the parties that this Agreement shall promote and improve the industrial, economic and human relationships between Hormel Foods Corporation, hereinafter referred to as the Company, the Employer, or Hormel, and Local 9, the United Food and Commercial Workers Union, AFL-CIO, hereinafter referred to as the Union.
- 1.3** It is also the intent of the Company and Union to enter into this Agreement to continue harmonious relations and to maintain labor peace.

ARTICLE II - OTHER AGREEMENTS AND UNDERSTANDINGS

- 2.1** No arrangement or understanding shall be in effect unless it is a part of this Agreement or is hereafter confirmed in writing by the parties to this Agreement. Any agreement binding the Union and any department, gang, group, or individual member of it, shall be made by the management with the Union's Executive Board or its authorized representative. Conversely, any agreement made by the Union's Executive Board, or the Union's authorized representative shall be deemed by the Management to be authorized by the Union and therefore shall be binding. No employee, group, gang, or department shall take or otherwise support any action which violates this Agreement or any further agreement made as herein provided. The Union agrees to utilize all means available to it to terminate any such action, and agrees to conduct its affairs in an orderly and lawful way, so as not to interfere with the proper conduct of the business.
- 2.2** (a) Any and all past practices, or agreements, express or implied, not expressly set forth herein, which may have been in existence shall have no significance, for purposes of contract interpretation or otherwise, and are hereby terminated. No evidence of such terminated practices or agreements shall be admissible in any proceedings between the parties, including those involving arbitration, administrative agency matters, and court proceedings, and no arbitrator shall have jurisdiction or authority to give consideration to, or base any award, in whole or in part, upon any such agreements or practices.
- (b) The parties acknowledge that during negotiations for this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any and all subjects, and that all the understandings and agreements arrived at by the parties after exercise of that right are set forth

in this Agreement. Therefore, the Company and the Union each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject referred to or covered in this Agreement or with respect to any subject not referred to in or covered in Agreement even though such subject may not have been within the knowledge of or contemplation of the parties. This Agreement constitutes the entire Agreement between the parties and concludes collective bargaining for its term and the Company has no obligation to negotiate the decision or effects of any subject found in the Agreement or any other mandatory subject of bargaining.

ARTICLE III - RECOGNITION AND UNION SECURITY

3.1 Recognition

- (a) The Company recognizes the Union as the sole and exclusive bargaining representative of all production and maintenance employees, and product control employees, employed at the employer's meat and meat by-products facilities in Austin, Minnesota, excluding office and clerical employees, technical employees (including engineering, laboratory and Industrial Engineering employees), salesmen, professionals, guards and watchmen, and supervisors, as defined in the National Labor Relations Act.
- (b) The Union recognizes, that except as otherwise provided in particular provisions of this Agreement, the Management of the Plant has the direction of working force, including the right to establish hiring criteria and standards (including drug screening, etc), hire, discipline, suspend or discharge for cause; to assign and reassign employees to jobs, transfer employees from department to department, to increase and decrease the working force, to determine the hours to be worked, to assign overtime,

the products to be handled, processed, produced or manufactured, the schedule of production and the methods, processes and means of production of handling, to automate; to establish new jobs, abolish, change, divide, or combine existing jobs, classifications or departments; to establish, change and enforce plant rules; to determine policies affecting the selection and training of employees; the establishment of qualitative and quantitative standards and judgment of employee performance and workmanship required; to transfer work to any other company locations or subcontract work is vested exclusively in the Company, provided that this will not be used for the purpose of discrimination against any employee or group of employees, or in such a manner so as to avoid any provisions of this Agreement.

- (c) The Union in its own behalf and on behalf of its membership agrees that during the life of this Agreement there shall be no concerted strikes, slowdowns, refusals to work, sympathy strikes, picketing or boycotts by the Union, its agents or its membership, nor shall the Union, its agents or its membership threaten, coerce or restrain the Company, any business affiliated with the Company or any other person or business where an object thereof is to force or require any person or business to cease using, selling, handling, transporting or otherwise dealing in the products of the Company, or to cease doing business with the Company.
- (d) The Union shall take all steps and do all that is possible to terminate any activity described above occurring during the life of this Agreement by any bargaining unit member, the Union's agents, or representatives. Any bargaining unit member who engages in any of the conduct described above shall be subject to immediate discipline, up to and including discharge. In the event an employee is disciplined or discharged and the

Union wishes to contest such action, it must do so under the grievance/arbitration provisions of this Agreement. The decision of an arbitrator shall be limited solely to whether the individual participated in the prohibited activity.

The employer agrees that during the life of this agreement there shall be no lock out of the employees.

3.2 Union Security

- (a) All members of the bargaining unit shall as a condition of employment remain members of the Union. In the event new employees are hired, such employees shall become members of the Union within thirty (30) days from the date of their employment and retain their membership in the Union. For the purpose of this section, membership in the Union shall mean the tendering of periodic dues and initiation fees uniformly required of all employees.
- (b) The employer agrees to, upon written authorization, deduct from the pay of employees covered by this Agreement union dues on a monthly basis in accordance with the following:
 - (1) Each employee for whom these deductions are to be made on a monthly basis furnish the Company with a written authorization directing the Company to do so.
 - (2) The Union shall advise the Company of the dollar amounts to be deducted from the pay of employees who have furnished authorizations. All money so collected by the Company shall be promptly remitted to the Secretary Treasurer of the Union. The Union shall notify the Company of the name of the Secretary Treasurer and the address to which such dues shall be sent.

(3) No deductions shall be made which are prohibited by applicable law.

3.3 Political Check-Off

- (a) The Company shall deduct an amount from the pay of each employee who is a Union member and who executes an authorization on the standard form used for that purpose by the UFCW Active Ballot Club. The deduction shall be in the amount specified in the check-off authorization form signed by the employee. The deduction shall continue for each employee during the life of this Agreement unless such employee revokes his or her authorization in writing.
- (b) The amounts deducted shall be transmitted promptly to the UFCW Active Ballot Club in care of the local Union, along with an alphabetized list of the employees whose deducted amounts are being transmitted and the amount transmitted for each. The frequency and time of deductions and procedures to be followed in connection with this check-off of political contributions will be as close as possible to those followed in connection with the check-off of Union dues and initiation fees, subject to such modification as may be agreed upon provided that, at the Company's option, deduction and payment may be made less frequently, but at intervals no greater than quarterly. No check-off shall be made in violation of any state or federal law or regulation.

ARTICLE IV - NO DISCRIMINATION

- 4.1 (a) The Company and the Union agree not to discriminate against any employee regardless of race, color, religion, sex, national origin, age, handicap, except if based on a bona fide occupational qualification, or in any other manner prohibited by applicable law.

- (b) The Company shall not discriminate against any employee because of membership in the Union.
- (c) The parties recognize that the Americans With Disabilities Act (ADA) prohibits discrimination against individuals with disabilities. Accordingly, the Company and the Union agree to cooperate fully in complying with the ADA and its regulations.
- (d) The masculine pronoun whenever used shall include the feminine unless the context indicates otherwise.

ARTICLE V - HOURS OF WORK

5.1 Length of Work Week

For the purpose of this agreement, Monday shall be recognized as the first day of the weekly pay period; Sunday shall be the last day of the weekly pay period.

5.2 Daily and Weekly Overtime

- (a) One and one-half (1 1/2) times the regular rate of pay shall be paid for all hours actually worked in excess of forty (40) hours in any one week, or all hours actually worked in excess of eight (8) hours in one day.
- (b) All hours worked on a scheduled Saturday workday shall be paid at the rate of one and one-half (1 1/2) times the hourly rate except for those employees whose normal workweek includes Saturday. Those employees shall be paid one and one-half (1 1/2) times the hourly rate when required to work on their designated day in lieu of Saturday.
- (c) All hours worked on a scheduled Sunday or holiday workday shall be paid at a rate of two (2) times their hourly rate except for those employees whose normal workweek includes Sundays or holidays. Those employees

shall be paid two (2) times their hourly rate when required to work on their designated day in lieu of Sunday or a holiday.

- (d) Employees must actually work their full regular schedule, or be paid for time missed, or excused during the first five days in order to qualify for overtime pay on the sixth or seventh day.

5.3 Thirty-Six (36) Hour Weekly Guarantee

- (a) All regular full-time hourly employees shall be paid for a minimum of thirty-six (36) hours of pay at their regular hourly rate in the first five (5) working days of the week (Monday through Friday except where other work schedules exist) unless they are laid off the last scheduled workday of the preceding week. All pay types or any compensation shall be counted toward the guarantee. This guarantee shall not apply to any employee who is absent during such week.
- (b) In the event of tardiness, absence or excused time away from the job, employees shall have their thirty-six (36) hour pay guarantee reduced by the number of hours they would have worked had they been on the job.
- (c) Employees recalled from layoff after the first work day of a scheduled work week shall have their guarantee that week reduced eight (8) hours for each day they did not work that week prior to the day they were recalled.
- (c) The weekly guarantee shall not apply to temporary, part-time or probationary employees.
- (e) Employees who report for work without previous notification not to report to work shall be guaranteed a minimum of four (4) hours of work or pay in lieu of work for that workday and such pay shall be at their basic hourly rate. Guarantee time shall start at the time the employees are directed to report for work on that day.

- (f) Extra gang employees reporting in the morning and being assigned to a starting time later in the day will be paid one hour for reporting in the morning.
- (g) Employees may be assigned to work other than their permanent job in the plant to fulfill their weekly guarantee.
- (h) The foregoing guarantee provisions shall not apply to any workweek during which normal operations are restricted by causes beyond the control of the Company, e.g. blizzards, fire, flood, explosion, sabotage, acts of God, etc., work stoppages in excess of one day caused by meat inspection or other Government order, or any labor dispute affecting production, distribution or sales, or where the employee quits, fails to report for work, etc.

5.4 Pay for Holiday Work

Hours worked on a recognized holiday shall be paid at double time, plus the holiday allowance if otherwise allowed except shift operators, and others who normally work on holidays, who shall be paid double time plus holiday allowance if they are required to work on their day in lieu of their holiday.

5.5 Regular Scheduled Work

The regular scheduled work week shall commence at 12:01 a.m. on Monday or Tuesday. However, in the case of shift workers the Company shall have the right to establish the work week to conform to the shift as scheduled. Shift operations are defined as operations which require continuous attention of employees.

- 5.6** For the purpose of penalty pay, the day in which a shift begins will dictate the eligibility for penalty pay. Shifts which start on a non-penalty pay day and end on a penalty pay day will not qualify for penalty pay. All times worked on a shift starting on a penalty pay day will qualify for penalty pay.

- 5.7 There shall be no pyramiding of overtime penalties or premiums. Penalty/premium pay shall only be paid on actual hours worked. The Company has the right to avoid penalty/premium pay.

ARTICLE VI - WAGES

6.1 Classifications

All jobs in the plant shall fall within one of six (6) production classifications or one of four (4) maintenance classifications, as set forth in Appendix "A" which is attached hereto and by incorporation made a part of this Agreement.

6.2 Establishment of Job Classifications

When a job is established or the contents of a job changed, the Company shall have the responsibility of assigning the job to a classification. In determining the classification, the Company shall take into consideration the skill, effort, responsibility and working conditions relating to the job in question. If in the opinion of the Union there is a question as to whether or not the job has been assigned to the proper classification, the Union and the Company shall meet and negotiate in order to arrive at the proper classification. Should those negotiations result in an impasse, the question of the proper classification for the job in question shall be submitted immediately to arbitration. The Company and the Union will submit to the arbitrator their last offer relating to the proper classification of the job in question. The arbitrator shall hear evidence and the arguments from both the Company and the Union and shall rule as to which of the two classifications offered by the parties shall be used as the proper classification of the job in question. The decision of the arbitrator in choosing between the two classifications shall be final and binding on both parties.

6.3 Rate of Employee on Movement to Other Jobs

When employees are required to work on jobs other than their own, they shall be paid their rate or the rate of the job, whichever is higher for all time spent on the job. However, when employees, because of the operation of the seniority provision, move from higher rated jobs to lower rated jobs, they shall receive the rate of the classification for the job to which they go.

6.4 Rate of Employees on Involuntary Transfer

When there is work that needs to be done, employees may be transferred outside of their department on an involuntary basis at their rate or the rate of the job to which they transfer, whichever is greater.

ARTICLE VII - WORKING CONDITIONS

7.1 Night Premium

- (a) A night premium of twenty-five (25) cents per hour will be paid for all work performed by second and third shift employees.
- (b) Second and third shift employees are those employees with a regular start time of 12:00 Noon or after and prior to 2:00 a.m.

7.2 Freezer Premium

A freezer is defined as an area or room in which the temperature is maintained at 24 degrees or less. The Company agrees to pay a freezer premium of 15 cents per hour pursuant to the qualifications, specifications and instructions listed below.

- (a) An employee shall receive the freezer premium as their rate when the employee regularly spends half or more of their time on their job in the freezer. Freezer work performed by other employees shall be paid on a bonus for the actual hours of freezer work.
- (b) An employee trucking in and out of a freezer is not entitled to a freezer premium.

- (c) An employee trucking in and out of the freezer and also loading and/or unloading product in the freezer is entitled to the freezer premium.
- (d) Employees who do not perform all of their scale rated duties in the freezer shall receive the freezer premium over the scale rate of the duty or duties they actually perform in the freezer.

7.3 Tools and Gloves Furnished

- (a) The Company agrees to furnish all knives, steels, whetstones, meat hooks and meat triers, and to replace these at no cost to employees as they are worn out. The Company agrees to furnish gloves pursuant to a glove list, and to replace those gloves as they are worn out.
- (b) It is agreed that the Company will furnish metric tools and special tools for foreign equipment.

7.4 Safety Shoes

- (a) Any production employee who is required by the Company or by law to wear safety shoes shall be provided such safety shoes by the Company at Company expense.
- (b) Any safety shoes provided by the Company, or upon which an allowance herein provided has been made, shall be used by the employee only in connection with his employment at Hormel, and for no other purpose.
- (c) Any other production employee who desires to wear safety shoes shall be paid a \$4.00 allowance to be applied on the purchase of such safety shoes. Such \$4.00 allowance shall not be granted more than once each six months.

7.5 Shoe Cover

- (a) The Company will furnish rubbers for those employees required to wear them on an as-needed basis.

7.6 Clothing

The Company agrees to provide and launder all work clothing.

7.7 Rest Periods

- (a) Rest periods shall be fifteen (15) minutes in duration.
- (b) There shall be a rest period not later than the completion of the first three (3) hours worked from the start of the shift.
- (c) There shall be a second rest period given if more than three (3) hours are worked following the first meal break.
- (d) No one shall be required to work more than three hours in any one continuous period without a rest period or a meal period. This shall not apply to shift operators who are required to take their rest and meal periods at or near the proximity of their jobs.

7.8 First Meal Period

- (a) An adequate lunch, dinner or supper period of either one hour or one-half hour, at the Company's option, shall be granted to all employees who are required to work five and one-half (5 1/2) hours or more from their scheduled starting time. If an adequate lunch, dinner or supper period is not granted within five and one-half (5 1/2) hours, then the employee shall receive one and one-half (1 1/2) times his regular rate for all time worked in excess of five (5) hours until said meal period is granted, excepting cleanup gangs with irregular starts and those who work with regularly operating departments who start early.
- (b) Departments may, by mutual agreement extend the above hours on a day by day basis.
- (c) This shall in no way prohibit the scheduling of a lunch period in a lesser period of time.

- (d) This shall in no way prohibit the scheduling of a paid lunch period on certain jobs which require the attention of the employee for their entire shift.

7.9 Second Meal

- (a) Any employee that is required to work in excess of five and one-half (5 1/2) hours after their first meal period will be furnished adequate time to eat the meal and the sum of \$3.50, and the employee will be paid for the time required to eat the meal.
- (b) When employees are eligible for a second meal period and they receive this meal period after they have completed their day's work, they shall receive 0.4 clock hours and the sum of \$3.50.
- (c) If such second meal period is not granted by supervision, any employee involved shall receive one and one half (1 1/2) times their regular rate for all hours worked in excess of five and one half (5 1/2) hours after their first meal until such second meal period is granted by supervision or until they have completed their day's work.
- (d) In instances where employees are already receiving penalty pay when the second meal period is not granted, they shall receive an additional half time in addition to the rate they are already earning. That half time shall be one-half of their base hourly rate.
- (e) Departments may, by mutual agreement extend the above hours on a day by day basis.

7.10 Eight Hour Break Before Recall

All employees shall be entitled to at least an 8-hour break from their last punch out from their last regular shift. This 8-hour break is for the purpose of obtaining sleep and rest. In instances where there is not an 8-hour break between their last punch out and the next required punch in, they shall be credited as though they

had not punched out and had worked straight through until they finally are relieved from duty and allowed to punch out. Where it is mutually agreed, cleanup gangs are exempted from the application of this provision. In addition, employees may waive this section in order to attend meetings, i.e. forklift training, safety training, QIP, etc. In no event shall hours paid but not worked under this section be applied toward the overtime calculation.

7.11 Recall Pay after Eight Hour Break

Employees who are called in prior to their regularly scheduled starting time should be paid at the rate of one and one-half (1 1/2) times their hourly rate for all hours worked until their regularly scheduled starting time. They shall then work their regular shift at their normal rate of pay.

7.12 Notice of Change

Major changes in the work or working conditions of individuals affecting groups or departments shall be, except in case of emergency (emergency for this purpose shall include equipment breakdown), effectuated by no less than seven days written notice to the Chief Steward by the Company.

ARTICLE VIII - HOLIDAYS

8.1 (a) All full-time employees, including temporary employees, will be eligible for the following nine (9) holidays:

New Year's Day
Easter Monday
Memorial Day
Fourth of July
First Monday in August
Labor Day
Veteran's Day
Thanksgiving Day
Christmas Day

- 8.2 To be eligible for holiday pay employees must work the last scheduled working day before and the first scheduled working day after the holiday unless they are excused.
- 8.3 Absences for illness or injury the day before and/or the day after a holiday shall be considered excused absences for holiday pay purposes if those absences are accounted for by a doctor's statement attesting to the illness or injury of the employee which is presented to the Personnel Office within seven days of the employee's return to work from said illness or injury.
- 8.4 If a holiday occurs during the first thirty (30) calendar days employees are off on disability, they shall receive holiday pay on the regular payroll. Employees off longer than thirty calendar days shall receive their full week's pay on the disability payroll.
- 8.5 If a holiday occurs during the first thirty (30) calendar days while employees are receiving or will receive Workers' Compensation benefits, any holiday pay the employee is eligible for shall be reduced by the amount of the daily compensation benefits.
- 8.6 It is agreed that those employees working a Tuesday-through-Saturday shift shall, in the instance of Memorial Day, be given Tuesday as their holiday.
- 8.7 Holidays falling on Saturdays shall be compensated at the same rate as holidays falling on other days of the week.
- 8.8 If one of the listed holidays falls on a Sunday, it shall be observed on the following Monday.

ARTICLE IX - VACATIONS

9.1 Length of Vacation

- (a) Each employee who has completed one (1) year of continuous employment will receive one week of vacation.

- (b) Each employee who has completed two (2) years of continuous service will receive two (2) weeks vacation.
- (c) Each employee who has completed seven (7) years of continuous service will receive three (3) weeks vacation.
- (d) Each employee who has completed seventeen (17) years of continuous service will receive four (4) weeks vacation.
- (e) Each employee who has completed twenty-five (25) years of continuous service will receive five (5) weeks vacation.
- (f) Each employee who has completed thirty (30) years of continuous service will receive six (6) weeks vacation.
- (g) The vacation year will begin on the first Monday of March each year.

9.2 Seniority for Vacation

Vacation shall be figured on the basis of Company seniority.

9.3 Make-up Seniority

Employees who have been laid off or quit the employment of the Company, thus breaking their seniority, and who were subsequently rehired, shall for the purposes of pension and vacations be able to make up the period of time between employment as follows: For each year they work after their new hire date, they shall be able to make up one month of this break. However, before they receive any accumulated seniority in respect to the provisions of this section, they shall be required to make up the entire break.

9.4 Vacation Pay

- (a) Employees entitled to vacation will be granted their vacation pay at the beginning of their vacation period if they so request it. The request must be made at least seven (7) days in advance of the time the vacation is to begin.

- (b) Vacation pay shall consist of the employee's hourly rate times forty (40) hours for each full week they are on vacation.
- (c) Employees who have qualified for a vacation in a particular vacation year and who will presumably qualify for an additional week of vacation for the first time during that year, may take their vacation, including such additional week, at any time during the year in which the required service will presumably be completed.

9.5 No Carry-Over; No Work

- (a) Employees must use their vacation before the end of the vacation year, or it shall be forfeited. In instances where employees are off drawing pay under the disability plan and/or workers' compensation at the end of the vacation year and they have vacation due them, they shall be removed from disability and placed on vacation. When the vacation for that year is exhausted, they shall be replaced on disability pay and/or workers' compensation once again. Under no circumstances shall employees be allowed to draw both vacation pay and disability pay and/or workers' compensation.
- (b) All employees shall be required to take the vacation to which they are entitled before the end of each vacation year, and shall not under any circumstances be permitted to perform any work in the plant during their vacation period.

9.6 Scheduling Vacation Period

- (a) General - On setting vacations, due consideration shall be given to the employee's preference on a seniority basis, but vacations will be taken only at such times as they are prearranged and approved by the Company as being consistent with the proper conduct of the business.

- (b) The vacation scheduling will be on a year-round basis. Vacations will be scheduled in each department so as to distribute the vacations as equally as possible throughout the year.
- (c) Sign-up for vacations will begin six (6) weeks prior to the beginning of the new vacation year and be completed three (3) weeks prior to the beginning of that new vacation year.
- (d) Single days of vacation may be given by supervision when they are consistent with the conduct of the business. Less than single days of vacation will not be recognized by the Company.
- (e) Employees who report to work, work less than two (2) hours, request and are granted the remainder of the day on vacation, shall be paid the time worked and eight (8) hours of vacation pay.

9.7 Retirement or Death

Those employees who retire or die under the provisions of the Agreements between the parties shall be granted a pro rata portion of the vacation they earned to date of retirement or death which was accruing to the subsequent year's vacation. They shall receive one fifty-second (1/52) of a year's vacation for each week or major portion thereof worked.

This vacation amount will be paid in addition to the amount earned the previous year and owing in the year of retirement or death. In the instance of death, the beneficiary designated on the employee's Company paid life insurance shall be paid the pro rata amount called for in this section.

9.8 Layoff

Those employees who are separated by reason of a permanent layoff shall be allowed a pro rata vacation at the time of actual severance from the payroll for the

portion of the year worked. If such employees are subsequently recalled, there shall be no duplication of vacation benefits for the same period of service. Employees whose scheduled vacation arises while the employee is on layoff shall be paid their vacation as scheduled.

9.9 Method of Prorating Vacation

Vacation shall be prorated on the amount of time an employee is absent from work without pay in the vacation year immediately preceding the vacation year in which the vacation is actually taken. Employees absent from work receiving disability payments, old sick leave benefits, Workers' Compensation benefits, jury duty pay, management initiated voluntary dock, etc., shall be for purposes of this provision as being absent from work with pay. Additionally, the waiting period of a non-compensable illness or injury for which an individual does not receive disability pay under the disability plan shall not be counted as time absent from work without pay for purposes of prorating vacations, provided that the individual is absent from work long enough to collect disability payments under the insured plan. Employees off sick or injured receiving disability payments or Workers' Compensation, shall be considered as being absent from work without pay when their disability period exceeds their initial scheduled allotment on the disability schedule. Employee's vacations shall be prorated on the following basis:

- (a) One (1) week vacation, employee will lose one (1) day of vacation for the first thirty-nine (39) days missed and will lose an additional one (1) day of vacation for each additional fifty-two (52) days missed.
- (b) Two (2) weeks' vacation, employee will lose one (1) day of vacation for the first nineteen and one-half (19 1/2) days missed and will lose an additional one (1) day of vacation for each additional twenty-six (26) days missed.

- (c) Three (3) weeks' vacation, employee will lose (1) day of vacation for the first thirteen (13) days missed and will lose an additional one (1) day of vacation for each additional seventeen and one-third (17 1/3) days missed.
- (d) Four (4) weeks' vacation, employee will lose one (1) day of vacation for the first nine and three-fourths (9 3/4) days missed and will lose an additional one (1) day of vacation for each additional thirteen (13) days missed.
- (e) Five (5) weeks' vacation, employee will lose one (1) day of vacation for the first seven and four-fifths (7 4/5) days missed and will lose an additional one (1) day of vacation for each additional ten and two-tenths (10 2/10) days missed.
- (f) Six (6) weeks vacation, employee will lose one (1) day of vacation for the first six and one-half (6 1/2) days missed and will lose an additional one (1) day of vacation for each additional eight and two-thirds (8 2/3) days missed.

9.10 HOLIDAY WEEKS

- (a) If a holiday occurs within the employee's vacation period, they shall be paid eight (8) hours holiday pay at their basic rate of pay and they shall not be charged vacation on the day of the holiday.

9.11 DISABLED

It is agreed that an employee who becomes disabled while on vacation shall, upon notice to the Company if the disability is supported by acceptable medical evidence, be entitled to apply for disability benefits and to reschedule that portion of their scheduled vacation which remains after the end of the week that notice of such disability is given to the Company.

An employee who becomes disabled immediately prior to their scheduled vacation and whose disability is expected to continue beyond the commencement

of their vacation period, shall, upon notice to the Company and if the disability is supported by acceptable medical evidence, be entitled to apply for disability benefits and have their vacation rescheduled.

ARTICLE X - LEAVES

10.1 Jury Duty

- (a) All full-time employees shall be paid wages amounting to the differences between the amount paid for jury service and the amount they would have earned at their base pay only (no compensation will be made for tool preparation, etc.) had they worked on such days with the regular gang up to a maximum of eight (8) hours per day, providing, of course, that jury pay is less.
- (b) Difference pay will not be allowed unless the employee is on active (required by the Court) jury duty at the court's order and not until the employee submits a statement from the clerk verifying the court's orders.
- (c) Employees shall be required to report to work whenever they are excused by the court and their gang is still working, unless other arrangements are made by them with their supervision. When supervision requires the employee to report for work, it is understood that there must be at least enough work available so that the employee can work three (3) hours. Employees may report to work when there are less than three (3) hours if they so choose.
- (d) Employees who work on the night shift and who perform jury duty during the day in which their night shift begins will not be required to report for work if they have reported for jury duty and were required to remain for more than two hours on that given day. Employees who serve less than two (2) hours, but are required to report for jury duty the following day,

shall report for work but shall be released from work at least eight (8) hours prior to the time they are required to report for jury duty.

10.2 Funeral Leave

When regular full time employees are absent from work for the purpose of arranging for or attending the funeral of a member of their immediate family, the Company shall pay them their hourly base pay times eight (8) hours for each day of such absence up to a maximum of three days provided:

- (a) The employees notify the Personnel Office of the purpose of their absence on the first day of such absence.
- (b) The day of absence is one of three days commencing with the day of such death or the day immediately following the day of such death.
- (c) The day of absence is a day during which the employee's gang worked and on which the employee would have worked but for the absence.
- (d) The day of absence is not later than the day of such funeral except where substantial travel time is required.
- (e) The employees, when requested, furnish proof satisfactory to the Company of the death, their relationship to the deceased, the date of the funeral and the employee's actual attendance at such funeral.
- (f) For the purposes of this section, a member of the immediate family means only the employee's spouse, child, mother, father, sister, brother, mother-in-law, father-in-law, and natural grandchildren. Step relationships similar to the above defined immediate family shall also be covered by this section if they reside in the same household, or were raised together either as siblings or in a parent-child relationship.
- (g) Employees will be entitled to one (1) day of paid funeral leave to attend the funeral of the employee's and/or current spouse's grandparents, sisters-in-law or brothers-in-law.

- (h) In the event the employee is not able to attend the funeral service of an immediate family member or grandparent, as defined above, the employee will be granted one (1) day of paid funeral leave. The employee, when requested, will furnish proof, satisfactory to the Company, of the death and the employee's relationship to the deceased.

10.3 Voting Leave

When the hours for the city, state, national and School Board elections are so fixed as not to permit employees to vote on such days, schedules shall be arranged so as to provide for such time off as is necessary to vote.

10.4 Military Leave

(a) National Guard or Reserve Duty Temporary Military Leave

Any employee who is a qualified member of the National Guard or the organized U.S. Reserve of the Army, Navy, Air Force, Marines or Coast Guard, and who participates in a regular encampment or cruise with their branch of the service, or who is ordered to active duty during an emergency or disaster, such as fire, flood, riot, tornado, earthquake, etc., will be granted a leave of absence, and will be paid the amount equal to the difference between the base pay for the military duty (exclusive of longevity, subsistence, and other allowances) and the amount they would have earned at base pay had they remained at work with their gang, up to a maximum of fifteen (15) days (at a maximum of eight (8) hours per working day) in any labor year.

(b) Armed Forces Enlistment of Military Draft Leave

- (1) In the event employees enter the Military Service of the United States, they shall upon release therefrom have the right to be reinstated in accordance with the provisions of the Selective

Service Act, or such other legislation governing their reinstatement rights as may be applicable. Employees, upon being discharged from the Military Service and being otherwise eligible under said Act for Reinstatement, shall have such seniority as they would have had, had they continued in the employ of the Company during the period of service, provided they present themselves within ninety (90) days from the time they received their official separation from the Military.

- (2) Upon entering military service, employees will be given checks for the amount of vacation to which they are entitled less any vacation they had taken during the current vacation period.
- (3) Employees who enter the military service before the start of the new vacation year may have earned vacation due them the following year. Upon their return, their vacation will go on without interruption. If they take other employment, they may collect their earned vacation. If they are deceased, their earned vacation will be paid to their estate.

10.5 Military Funeral Color Guard Leave

Employees who perform with the Austin Color Guard at military funerals shall be excused from their department from the plant for the time needed for such duties, but not to exceed four (4) hours, except that reasonable additional time shall be allowed for travel to and from an out of town funeral. They shall receive the same pay and clock hours for this excused time as their gang. In no event shall their pay for that absence from the plant exceed four (4) hours time. The total time paid to these employees for the day (hours worked plus the time for the funeral leave) shall not exceed gang time. They shall be expected to return to work immediately following the funeral.

10.6 Union Leave

- (a) In the event that employees are chosen by the Union to transact business for the Union or any of its affiliates, such employees are eligible for a Union leave of absence. The length of time such employee shall be on leave shall be determined by their term of office or employment by the Union. These leaves shall be granted for a minimum of thirty (30) days and a maximum of the duration of the term of office or employment. When their term of office or employment ceases, they shall return to work in the service of the employer with no impairment of their seniority rights. The number of employees eligible to be on leave at one time shall be five (5), unless there is mutual agreement between the parties to a larger number.
- (b) Leaves of absence for duly elected delegates to union conventions shall be granted for a total of ten (10) days per year, and to no more than ten (10) delegates at any one time. Seven (7) days notice shall be given the Company prior to granting of convention leaves.
- (c) Excused time for other Union business reasons shall be granted consistent with the proper operation of the business.
- (d) Time away from work in excess of five days each year because of union leave will be subject to vacation prorate as explained in the vacation section of this contract.

10.7 Leave for Public Office

- (a) An employee who is elected or appointed to a full-time political position shall be eligible for one Political Leave of Absence. This leave of absence shall be granted, upon request for a single term of office, but not to exceed

a maximum of four (4) years, unless the Company, at its option, grants an extension or renewal.

- (b) Employees who receive political leaves of absence shall be eligible for pension credits while on political leave, not to exceed four (4) years credit, unless the Company, at its option, grants additional credit for an additional period of leave.

10.8 Pregnancy Leave

Disability due to pregnancy shall be treated on the same basis as other disabilities.

10.9 Special Leave

- (a) Application for Special Leave of Absence without pay for school, extra vacation, or other reasonable purpose, etc., may be submitted to the Joint Seniority Board at any time and will be considered by them without limitations on the amount of time which can be requested, without restriction as to what a person may do while on such leave, provided that no person shall use this program to circumvent the provision of any existing agreement which requires leaves of absence under certain circumstances. Such leaves shall only be granted when consistent with the proper conduct of the business.
- (b) Employees must make application for these leaves in writing to the Joint Seniority Board and state when the leave is to start and the period of time for which the leave is being requested, and the purpose of the leave. No leave shall be granted for a period of less than two (2) weeks.

ARTICLE XI - GRIEVANCE AND ARBITRATION PROCEDURE

11.1 Grievance Procedure

A grievance procedure is hereby established for the purpose of resolving any differences between the Company and the Union as to the meaning and

application of the provisions of this Agreement. Such differences shall be handled in accordance with the following procedure:

- (a) Discussion between the aggrieved employee, the department steward and the immediate supervisor.
- (b) In the event the problem cannot be solved as outlined in (a) above, the Business Agent or their representative and the supervisor's immediate superintendent will confer along with the aggrieved employee and the supervisor within three (3) working days after the Business Agent or their representative has knowledge of the supervisor's response.
- (c) In the event the problem cannot be solved as outlined in (b) above, the Business Agent or their representative will reduce the grievance to writing and indicate the specific provisions of the contract involved and the remedy sought and present it to the Personnel Manager within five (5) working days. The parties must attempt to resolve the written grievance at a meeting between the Chief Steward, the Business Agent, the grievant and the Personnel Manager, or the Personnel Manager's representative or another designated person. The Company shall give a written answer to the grievance within ten (10) working days of the close of this meeting. Such meetings will be scheduled by the Company at such times as are convenient and consistent with the operation of the business.
- (d) In the event the grievance cannot be resolved in (c) above, the Union shall have ten (10) working days from the date of the Personnel Manager's written reply to the Business Agent in which to make a written appeal to the plant manager. The plant manager or the Plant Manager's representative shall have fourteen (14) calendar days from the receipt of the appeal in which to either schedule a meeting with the Union to discuss

the matter or in which to make a written reply to the grievance. If a meeting is held, the plant manager will make a written reply as to the Company's position as the result of the meeting.

- (e) In the event the grievance is not resolved to the satisfaction of the Union in any of the preceding steps, they shall have thirty (30) calendar days from the receipt of the plant manager's reply letter to accept the plant manager's answer to the written appeal, or to refer the matter to arbitration.

11.2 Arbitrators

- (a) The following five (5) persons shall be designated as a panel of arbitrators for disputes processed under the grievance and arbitration provisions of this contract: 1. John M. Gradwohl, 2. Richard John Miller, 3. *(To be selected)*, 4. James A. Lundberg, and 5. William Berquist.
- (b) Unless the parties by mutual agreement designate a certain panel arbitrator to hear any matter, selection of the arbitrator for each dispute shall be made in rotation. Therefore, cases will be assigned to the arbitrator in the order that arbitrator is available provided, however, that if the arbitrator selected for any dispute shall advise that he cannot be available to hear the dispute promptly, the next panel arbitrator in line shall be designated for such dispute.
- (c) The arbitrator in making the arbitrator's decision shall be bound and governed by the explicit provisions of this agreement and restricted in the arbitrator's award to its application to the evidence presented at the hearing, and shall have no power to add or subtract from, ignore or modify any of the provisions of this Agreement. The decision of the arbitrator shall be final and binding.
- (d) If a grievance does not involve a specific violation of the contract the arbitrator should deny the grievance.

- (e) The arbitrator's fee and expenses shall be equally borne by both parties.
- (f) In the event any arbitrator in (a) above is removed by death, resignation, refusal to act, incapability of acting, or mutual agreement of the parties, the parties shall endeavor to agree upon a new arbitrator to replace the arbitrator. Until a new arbitrator is selected, cases will be heard by remaining arbitrators, following the procedures set forth in subparagraph (b) above, and the Federal Mediation and Conciliation Service will be requested to submit a panel of seven (7) arbitrators from which the parties shall select a replacement arbitrator.

ARTICLE XII - DISCIPLINARY PROCEDURES

- 12.1** Any instruction regarding the work or working conditions of any individual may come directly to the individual from the appropriate person on the supervisory staff. The individual affected shall rely upon the grievance procedure to gain relief from any inequity thus caused.
- 12.2** In instances of bad workmanship, misconduct, or tardiness, the Company may deliver a verbal warning, a written fault slip, or a written notice that a "strike" or "strikes" will be charged against the employee. In cases of unexcused absence, a strike shall be issued. Those employees who receive a second strike in a twelve month period shall be suspended without pay for a five day period at the option of and at a time convenient to the Company. Any three "strikes" within a twelve month period shall constitute grounds for immediate discharge.
- 12.3** Unexcused absence warning letters shall remain in effect for a period of (2) two years from date of issue.
- 12.4** Strikes issued to an employee shall remain in effect for a period of one (1) year from the date of issue.

12.5 In certain instances, when in the opinion of the Company the misconduct of an employee warrants it, suspension or discharge may be invoked immediately. Violation of the following work rules, but not limited to the following work rules, shall be considered just cause for immediate discharge:

- (a) Walking off the job;
- (b) Refusal to perform assigned work or other forms of insubordination;
- (c) Falsifying Company records such as employment forms, production records, insurance claims, etc.;
- (d) Deliberate violation of Company safety rules;
- (e) Any act which might endanger the safety or life of others;
- (f) Fighting on Company property;
- (g) Possessing or consuming liquor or working under the influence of alcohol (this applies to illegal drugs as well);
- (h) Possession of firearms or other dangerous weapons on Company property;
- (i) Deliberately damaging or defacing Company property, tools, equipment or property of others;
- (j) Sleeping on the job;
- (k) Theft and pilferage of Company property or the property of other employees;
- (l) Abuse of the disability programs,
- (m) Violation of Section 3.1(c) and (d).

In cases arising under this section, the arbitrator shall only decide whether the employee engaged in the act of misconduct as stated by the Company.

In cases of immediate discharge or suspension, employees will without delay, report to the Personnel Office accompanied by their steward or other union officials, if they choose, and indicate there in writing whether a hearing is desired.

The employee will then leave the premises in an orderly fashion and without delay. Upon request a hearing shall be arranged within three (3) days. A hearing shall be held consisting of the Personnel Manager or his proxy, and a Union representative. The Personnel Manager shall preside. To the hearing shall be admitted other interested parties and competent witnesses. In case of an adverse decision by the Company, the employee may carry their case onward through regular grievance procedure.

In case of final adverse decision employees shall be removed from the payroll and all their rights under this Agreement shall cease.

- 12.6** In all disciplinary proceedings against an employee, or in any formal meetings in which the possibility of discipline is present, the employee shall be entitled to have a union representative present if they so request.
- 12.7** All absence occurrences shall be subject to the Attendance Control Program as set forth in the Appendix "B" attached hereto and by reference made a part of this Agreement.
- 12.8** All plant employees shall be subject to the Substance Abuse Program as set forth in Appendix "E" attached hereto and by reference made a part of this agreement.

ARTICLE XIII - INJURY AND ILLNESS

13.1 Injury on the Job

- (a) Employees who in any way are injured must report to the Medical Department immediately, if the injury occurs while on the job. An injury shall include all types of injuries, but specifically shall include any scratch or laceration which breaks the skin. The objective, of course, is to avoid the possibility of infection or any other furthering of the injury. Employees injuring themselves on the job must complete, as soon after the

injury as is reasonably possible, an accident report describing, in detail, the nature of the injury and the circumstances surrounding the accident.

- (b) Employees losing time because of an industrial accident will receive their regular holiday pay for a holiday falling in the Workers' Compensation waiting period. If and when it becomes necessary to pay Workers' Compensation for the waiting period, full Workers' Compensation will be paid, but the holiday pay previously paid will be deducted from the employee's pay. The Company will then supplement the Workers' Compensation payment for the day so that the employees will receive an amount equal to their full pay for the holiday.

13.2 Returning to Work from Illness

- (a) It is agreed between the parties that when there is a difference of opinion between an employee's doctor and the Company doctor concerning the ability of an employee to return to work from an illness or injury, the dispute will be referred to a mutually agreeable third doctor. The decision of the third doctor shall dictate whether or not the employee returns to work.
- (b) It is agreed between the parties that should the decision of the third doctor be that the employees may not return to work due to their disability, and the employees have exhausted their disability payments, and further, they are unable to return to work through the Special Work Program, those employees shall be eligible for a disability pension, assuming that they meet all other criteria as spelled out in the formal language of the Pension Agreement. These employees shall remain on a disability pension for such period of time until they are either successful in returning to work under the Special Work Program or until they are recovered sufficiently from their disability to return to their own job.

- (c) During the period these employees are on disability pension, they shall be subject to all terms of the Pension Agreement. Should their disability persist to the extent that they are unable ever to return to work, they will revert to normal retirement at the proper time as outlined in the Pension Plan.

13.3 Special Work Program

- (a) The Union and the Company recognize the need for a program to cover employees who have become partially disabled or who for any reason are unable to perform the duties of their own job. These employees will return to work on alternate duty. At the conclusion of a thirty (30) day period, if a meeting is requested, the Company and the Union will meet for the purpose of determining whether the employee will be placed on the Special Work Program. If there is mutual agreement, the employee will be placed on Special Work Program Status.
- (b) Special Work Program jobs throughout the plant shall be made available from time to time. These jobs shall become and remain outside the jurisdiction of the seniority process. At no time will the number of Special Work Program jobs in the plant exceed the following schedule:
- 20% of workforce level 0 to 500 employees;
- Plus 15% of workforce level between 501 and 1,000 employees;
- Plus 10% of workforce level above 1,000 employees.
- (c) As jobs which can be utilized for rehabilitation purposes become vacant through regular processes, or as vacant jobs are designated as rehabilitation jobs, they shall immediately be removed from the seniority posting procedure and shall be filled by any disabled or partially disabled

- employee who cannot perform their regular duties. When disabled employees are not available to fill all special work jobs, they may be filled on a day to day basis. In this event, the job or jobs will still be designated as Special Work Program jobs and will be filled as soon as the need arises.
- (d) Employees on one of the Special Work Program jobs lose claim to their permanent job and its' rate after expiration of sixty (60) days, but retain their department rights for bidding purposes. In special circumstances, the Special Work Committee may further extend protection for the employee's permanent job, but not their permanent rate. Employees on Special Work Program jobs must exercise their seniority in claiming other jobs within their department and the plant that they are able to do.
- (e) There shall be a Special Work Committee to review all proceedings relative to Special Work Jobs. The Committee shall be composed of three (3) members of the Union and three (3) representatives of the Company. They shall make all determinations in assigning disabled employees on Special Work Program jobs and may review and adjust as the need arises. The Committee may reconsider any case at any time, as the occasion warrants and shall depend on medical advice in reaching their conclusion. Under no circumstances will anyone on Special Work Jobs be placed on another job, by anyone other than the Special Work Committee or the Administrator of Worker Compensation & Disability or the Personnel Manager.
- (f) Decisions relative to the Special Work Program will be made by the Special Work Committee. If for any reason the Committee shall disagree and become deadlocked on any decision, the employee involved shall have the right to choose between a third doctor's opinion or, in lieu of the third doctor's opinion, implement the normal grievance procedure to resolve the

deadlock. In the event a third doctor's opinion is required, both the Company and the Union shall agree on the doctor to be chosen.

ARTICLE XIV - SENIORITY

14.1 Union Seniority

- (a) Seniority will govern in cases of promotions, demotions, transfers, new jobs, layoffs, recalls, reclassifications, and in all cases of increase or decrease of the work force. The most senior employee shall be given first choice and the least senior shall be forced. The employee's qualifications to do the job or to learn to do the job will be taken into consideration. The procedure for specific seniority application is outlined in subsequent Sections of this Article.
- (b) The plant shall be divided into departments. The Company may establish new departments or modify existing departments.

14.2 Seniority Board

Questions on seniority shall be settled by a Seniority Board made up of six members - three elected by the Union and three selected by the Company. Majority decisions of the Seniority Board shall be final and binding on all parties. When a deadlock occurs, the matter may be handled in the same manner as a regular grievance.

14.3 Posting of Jobs

- (a) All job postings must have the posting times recorded on the posting.
- (b) All jobs open shall be posted on the bidding board and shall remain posted 2 consecutive working days. They will be put up no later than 1:00 p.m. and taken down at 10:00 a.m. All employees will be allowed to bid, with department bids taking precedent over plant bids. Unclaimed jobs on the

bidding board shall be filled by the youngest employees in seniority on the extra gang the week in which the jobs are posted.

- (c) When a temporary or permanent job is posted in a department, the oldest employee in seniority of the department applying for the job shall receive a reasonable amount of time to learn the job. This period of time to learn the job shall be determined by the department stewards and supervision.
- (d) The Company shall issue a seven-day notice of any increase in the basic number of employees of a department, and shall state the particular jobs and number of jobs to be increased.
- (e) Employees who bid on jobs will be released as soon as possible. Beginning with the fourth week after employees have bid and received a job, but have not yet been released from their old job, they shall be paid the higher of the rate they earn in their present job or the rate they would have earned on the new job. When employees become members of a new department, although they are not released, they may bid on all jobs in the department. Once employees have been released to the new department their pay shall be calculated in the new department at the rate of the job they received in the new department.
- (f) An employee holding a permanent job in a department and working on a temporary job may bid on another permanent job without losing their rights to the temporary job. Their formerly held permanent job will be posted permanent to the department and their new permanent job will be posted temporary to the department.
- (g) Employees on leave of absence or who are off work because of vacation, may bid on jobs in their department or on the plant bidding board by securing an absentee bidding card from their steward.

- (h) To void a bid, employees must complete a job bid void form. The voided bid will not be removed until the end of the posting period.
- (i) There shall be three types of jobs posted on the plant bidding board - Permanent, Temporary, and Temporary Vacation (TV).
- (j) A person entering a gang on a temporary vacation basis shall remain in the gang until the TV period has been completed. The completion of the TV period may be at any time and not subject to a seven day notice. If the gang is being reduced, TV employees must return to the extra gang prior to regular gang members. All TV employees shall be reduced from the departments at the end of each vacation year.

14.4 Jobs that Require a Test

- (a) A job list will be posted on the plant bidding board in advance of all official plant postings for all jobs which require a test. This list shall be posted for 48 hours. The test will be given to the oldest in Union seniority from this list until the number of employees required to fill a given job or jobs have passed the test. These tests will not affect the present system of job postings, but an employee bidding and receiving one of these jobs on an official plant posting who has passed the test will be considered qualified, and will not be required to retake this test.
- (b) In awarding jobs for the Maintenance Department, qualifications will be taken into consideration as well as seniority; however, the oldest in seniority shall receive the job so long as the employee can perform the duties of the job. Job applicants will be given an opportunity to prove their abilities through the testing procedure set forth in subparagraph (a) above. In no case will an opportunity be given when the safety of the employee or fellow employees may be a factor.

(c) Employees bidding to new jobs or vacant jobs shall be given fair and impartial instruction as to the duties of the job to which they bid and an opportunity to prove their abilities through job performance. Employees with seniority in the department, who as a result of job posting have been placed on a higher or lower rated job, shall be paid at a rate not less than one classification below the established job rate for their training period, but they shall not be paid less than the lowest classification. In no event shall the opportunity to prove their ability to learn the job exceed five (5) working days. The Company may, however, extend this opportunity for certain jobs. Qualifications, ability and aptitude will be determined by the Company. Employees failing to qualify shall be removed from the job.

14.5 Transferred Work

When the Company transfers work from one department to another department, the employee whose work has been transferred may follow their work, replace the youngest in seniority in the department or go to the extra gang.

14.6 Combined Jobs

When the Company combines two or more jobs in a department, the oldest employee in seniority whose job is being combined may claim the job, or the youngest employee in seniority whose job has been combined must accept it. Percentage of work will not be a deciding factor.

14.7 Multiple Units

A multiple unit is a job which requires the service of more than one employee. Whenever a reduction takes place in a multiple unit, the employee with the least seniority shall be reduced unless the older member in seniority of the multiple unit chooses to leave. (See Seniority Rule Handbook when General Worker is in multiple unit).

14.8 Gang Reduction

- (a) Any reduction shall be deemed to be permanent if the reduction continues over a 52 week period after announcement. All gang reductions must be temporary for the first 180 days. A reduction announced as temporary may be re-announced as permanent after 180 days.
- (b) In the instance of a temporary or permanent reduction, production employees may not exercise their seniority to displace a maintenance employee. Maintenance employees, in the case of a temporary or permanent reduction resulting in layoff, may exercise their seniority to displace the least senior production employee. In the instance of a temporary reduction resulting in layoff, a production or maintenance employee may not exercise their seniority to displace the following jobs unless the employee is qualified to perform them:
 - (1) Smokehouse or retort operator
 - (2) Pickle maker
 - (3) Continuous microwave oven operator
 - (4) Dry sausage processing oven operator
- (c) In reductions due to job discontinuances or combinations, seniority and the following procedures shall be followed in determining which employees shall be reduced:
 - (1) Employees whose jobs have been temporarily or permanently reduced whether or not resulting in a layoff shall displace the youngest employee in seniority in their department and claim their job, or in the alternative, go directly to the extra gang.
 - (2) In instances of a layoff, the employee reduced from their department shall go to the extra gang in which case the oldest may, or the youngest person in seniority on the extra gang must either take the layoff, or exercise their seniority to displace the youngest

- person in seniority in the plant who is not on the list in 14.8(b), and force the employee to take the layoff.
- (3) In instances of permanent reduction or layoff, employees on jobs identified under 14.8(b)(1-4) shall not be protected from reductions hereunder. When an employee is forced off the payroll by operation of this provision, the employee shall have recall rights in accordance with their plant-wide seniority as set forth in 14.9(b).
- (4) Maintenance employees may be displaced by reductions within their own department under the procedures as outlined in subparagraph (c)(1-3) above. A maintenance employee who uses their seniority to displace another employee within the Maintenance Department must be able to perform their new permanent job. Qualifications, ability, and aptitude will be determined by the Company.
- (5) Any production employee who uses seniority to displace another employee must be able to perform or qualify on their new permanent job in the same manner as outlined in 14.4(c).
- (6) At the conclusion of a temporary reduction when the discontinued jobs are re-established, employees who have not permanently bid more than once on a new or vacant job, may return to their permanent jobs. (See Seniority Rule 24).
- (d) If more than one employee is involved in a temporary or permanent gang reduction, the reduced or displaced employees may select their permanent job according to their seniority from a list of jobs that will be vacated by the youngest employees involved.
- (e) It is understood that probationary employees (excluding probationary maintenance employees) shall have their employment terminated before

non-probationary employees are laid off as a result of temporary or permanent gang reduction.

- (f) In department reductions on a daily basis for the convenience of the Company, seniority shall be followed in determining which employees shall be reduced from the department. Employees whose jobs are reduced for Company convenience shall either be assigned to the extra gang, or if they are qualified, may force the youngest employee in the department to take reassignment to the extra gang, and perform their job. In instances where a reduced employee is not qualified to perform the job of the youngest employee in the department, the employee must take assignment to the extra gang. Employees who force the youngest employee in the department to take reassignment and perform their job will be paid the rate of the job to which they are assigned, or their rate, whichever is higher.
- (g) An employee who owns a bid job shall work on that job unless:
 - (1) they are the youngest capable employee available to perform another job for which there is no replacement, or
 - (2) the Company has chosen to temporarily discontinue their bid job, or
 - (3) they are in a penalty pay situation and on a job which will take one (1) hour or longer to complete, and another capable straight time employee is available to perform the work. It is understood that the Company may build up a work unit to prevent or reduce penalty pay.

14.9 Recall from Layoff

- (a) Employees laid off shall have recall rights. Employee's right of recall requires that on the day they are actually reduced to a laid off list they file their name and address in writing with the Personnel Department, and it

shall be the employees' responsibility to notify the Company of any change of address.

- (b) Laid off employees shall be recalled in order of their seniority, providing they are able to perform or qualify on the open job in the same manner as outlined in 14.4(c). A senior employee who is able to perform, or qualify on the open job and who turns down an opportunity to return to work without approval of the Company, shall forfeit their seniority rights and have no further rights of recall.
- (c) Laid off employees failing to return to service within seventy-two (72) hours after being notified, or who fail to give satisfactory reason for not doing so, shall forfeit their seniority rights and have no right of recall.

14.10 Extra Gang

- (a) Except as otherwise provided in this Article XIV, all temporary vacancies shall be filled as needed from the extra gang. Employees on the extra gang shall be assigned jobs in departments of the Plant according to their seniority, and capability. Extra gang employees may be reassigned through the Plant Personnel Office at any time. [See section 5.3(f)]
- (b) In the event a new plant operation is started, the Company may fill the new operation jobs as temporary vacancies from the extra gang.

14.11 Bidding on Jobs

- (a) Any employee claiming a permanent job outside of their department can only bid onto the plant bidding board once every 180 days. Any employee claiming a permanent job within their department can only bid onto the department bidding board once every 90 days.
- (b) Any employee on the extra gang may immediately bid on all permanent new or vacant jobs on the plant bidding board.

- (c) Discontinued employees have the right to bid seven (7) days prior to their date of discontinuance while retaining their rights of call back.

14.12 Temporary Vacancies - Open Work

When there are temporary job openings due to absenteeism, vacations, or emergencies, these open jobs will first be filled by general workers by seniority if qualified, and the general worker will be paid the rate of the job, or their rate if higher, for the length of time they are on the job. If no qualified general worker is available to fill an open job, supervision may move an employee from their bid job to the vacancy and they will be paid either their rate or the rate of the job they are placed on, whichever is higher, for the length of time they are on the job. If two or more employees on bid jobs are qualified to perform an open job that cannot be filled by a general worker, and they work together in a multiple unit (a unit of more than one employee performing the same work), the oldest employee in seniority may leave the unit to perform the open work, or the youngest employee must. Employees will be broken in on other than their bid jobs at the discretion of supervision so qualified people will be available to fill key jobs.

14.13 Break-In

Once an employee begins their break-in period on any job, the employee will be required to complete their break-in on a schedule and frequency convenient to the Company.

14.14 Separating Department

When it has been officially decided to separate a department into two separate departments, each employee must return to their own permanent job.

14.15 Rules Coverage

These seniority rules shall apply to all departments in the plant. The only exceptions are certain jobs that require a test or a license to obtain them.

14.16 Seniority Standing

For the purposes of this Agreement, seniority standings shall be determined by the length of service in the Bargaining Unit represented by the Union except as provided in connection with the Inter-Plant Transfer Agreement.

14.17 Seniority of employees will be considered broken and all rights forfeited and no obligation to rehire when they:

- (a) voluntarily resign,
- (b) are discharged for cause,
- (c) fail to return to work from leave of absence or when recalled from layoff,
- (d) have been on layoff for a period of twelve (12) months or longer,
- (e) are absent for three (3) consecutive working days without notification,
- (f) are absent due to health reasons for twelve (12) months or longer (except workers' compensation injuries/illnesses), however, by mutual agreement, these employees may have their seniority extended;
- (g) any other cause of termination of employment.

14.18 All plant employees shall be subject to the Seniority Rules as set forth in the Seniority Rules Austin Plant Handbook effective September 13, 1999, and by reference made a part of this working agreement.

ARTICLE XV - PLANT CLOSING

15.1 Closing

The Company agrees to give the Union six (6) months written notice of plant closing.

15.2 Definition

For purposes of this Article, "plant closing" shall be defined as a complete closure of the plant by the Company with no employees represented by the Union remaining employed. The notice of provision of this Article shall not apply in the event the Company sells, transfers, assigns, leases, conveys, or otherwise disposes of its operations, in whole or in part, covered by this Agreement.

ARTICLE XVI - INTER-PLANT TRANSFER

16.1 Transfer Rights

Bargaining unit employees who meet the eligibility requirements specified in this Agreement on inter-plant transfers shall have the right to transfer to a bargaining unit job to which their inter-plant transfer seniority entitles them at any of the following plants of the Hormel Foods Corporation, under the conditions set forth in this Agreement on inter-plant transfers:

Atlanta, GA
Algona, IA
Austin, MN

Beloit, WI - Q & P Control
Fremont, NE
Beloit, WI - Plant

There shall be a limit on the number of transferees into a plant in a calendar year to no more than 10% of the number of employees on that plant's payroll on January 1 of that calendar year. An example of this would be in the instance of a plant with 1,000 employees on its payroll on January 1 of a calendar year would be limited to allowing no more than 100 transferees to come into that plant in that calendar year.

16.2 Eligibility for Transfer

To be eligible for transfer, employees must be permanent bargaining unit employees who have been officially notified of a permanent separation as a result

of the closing of the plant or department and who meet the following requirements:

- (a) Employees must have at least one (1) year of Company seniority.
- (b) Employees must be physically fit, provided that no employees shall be disqualified by reason of any physical condition which has not disqualified them from work at the plant at which they are employed, and further, if it can be reasonably expected that such employee can perform the job or jobs to which such employee is entitled at the new plant. The physical fitness of employees will be established initially by the Company physician. If there should be a difference of opinion between the Company doctor and the employee's doctor regarding the physical fitness of the prospective transferee, it will be referred to a third doctor selected by the Union and the Company.
- (c) Employees must be capable of performing the available work or learn it within a reasonable length of time.

16.3 Inter-Plant Transfer Seniority Date

Employees who are permanent bargaining unit employees on January 1, 1974, shall have that date as their inter-plant transfer seniority date. Permanent employees hired after that date (and probationary employees who become permanent employees after that date) shall have as their inter-plant transfer seniority date the date on which they become permanent bargaining unit employees.

However, for purposes of transfer to any other plant, no employee shall have an inter-plant transfer date earlier than the inter-plant transfer date specified in the Agreement at the plant.

16.4 Transfer Rights

Subject to the eligibility and procedural requirements of this Agreement on inter-plant transfers, employees may transfer to any of the bargaining units identified in Section 16.1 of this Agreement on inter-plant transfers in which there are employee(s) having lesser inter-plant transfer seniority. No employee may displace any employee at any other plant whose inter-plant transfer seniority is the same as that of the employee seeking the transfer.

The terms and conditions of employment of the transferred employees at the plant to which they are transferred shall be governed in all respects by the Working Agreement at that plant, except that, to the extent that the amount of vacation, sick leave, pension and insurance benefits are based on length of service, the transferred employees shall be entitled to use their continuous Company seniority for such purposes only. It is the intention of the parties that in all other respects the transferred employees shall have rights and benefits which are no different from those applicable to other employees at that plant.

16.5 Procedure for Transfer

- (a) If eligible employees wish to transfer, they must notify their Plant Manager or Employment Manager in writing of their desire to have their name placed on the inter-plant transfer list, such notice to be given not

later than ninety (90) days prior to the date of such employees' permanent separation.

- (b) Within thirty (30) days after the employees' names are placed on the inter-plant transfer list, employees will be notified by certified mail of the various plants to which employees may transfer on their inter-plant transfer seniority date. Information concerning the various plants shall contain plant location, description of operations at the plant, number of employees eligible to be displaced, total number of employees in the unit, and the common labor rate. If for any reason that information shall change, amended information shall be distributed.
- (c) If employees wish to transfer, they must give written notice of that fact to their Plant Manager or Employment Manager within ten (10) days after the receipt of the notification letter, and must specify in order of preference the plants to which employees are willing to accept transfer.
- (d) It is the intention of the parties that eligible employees shall have only one opportunity to transfer as the result of a given termination of employment or layoff. If employees do not have their name placed on the inter-plant transfer list, or if employees do not accept a transfer which is offered, employees shall not be eligible for transfer.
- (e) It shall be the responsibility of employees to advise the Plant Manager or Employment Manager of their current address and of any changes therein.
- (f) Neither the failure of employees to have their name placed on the inter-plant transfer list, nor the failure of employees to accept a transfer which is

offered shall have any effect on recall rights or pension rights, if any, the employees may have at this plant.

- (g) Upon the receipt of a notice from employees, pursuant to subparagraph (c) of this Section 19.5, the Company will ascertain the plant to which the employees will be transferred. Such determination would be based on the employees' order of preference and inter-plant transfer seniority dates, except as between employees with identical inter-plant transfer seniority dates, such determination will be based on the employees' order of preference and their Company seniority date. The Company will, within ten (10) days of receipt of such notice, notify employees in writing of the plant to which they will be transferred. Employees will accept or reject such assignment within ten (10) days, and if employees accept, they will report for work at the plant to which they are transferred within two (2) weeks from the date of such acceptance.

16.6 Trial Period

Employees who are transferred in accordance with this Agreement on inter-plant transfers may at any time within not to exceed six (6) months from the date of the notification in writing, referred to in Section 19.5 (g) above, elect to:

- (a) Exercise their retirement rights, if any, under that portion of the Pension Plan relating to "Pension on Permanent Separation From Payroll Due to Layoff, Plant or Department Closing",

- (b) Relinquish active employment at the transfer plant and revert to the remainder of their recall rights at original plant, provided:
 - i. Employees notify original Plant Manager or Employment Manager in writing of desire to return to recall list of original plant at time of relinquishing active employment, and
 - ii. Keep original Plant Manager or Employment Manager notified of their current address, and
 - iii. Employees assume all costs of moving in the event of an acceptance of a recall, and
 - iv. Employees shall report to work at original plant within not more than seven (7) days of recall. At the end of the six-month period, the employees' rights under the above provisions shall cease.
- (c) If the Company opens or acquires a plant producing product presently produced in plants covered by this Agreement in a city in which a plant covered by this Agreement was previously closed, employees who transferred to another plant as a result of the earlier plant closing shall be permitted to transfer back, at their expense, to the plant in the original city subject to reasonable procedures to be agreed upon between parties in the specific situation.

16.7 Assignment Upon Transfer

- (a) Upon being transferred, employees shall be assigned a plant seniority date at that plant, which plant seniority date shall be the employees' inter-plant

transfer seniority date, except between employees with identical inter-plant transfer seniority dates the Company seniority date shall govern.

- (b) Employees who are transferred shall upon transfer be entitled to be assigned to any job held by employees with a later inter-plant transfer seniority date; and the latter, in turn, shall then be entitled to exercise their displacement rights as provided in the contract governing the bargaining unit.
- (c) Employees who are transferred shall thereafter use their newly-acquired plant seniority at that plant in bidding for job vacancies as they arise at that plant.

16.8 Reimbursement for Moving Expense

Employees who transfer will be entitled to reimbursement for moving expenses actually incurred, such reimbursement in no event to exceed the amounts noted in the following schedule:

<u>Distance Between Former Installation and New Installation</u>	<u>Single</u>	<u>Married or Head of Household</u>
0 – 24 miles	None	None
25 – 99 miles	\$ 40	\$ 150
100 – 299 miles	\$ 70	\$ 235
300 – 499 miles	\$ 100	\$ 325
500 – 999 miles	\$ 125	\$ 410
1,000 miles and up	\$150	\$ 500

ARTICLE XVII - PRODUCT CONTROL DEPARTMENT

- 17.1 The wage rate for all employees in the Product Control Department shall be classification II. In the event that a Product Control employee is required to operate a forklift or work saver, the corresponding classification will apply.
- 17.2 Employees in the Product Control Department shall be entitled to bid out of the department on open jobs posted on the main plant board. Such employees shall not be entitled to take any such job awarded for a period of 60 days after the job is awarded unless such time limit is waived by the Company. When assigned to the job awarded, such employee shall receive the rate for that job.
- 17.3 Only employees meeting qualifications established by the Company may hold jobs in the Product Control Department, and the Company may establish testing procedures for purposes of job qualification.
- 17.4 There shall be only one job title in the Product Control Department and it shall be known as Product Control Clerk. Product Control Department employees shall do any or all product control work assigned to them by departmental supervision.

ARTICLE XVIII - MAINTENANCE DIVISION

- 18.1 The Maintenance Department employees will be considered multicroft employees and will not be restricted in their job duties by craft lines. Supervision shall have the sole right to assign Maintenance Department employees job duties in accordance with the proper operation of the business and the employee's particular job knowledge, skills and availability.
- 18.2 Employees of the Maintenance Division as established in this Article will be utilized for the normal repair of the plant and the maintenance of the equipment, including the day-to-day daily setup and tear down, and such other similar work which will assure the smooth mechanical operation of the plant. To the extent that those activities can be carried out in a reasonable manner from the standpoint of capability, time limitations, equipment availability, and economic feasibility,

they will be performed by the employees of the Maintenance Department. However, in those instances where the above requirements cannot reasonably be met, the Company may utilize other sources and means to meet the needs of the situation and insure a smooth operation of the business.

- 18.3** The Company and Union agree that there is a need for a Training Program to provide opportunity to the employees in the plant to receive the skills necessary to perform the duties in the Mechanical Division. The details of this program are found in separate memos.

ARTICLE XIX - WORK STANDARDS

- 19.1** Management may establish, implement and maintain work standards in accordance with the provisions and procedures outlined in Appendix "D" attached hereto and by incorporation made a part hereof.

ARTICLE XX - MISCELLANEOUS PROVISIONS

20.1 New Employees

Employees shall be hired directly into a department and shall have no bidding rights during their probation (includes extra gang notwithstanding Section 14.10(a)).

20.2 Probationary Period

Employees shall not accumulate any seniority rights until they have completed three (3) months of service. This period may be extended by mutual agreement. During these three (3) months, the Company shall have the exclusive right to dismiss probationary employees at the Company's discretion. Upon accumulating such three (3) months of service, the employees shall be considered permanent and their seniority date shall be established from their original date of hire.

20.3 Plant Rules

The Company shall have the right to establish reasonable rules, evenly applied among the employees covered by this Agreement for the operation of the plant and for conduct of said employees. Such rules will be posted on employee bulletin boards and a copy of the rules and any amendments thereto shall be mailed to the Union office promptly. Management may change, modify and enforce such work rules. The Company shall also have the exclusive right to establish such programs and procedures as it deems necessary for the administration and/or enforcement of any plant rules it establishes. The Union's prior approval of such rules, programs or procedures shall not be required. However, no rules shall be established which conflict with any provisions of this Agreement, and when discipline is imposed on any employee for violating such rules, such discipline shall be subject to grievance procedure.

20.4 Chief Steward

- (a) It is agreed that the Company will allow a maximum of one full-time paid Chief Steward member administering the Collective Bargaining Agreement per each 1000 employees or a fraction thereof in the plant.
- (b) The full-time paid Chief Stewards will handle all union business in the plant, and all other activities for which Union representation is needed during working hours. The assignment of the specific duties to these individuals will be made primarily by the Union with the approval of the Company.
- (c) There shall be no replacement provided for the full-time paid Chief Steward members when they are off work with the exception of illness. In instances where one or more of these employees are off due to illness for a period longer than four weeks, replacement will be appointed.
- (d) Employees serving as full-time paid Chief Stewards shall be responsible to the Union for performance of their job, except that they shall be subject to

the supervision of the Personnel Manager for hours worked and other terms and conditions of employment. While the employees are serving as Chief Stewards they shall maintain full rights to their permanent plant job. [See Seniority Rule 27(2)]. Their rate of pay shall be the average rate paid to all employees working in the plant.

20.5 Temporary Hires

- (a) It is agreed that when there are no employees on layoff with recall rights the Company shall have the right to hire temporary employees for the purpose of temporary operations to experiment with new products.
- (b) The total number of temporary employees at no time could exceed 50.
- (c) Temporary employees would be hired for a period of not to exceed 90 days. Any temporary employees who remained on the payroll for a period beyond 90 calendar days would automatically be termed permanent employees and at that time begin to accumulate seniority and time for benefit purposes. In instances where such employees automatically become permanent because they have worked in excess of ninety (90) days, they shall be assigned to the Extra Gang and the job to which they were temporarily assigned shall be posted.
- (d) Temporary employees shall accumulate no seniority and have no rehiring rights.
- (e) Temporary employees shall receive no fringe benefits except holiday pay.
- (f) All temporary employees shall be required to become and remain members of the Union in accordance with Section 3.2(a).

20.6 Part Time Hires

- (a) It is agreed that when full-time job owners and volunteers are not available to perform work on sixth and/or seventh days, Part-Time employees may be utilized to provide relief. This is their only purpose. While on break-in

- they will not be allowed to replace a full time employee. The number of Part-Time employees will not exceed 50, without a mutual agreement.
- (b) Part-Time employees, while breaking in, shall be paid the "starting rate", plus any night premium and 1½ time after 8 hours in any one day.
 - (c) Part-Time employees, once qualified, shall be paid the scale rate of the job, plus any night premium and 1½ time after 8 hours in any one day.
 - (d) Part-Time employees will not be allowed to work more than 1000 hours in any fiscal year, therefore, they will not be eligible for any Company sponsored benefits.

20.7 Christmas Eve

On the day of Christmas Eve, the Company shall not schedule more than 5 1/2 hours in any production department (excludes service departments, e.g. Sanitation, Shipping, etc.). Consistent with Section 5.3, during the week of Christmas Eve, the 36-hour weekly guarantee shall be reduced by 2 1/2 hours for Christmas Eve.

20.8 Paycheck Errors

When an employee's paycheck is short by \$25.00 or more, the employee will be reimbursed the same day, if possible, but not later than the day after discovery of the shortage, provided the employee has scanned in/out of their department properly.

20.9 General Work Employees

- (a) The scale rate of the classifications of "General Work" shall be common labor.
- (b) When general work employees are absent from work because of vacation or paid disability, those employees shall be paid at the average of the rates they received during the twenty (20) working days immediately preceding the absence in question.

- (c) When general work employees are absent from work because of a holiday, those employees shall be paid for the holiday at the rate they received the day immediately preceding the holiday, or if excused on that day, the rate they received on the day immediately preceding the excused absence.

20.10 Supervision

The Company will not assign work normally performed by bargaining unit employees to management employees except on occasion where it is necessary, including but not limited to training and instruction of both bargaining unit and management employees, and situations which are or appear to be emergencies to management. Supervisors are expected to work often enough on each job under their supervision to maintain sufficient skill to train new employees.

20.11 Employee Assistance Program

The Company agrees to continue the Employee Assistance Program to provide counseling for its employees in Austin, Minnesota concerning their personal problems, including chemical dependency problems, and to commit appropriate amount of money to finance the program. Local 9 agrees to cooperate in this effort.

20.12 Safety Committee

There currently exists a Safety Committee in the plant composed of equal membership from the Union and the Company plus the Director of Plant Safety. This committee shall continue in effect and continue to extend its efforts towards making the plant a safe place in which to work.

The Committee shall meet at specified times for the purpose of addressing all subjects necessary to insure the safety of the plant and the workers. The size of the Safety Committee, the rotation of the committee members, the frequency of meetings, the type of safety programs instituted, the type of safety audits to be

made, and all other pertinent subjects shall be addressed by the Joint Safety Committee.

ARTICLE XXI - JOINT EARNINGS

21.1 With respect to Joint Earnings, the determination of the Board of Directors of the Company shall be final and their determination shall not be subject to arbitration or any other appeal. The Board will determine what is or what is not income applicable to the Plan; to whom, to what extent, in what manner, and at what times payments to employees shall be made; together with all other questions relative to the operation of the Plan and to distribution or accrual of any income thereunder. The existence of the Plan and its inclusion in this Agreement shall not be considered a contract in any form between the Company and the Union or between the Company and individual employees, nor shall it be the basis of any legal or equitable rights to any employee or group of employees.

ARTICLE XXII - HEALTH, WELFARE & PENSIONS

22.1 The Company agrees to provide for enrollment the benefits of its Health Care, Prescription Drugs, Dental Care, Vision Care, Disability, Life Insurance, and Pension Plans. For a detailed description, the Employee Benefits Booklet (Summary Plan Description), which is distributed to each employee, provides a detailed summary of the various plans, administration and procedures for appeal.

ARTICLE XXIII - TERMINATION

23.1 This Agreement shall remain in effect from September 8, 2003 through midnight September 9, 2007 and from year to year thereafter, provided, however, that this Agreement may be terminated as of midnight on September 9, 2007 or subsequent anniversary date, by either party giving written notice to the other party sixty (60) days prior to September 9, 2007, or any subsequent anniversary date.

IN WITNESS HEREOF, the parties have set their hands and seal this _____ day of
_____, 2004.

UNITED FOOD AND COMMERCIAL HORMEL FOODS CORPORATION
WORKERS UNION, AFL-CIO,
LOCAL 9

By _____

By _____

APPENDIXES A - E

to

WORKING AGREEMENT

between

HORMEL FOODS CORPORATION

and

UNITED FOOD AND COMMERCIAL WORKERS UNION

AFL-CIO, LOCAL 9

APPENDIX A

WAGE SCHEDULE AND JOB CLASSIFICATION

I. WAGE RATES

A. The following classifications and wage rates will be effective September 8, 2003.

Production Employees	
I.	\$13.35 (Common Labor)
II.	\$13.47
III.	\$13.60
IV.	\$13.74
V.	\$13.89
VI.	\$14.05

Maintenance Employees	
M1	\$15.50 (Maint. Common Labor)
M2	\$17.50
M3	\$19.00
M4	\$20.50

B. The following classifications and wage rates will be effective September 13, 2004.

Production Employees	
I	\$13.60 (Common Labor)
II	\$13.72
III	\$13.85
IV	\$13.99
V	\$14.14
VI	\$14.30

Maintenance Employees	
M1	\$15.75 (Maint. Common Labor)
M2	\$17.75
M3	\$19.25
M4	\$20.75

C. The following classifications and wage rates will be effective September 12, 2005.

Production Employees	
I.	\$13.80 (Common Labor)
II.	\$13.92
III.	\$14.05
IV.	\$14.19
V.	\$14.34
VI.	\$14.50

Maintenance Employees	
M1	\$15.95 (Maint. Common Labor)
M2	\$17.95
M3	\$19.45
M4	\$20.95

D. The following classifications and wage rates will be effective September 11, 2006.

Production Employees	
I	\$14.00 (Common Labor)

Maintenance Employees	
M1	\$16.15 (Maint. Common Labor)

II.	\$14.12	M2	\$18.15
III.	\$14.25	M3	\$19.65
IV.	\$14.39	M4	\$21.15
V.	\$14.54		
VI.	\$14.70		

- E. All pay increases will be effective on the first full pay period following the effective date.

II. STARTING RATES

- A. Starting rate for new production employees will be \$2.00 per hour below the base wage with \$.30 per hour increase every 3 months. At 18 months, the rate will be increased to base rate. The starting rate will freeze at the end of this contract at \$2.00 per hour below the base rate in effect.
- B. Starting Rate for maintenance employees will be \$1.00 per hour below the applicable rate to start, and will be paid increases of \$.50 per hour every three months (full rate after 6 months).
- C. All wage increases will be effective on the first full pay period following the effective date.
- D. Maintenance employees required to maintain Minnesota State Licenses will be reimbursed the cost of the annual licensing fee.

APPENDIX B

ATTENDANCE CONTROL PROGRAM

I. POLICY STATEMENT

In addition to Article 12.2 of the Working Agreement, the following program is being established to provide an additional practice for controlling chronic absenteeism.

II. RECORD MAINTENANCE

The Company will maintain individual records as to the number and reasons for absences accumulated by each employee.

III. ATTENDANCE YEAR

An employee's attendance year will begin with the first occurrence of a chargeable absence and shall end twelve months later. Once the attendance year starting date has expired, the new attendance year begins with the date of the next chargeable absence. The next chargeable absence will be that chargeable occurrence that came immediately following the original chargeable occurrence which started the attendance year. An employee's attendance year will be extended for the exact number of days that an employee may be off on a layoff or leave of absence during any given time.

IV. ABSENCE OCCURRENCE

Any absence occurrence will be charged if an employee is absent for one scheduled working day. If an employee is absent for more than one consecutive working day due to the same illness or injury only one absence occurrence will be charged provided verified proof is presented (that is doctor's written statement,

etc.). Consecutive absences of more than one day that are unverified by a doctor's written statement will be considered as an absence occurrence for each day of the absence. Unverified absences are those in which the employee failed to furnish medical proof. Every employee will be required to notify the Company at least one-half hour before the start of their shift on the first day of their absence and to indicate the reason for the absence, and if under doctor's care, the name and address of the doctor. This also applies if the doctor's care begins after the first day or if a change of doctors should occur. Failure to supply the Company with any of this information can be cause for an absence occurrence to be charged for each day of the absence regardless of the status concerning eligibility for disability pay.

V. EXCEPTIONS

Absences for any of the following reasons shall not be considered as an absence occurrence.

1. Injury on the job where the absence is authorized by an attending physician.
2. Vacation.
3. Holidays.
4. Company authorized leaves.
5. Any absence for which the employee was eligible and received payment under the rules governing the disability pay plan or absences involving hospital confinement will not be charged on attendance occurrence for the first such absence per attendance year. All other such absences will be charged one (1) absence occurrence regardless of eligibility for disability pay.
6. Official union business authorized in advance by the Company.

7. A summons to appear in court due to no fault of the employee.
8. Employees reporting to work without starting work who request to be excused and are granted will not be assessed an absence occurrence
9. Employees reporting to work, who begin working, who request to be excused and are granted will not be assessed an absence occurrence

VI. ATTENDANCE OCCURRENCE REDUCTION POLICY

Employees who work two (2) consecutive months without any absence occurrences will have their most recent absence occurrence removed. Employees who work another three (3) months, for a total of five (5) consecutive months, without any absence occurrences will have an additional two (2) most recent absence occurrences removed. Employees who work a total of seven (7) consecutive months without any absence occurrences will have all remaining absence occurrences removed. Absences listed under V. EXCEPTIONS will not affect the consecutive work time other than merely extending the time period by these number of days.

VII. DISCIPLINARY ACTION

As an employee's absence occurrences accumulates during their attendance year, the Company will take action as follows:

1. Progressive disciplinary action will begin when the employee has accumulated six (6) absence occurrences. There will, however, be a verbal warning given the employee following their fourth absence occurrence within an attendance year. At any time an employee's total absence occurrences fall below the four (4) level in a given year, another verbal warning will be given when the total absence occurrences once again reach the four (4) occurrence level.

2. A written fault slip will be given the employee when the sixth (6) absence occurrence takes place.
3. A strike will be issued when the eighth (8) absence occurrence takes place.
4. An additional strike will be issued when the tenth (10) absence occurrence takes place.
5. An additional and final strike will be issued when the eleventh (11) absence occurrence takes place. At that time, sufficient disciplinary action will have been taken so that discharge will result.

APPENDIX C

WORK STANDARDS

I. GENERAL PRINCIPLES

A. Establishment of Work Standards

Management may establish work standards, using any of the established techniques - such as direct time study, standard data, predetermined time values, work sampling, and other techniques.

B. Implementation of Work Standards

Management will review work standards with the appropriate departmental chairman prior to scheduled implementation. At that time, Management will provide the Union with copies of the work standards letter.

The work standard or standards will be implemented on the first day of the first week following such review. Management will maintain a work standards file for all work standards in effect. At Union request, Management will provide specific information from this file for Union review.

C. Maintenance of Work Standards

Established work standards will be subject to Management audit for correctness and applicability.

II. BENCH MARK LEVEL OF NORMAL EFFECTIVE EFFORT

Work standards for manual operations shall be based on the principle that experienced workers possessing the skills for the job or jobs, working to accomplish a specified process and/or product of specified quality; following the specific procedures, methods, and gang or group lineup; employing representative materials, physical layout and equipment and other conditions detailed in a work

standards letter or work standards file; shall be able to accomplish the assigned work tasks within the established work standard time limits while expending a defined normal effective effort. Twenty-four (24) Bench Mark operations, recorded October, 1950, on eight (8) reels of motion picture film and Section X titled **BENCH MARK FILMS EFFECTIVE EFFORT RATINGS**, define the established normal effective effort bench mark to be applied in the establishment of work standards. This bench mark level of normal effective effort will be incorporated into all work standards.

The Bench Mark Operations films and attendant manual were prepared and copyrighted in 1950 by the Committee on Rating of Time Studies of the Society for Advancement of Management. Each Bench Mark operation is represented by an explanatory scene and five (5) performance scenes. Written descriptions of each Bench Mark operation and the Bench Mark Operations films are available for Union review. Normal effective effort, as defined by the above bench mark, is the required work effort for operations for which a work standard has not been established.

Work standards for manual operations will include a 5% allowance for fatigue and a measured allowance for unavoidable delay.

Work standards involving manual knife operations will have the following allowances for the purpose of steeling the knife; Whizard knife .5%; knife operations involving meat contact only 3%; knife operations involving bone contact 5%.

Whenever group or line work standards are established on a basis other than a 100% job load (or total group or line basis), Management may, at any time, add to the work content of the less than fully job loaded jobs and/or operations so as to fully utilize the time of the operators without changing the work standard.

III. RESOLUTION OF DISPUTES REGARDING WORK STANDARDS

A. Work Standard in Effect

During the discussions or the processing of a grievance involving work standards, the work standards under dispute shall continue in effect.

B. Direct Time Study

At Union request, resolution of work standards disagreements will be based on direct time study.

C. Grievance Procedure for Interpretation of Language Disputes

Disagreement arising out of the interpretation of language of this APPENDIX will be resolved in accordance with the established grievance procedure as outlined in Article XI - 11.1 and 11.2.

D. Grievance Procedure for Required Output Disputes

Disagreement arising out of the application of the provisions of this APPENDIX or resulting work standards required output will be resolved in accordance with the established grievance procedure as outlined in Article XI - 11.1.

Should the grievance be advanced to arbitration, the following procedures will be substituted for Article XI - 11.2 of the established grievance procedure:

1. The unresolved grievance will be referred to arbitration before an industrial engineer, mutually selected by the parties from a list of practicing professional and professional industrial engineers to be obtained from the Federal Mediation and Conciliation Service, Department of Labor, Washington, D.C.
2. If the disagreement involves required output, the arbitrator shall investigate the work standards job or job loads, on a direct time

study basis and in accordance with the bench mark level of normal effective effort defined in Section II. The arbitrator shall be limited in work standards required output disputes to finding only one of the following:

- a. The work standards are based on the bench mark level of normal effective effort defined in Section II; or
- b. The work standards are not based on the bench mark level or normal effective effort defined in Section II. The Arbitrator will additionally determine the percentage adjustment to be applied to the bottleneck elemental time standards.

The arbitrator shall have no power by their award to alter the language of this APPENDIX, or to establish, discontinue, or change any work standard. If the arbitrator decides the grievance in favor of the Union, Management shall implement the work standards award of the arbitrator in accordance with the procedures for the establishment and maintenance of work standards outlined in this APPENDIX.

The award of the arbitrator shall be final and binding on all parties concerned.

IV. NET CLOCK HOURS

Net clock hours charged to the work standard are defined as clock hours worked on the work standard less any Management approved delay or excess hours during such clock hours.

All delays of one (1) minute or less are considered part of the normal operating conditions of the various production operations and credit for such delays shall be provided through the application of the measured unavoidable delay allowance.

Delay hours shall be allowed for each management approved delay and shall not be included in the net clock hours charged to the work standard.

V. JOB BREAK-IN POLICY

Work standards are based on Management specified group gang sizes and lineups.

The one exception to this policy is designed to cover those instances where added line or gang personnel are assigned for job training or job break-in where such training or break-in basically requires an additional employee being added on a particular job or group job assignment.

Management will maintain a listing, for each department, of those job assignments requiring an employee job skill level necessitating an allowed break-in time period. The break-in time period for each job will be established by Management. The break-in time period will represent the maximum allowed break-in time period.

VI. BENCH MARK FILMS EFFECTIVE EFFORT RATINGS

The Committee on Rating of Time Studies produced motion pictures of twenty-four (24) Bench Mark Operations recorded on eight (8) reels of film. These were copyrighted by the Society for Advancement of Management in October, 1950. Each Bench Mark Operation is represented by an explanatory scene and five (5) performance scenes. Written descriptions of each Bench Mark Operation will be made available for Union use. Each film is to be projected at a constant 960 frames per minute. The following effective effort ratings for each of the five (5) performance scenes of the twenty-four (24) Bench Mark Operations established the normal effective effort bench mark to be applied in the establishment of the work standards:

<u>OPERATION</u>	<u>SCENE</u>	<u>ACTUAL MINUTES</u>	<u>EFFECTIVE EFFORT RATING</u>
A - Deal Cards	A-1	0.0360	98
	A-2	.0286	123
	A-3	.0403	87
	A-4	.0310	114
	A-5	.0463	76
B - Transport Marbles	B-1	0.0262	74
	B-2	.0167	117
	B-3	.0186	105
	B-4	.0209	93
	B-5	.0223	87
C - Toss Blocks	C-1	0.0151	97
	C-2	.0168	88
	C-3	.0136	108
	C-4	.0113	130
	C-5	.0196	75
D - Dink Tile Squares	D-1	0.1025	134
	D-2	.1270	109
	D-3	.1755	79
	D-4	.2305	60
	D-5	.1515	91
E - Fold Gauze	E-1	0.0880	112
	E-2	.0975	101
	E-3	.0975	101
	E-4	.0843	117
	E-5	.1151	86
F - Pack Gaskets	F-1	0.272	123
	F-2	.383	87
	F-3	.358	93
	F-4	.458	73
	F-5	.383	87
G - Countersink	G-1	0.1910	65
	G-2	.1075	115
	G-3	.1110	111
	G-4	.1455	85
	G-5	.1075	115
H - Kick Press	H-1	0.0428	71
	H-2	.0238	128
	H-3	.0316	96
	H-4	.0357	85
	H-5	.0238	128

<u>OPERATION</u>	<u>SCENE</u>	<u>ACTUAL MINUTES</u>	<u>EFFECTIVE EFFORT RATING</u>
I - Shear Rubber Tile	I-1	0.2055	89
	I-2	.1570	117
	I-3	.1450	126
	I-4	.2055	89
	I-5	.1760	104
J - Form Rug Cups	J-1	0.0870	69
	J-2	.0587	103
	J-3	.0725	83
	J-4	.0516	117
	J-5	.0587	103
K - Cut Cork Tube	K-1	0.1470	81
	K-2	.0965	123
	K-3	.1470	81
	K-4	.1220	97
	K-5	.0965	123
L - Deburr	L-1	0.0165	126
	L-2	.0255	82
	L-3	.0180	116
	L-4	.0220	95
	L-5	.0264	79
M - Shovel Sand	M-1	0.0380	118
	M-2	.0527	85
	M-3	.0446	100
	M-4	.0296	151
	M-5	.0665	67
N - Stack Cartons	N-1	0.0343	117
	N-2	.0332	120
	N-3	.0422	95
	N-4	.0484	83
	N-5	.0387	103
O - Feed Rolling Mill	O-1	0.0407	79
	O-2	.0354	91
	O-3	.0213	152
	O-4	.0384	84
	O-5	.0226	143
P - Tape Boxes	P-1	0.304	108
	P-2	.310	106
	P-3	.280	117
	P-4	.397	83
	P-5	.413	79

<u>OPERATION</u>	<u>SCENE</u>	<u>ACTUAL MINUTES</u>	<u>EFFECTIVE EFFORT RATING</u>
Q - Seal Cartons	Q-1	0.464	107
	Q-2	.525	95
	Q-3	.463	107
	Q-4	.566	88
	Q-5	.438	113
R - Pack Cans	R-1	0.208	136
	R-2	.368	77
	R-3	.215	132
	R-4	.274	103
	R-5	.253	112
S - Bolt Flange	S-1	0.600	69
	S-2	.490	85
	S-3	.369	112
	S-4	.359	115
	S-5	.397	104
T - Fill Radiator	T-1	0.269	140
	T-2	.568	67
	T-3	.503	75
	T-4	.308	123
	T-5	.405	93
U - Check Tires	U-1	0.432	103
	U-2	.774	58
	U-3	.663	67
	U-4	.410	109
	U-5	.402	111
V - Collate Papers	V-1	0.1427	98
	V-2	.1267	110
	V-3	.1058	132
	V-4	.1705	82
	V-5	.1736	80
W - Staple Papers	W-1	0.0442	121
	W-2	.0571	93
	W-3	.0941	57
	W-4	.0486	110
	W-5	.0687	78
X - Tear Bills	X-1	0.0690	107
	X-2	.1039	71
	X-3	.0554	133
	X-4	.0852	87
	X-5	.0690	

APPENDIX D
SUBSTANCE ABUSE PROGRAM

I. PURPOSE

- A.** The Substance Abuse Policy has been developed for the safety and well-being of our employees and to protect the Company from losses associated with substance abuse. The Austin Plant has a vital interest in providing and maintaining a healthy and safe working environment for its employees. The use of drugs and/or alcohol present serious safety and health risks. Specifically this policy is designed:
1. To establish and maintain a safe, healthy, stable working environment for all employees.
 2. To ensure the favorable reputation of the Company, its employees and products.
 3. To reduce and prevent injuries to persons and damage to property; and
 4. To reduce absenteeism and tardiness and eliminate the loss of productivity.
- B.** Because we regard our employees as our most valuable asset, this policy is designed to encourage employees who have substance abuse problems to seek and complete treatment before their well-being, safety, or job is affected. However, employees who refuse to do so or those who return to substance abuse after completion of such treatment will be subject to discipline up to and including discharge.

II. POLICY

- A.** The Company prohibits the possession, use, dispensation, distribution, or manufacture of alcohol or illegal drugs while on Company premises or on Company time. The Company further prohibits being under the influence of detectable amounts of illegal or controlled substances while on duty, on Company premises or on Company time. Any employee who violates this policy will be disciplined up to and including discharge. It is the objective of the Company to provide a drug-free workplace for all employees.
- B.** All employees are subject to substance abuse screening. All visitors, vendors and agents are also expected to observe this policy.
- C.** The Company will not employ applicants who choose to use illegal drugs. All applicants are subject to substance abuse screening.
- D.** This Substance Abuse Policy is subject to revisions as necessary to remain in compliance with Federal and State Regulations. Management is committed to constantly reviewing and updating all policies and accordingly, such policies are subject to change.
- E.** An Employee Assistance Program (EAP) is provided as an employee benefit. It is designed to deal with substance abuse problems. The Company encourages employees with such problems to use this or other programs. Information about the EAP is available in the Personnel Department or by calling EAP Coordinator at (507) 433-7061.

III. DRUG/ALCOHOL TESTING

- A.** Employees may be required to undergo drug and/or alcohol testing if:
 - (1) there is reasonable suspicion that employees:

- a. Have received an OSHA recordable injury arising out of and/or in the course of employment;
 - b. Are involved in an accident where there is property damage or injury to another employee. (Employees involved in such accidents may be required to submit to an evaluation by a medical professional. This evaluation may include a drug and alcohol screen);
 - c. Have caused a work-related accident or operated or helped to operate machinery, equipment, or vehicles involved in a work-related accident and/or is receiving outside medical attention for a work-related injury. These employees will be screened for drug and alcohol use;
 - d. Have violated the work rule prohibiting the use, possession, sale or distribution of drugs or alcohol;
 - e. Are under the influence of drugs or alcohol;
- (2) Have returned from a leave of absence of longer than six months. These employees will be screened for drug and alcohol use as provided by applicant testing.

B. Whenever supervisors have reasonable suspicion to believe that employees are under the influence, the Personnel Manager or Night Superintendent in charge will be notified and the employees will be escorted to the Medical Department, or local medical facility for evaluation and testing.

1. Before a test is conducted, the employees will have an opportunity to indicate any legal drugs they may be taking. Written consent to administer the test will be requested. Employees who refuse consent will be subject to discipline up to and including discharge.

2. Employees who have exhibited behavior which may have been induced by alcohol may be asked to take a preliminary breath test. If this test reveals a detectable blood alcohol level, the employees may admit their impairment due to alcohol or request a blood test. If a blood test is requested, results of the breath test will be disregarded, and the blood test results will be considered as to the employees' level of intoxication.
3. If a breath test is negative, or if alcohol use is not suspected, a urine sample will be collected for testing. Employee's privacy will be protected to the extent possible. All positive tests will be confirmed by GC/MS testing.
4. While the Company does not wish to intrude into the personal lives of employees, it recognizes that any involvement with drugs or alcohol that is confirmed as a result of workplace testing, eventually becomes a workplace problem.

IV. CONFIRMED POSITIVE RESULTS

Any employee who is tested,

- A. Will receive written notice of the results if the confirmed test is positive; and
 1. May request and receive a copy of the lab report; and
 2. May submit information which may explain the results; and
 3. May request a retest of the same sample, at the employee's expense. This request must be in writing and must be received by Personnel not later than five calendar days after the employee received the test results.

B. Any employee who is found to have a confirmed positive drug or alcohol test will be presented the options listed below if it is a first offense. However, the provisions of this section will not exclude the employee from discipline for violation of other Company rules and policies.

1. Employee will be terminated; or
2. The employee may undergo treatment as follows:
 - a. The employee must set up an initial appointment with the Employee Assistance Program within five days of the receipt of the results of the drug/alcohol testing.
 - b. Submit to assessment by the EAP.
 - c. Follow each and every recommendation made by the EAP, and approved by the Company.
 - d. Release limited information from the treatment center to the Company, for example: Progress of treatment; attendance at treatment sessions; ability to return to work; approximate time when employee will be able to return to work.
 - e. Agree to a conditional employment which re-establishes employment contingent on certain conditions which will be determined by the treatment center and the Company. One condition will be that the employee submit to testing without notice and without suspicion for a period of two years after the date of the positive drug/alcohol test. Failure to comply with each and every condition of the conditional employment may result in termination.
 - f. Agree to provide the Company with proof of completion of treatment.

- g. Time off for treatment will be paid as covered under the applicable disability program for that employee.
- h. Failure to complete treatment as outlined in the conditional employment agreement may result in discharge.

V. REPEAT OFFENSES

Any employee who has two incidents under this program within three years will be terminated. However, the Company reserves the right to terminate in a single incident involving the possessing, dispensing, distributing, or manufacturing illegal drugs or alcohol while on Company premises or Company time.

VI. DISCIPLINE

Any employee who is subject to the provisions of this program is also subject to all other work rules and conditions. Employees who violate any such work rules/conditions will be subject to the discipline appropriate to that violation, without regard to their involvement in treatment or being subject to a conditional employment agreement.

VII. PAY

- A. Employees who are required to submit to a drug and/or alcohol test based on reasonable suspicion may be suspended until results of the tests are received by the Company. The Company shall make the determination if the employees are fit to continue to work.
- B. Employees whose test results are negative, and are otherwise determined to be fit for duty, will be immediately notified to return to work and paid as if they had worked.

VIII. PRESCRIPTION DRUGS

- A. The use of prescription drugs may produce effects which may interfere with job performance or pose safety risks to the employee and others.

Therefore, employees who are taking prescription medication must:

1. Ask their physician what the possible effects of the drug may be;
2. Report to the immediate supervisor if such medication may cause impairment. The supervisor should report this, in writing, to the Personnel Manager. Failure to timely report use of this medication may result in disciplinary action up to and including discharge. Reasonable efforts will be made to accommodate or adjust the employees' duties until such time as they can safely resume full work activity.

IX. NON-PRESCRIPTION LEGAL DRUGS

- A. Because certain over-the-counter medication can also cause impairment, employees who are taking non-prescription medication must carefully read the label for possible side effects. If the medication causes any impairment, the employees must notify their immediate supervisor. Reasonable efforts will be made to accommodate or adjust the employees' duties until such time as they can safely resume full work activity.
- B. Failure to timely notify the Company may result in disciplinary action up to and including discharge.

X. CONSENT

Each employee will be requested to consent in writing to any drug/alcohol test ordered by the Company. Refusal will be considered a refusal to comply with the directives of the Company (insubordination). Refusal to provide consent will result in discipline up to and including discharge.

XI. UNCONSCIOUS EMPLOYEE

- A.** Each employee, will be requested to sign a consent to a drug screen which will be kept in the employee's file. This consent will, by its own terms, be usable by the Company if, and only if, the employee is, for any reason, rendered unconscious. This consent prohibits the medical facility from releasing to the Company the results of the drug/alcohol screen while the employee remains unconscious.
- B.** When the employees regain consciousness, they will then be requested to release the results to the Company.
- C.** If the employees refuse to sign a consent form to allow testing if they are unconscious or if they refuse to release the results of the tests upon their return to consciousness, it will be considered insubordination and will result in discipline up to and including discharge.

XII. CONFIDENTIALITY

- A.** Employees' confidentiality will be protected by:
 - 1. Results of drug tests will be reviewed only by designated Company Personnel.
 - 2. Results will be communicated on a strict "need to know" basis.
 - 3. Results will be kept in the employee's file.
 - 4. No one except designated Company personnel and the employee have access to the employee's drug screen results.
 - 5. The Company cannot and will not be responsible for the dissemination of information released by the employee to others of his/her involvement in drug testing and/or a treatment program.

XIII. SEARCH

- A. Lockers:** Lockers are provided as a convenience to employees. Lockers are Company property. The Company has a duty to ensure that health standards are met and that employees are not secreting contraband in Company lockers. Therefore, the Company will, without cause and without notice, search lockers.
- Employees are responsible for the contents of their lockers and therefore are presumed to be "in possession" of its contents. Employees should refrain from allowing other employees' use of or access to their locker.
- B. Desks, Offices:** Desks and Offices are also provided as a convenience to employees but remain Company property. Therefore, the Company will, without cause and without notice, search desks and offices.
- Employees are responsible for the contents of their desk or office and therefore are presumed to be "in possession" of its contents.
- C. Personal Searches:** The Company will continue to inspect, without notice and without cause, the contents of lunch boxes and other packages and containers which are being carried onto or off of Company property. Employees are presumed to be "in possession" of the contents of any lunch box, package or container which the employee is bringing onto or carrying off of Company property.
- D. Vehicles:** The parking lot is provided for the convenience of employees. It is Company property. The Company prohibits employees from bringing onto its property, including the parking lot, any alcohol or illegal drugs.

XIV. DEFINITIONS

- A. Employee Assistance Program (EAP):** A Company-sponsored program to provide free, confidential, professional assistance to help employees and

- their families resolve problems that affect their personal lives or job performance.
- B. **Illegal Drug:** Any drug which is not legal in the United States or is not being used for its intended purpose or as prescribed. This includes marijuana.
- C. **Legal Drug:** Prescribed drugs and over-the-counter drugs which have been (Under U.S. Law) legally obtained and are being used for their intended purpose or as prescribed.
- D. **Substance:** Alcohol and controlled substances including, but not limited to, amphetamines, barbiturates, benzodiazepines (depressants), heroin, LSD, cannabinoids (Marijuana), cocaine, methadone, methaqualone, phencyclidine (PCP), Propoxyphene, opiates, and synthetically-manufactured drugs which produce the same or similar effects as those mentioned above.
- E. **Under the Influence:** In a condition of impairment from alcohol, illegal or legal drugs and/or a confirmed positive test for detectable amounts of illegal drugs or a detectable blood alcohol level.
- F. **Reasonable Suspicion:** Basis for forming a belief based on specific facts and rationale. Emphasis drawn from those facts, including, but not limited to, the following circumstances and conditions:
1. Decreased productivity or high and low periods of productivity.
 2. Increased error rate.
 3. Disregard for safety of others.
 4. Poor judgement, more mistakes than usual and general carelessness.
 5. Violent behavior, argumentative.
 6. Excessive tardiness or absenteeism without medical justification.

7. Leaving work area more than necessary, frequent trips to water fountain and bathroom.
8. Slurred speech, staggering, non-responsiveness, jumpiness, glassy eyes, dilated or restricted pupils.
9. Clumsiness.
10. Borrowing money from fellow employees.
11. Sleepiness and/or hyperactivity without medical explanation.
12. Blank stares.
13. Mood changes, depression, irritability.
14. Lapses in concentration, difficulty in recalling instructions, missing deadlines, inconsistency in quality at work.
15. Avoiding and withdrawing from peers, complaints from co-workers.
16. Over-reaction to real or imagined criticism.
17. Any combination of conditions and circumstances which constitute a deteriorating pattern of behavior.

APPENDIX E

LETTERS OF UNDERSTANDING & OTHER AGREEMENTS

- I. Letter on Inter-Plant Transfer 11/05/86
- II. Letter on Paragraph 9 of Strike Settlement Agreement 11/5/86
- III. Strike Settlement Agreement 11/06/86
- IV. Seniority of Recall Employees Letter 6/08/89
- V. Letter on Health Care Benefits 11/30/89
- VI. Letters on QPP 8/31/90
- VII. Letter on 5 day Suspension 11/21/90
- VIII. Letter on Shipping work week agreement 11/27/91
- IX. Seniority Rules Handbook 9/13/99
- X. Letter on Employees exempt from transfer 9/08/92
- XI. Employee Benefits Handbook 1/01/00
- XII. Letter on Benefit Plan Description 8/13/97