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AGREEMENT BETWEEN
VF PLAYWEAR, INC.
AND
UNION OF NEEDLETRADES,
INDUSTRIAL & TEXTILE EMPLOYEES
UNITE LOCAL 704C

12/20/02 - 12/21/05

28 pages

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AGREEMENT

This Agreement made and entered into this ____ day of _____ 2002, by and between Healthtex, Inc., hereinafter referred to as the "Company" and UNITE!, hereinafter referred to as the "Union".

ARTICLE I COVERAGE

- A. The term "employee" as used in this Agreement shall include all of the employees of the Company at its premises in Danville except executives, administrative and supervisory employees, office clericals, quality control, watchmen and guards (as defined in the National Labor Relations Act).
- B. Persons not in the bargaining unit shall not perform work ordinarily performed by employees in the bargaining unit except in cases of emergency, training of new employees, assisting an employee to perform his/her job, after work has been refused or due to production needs in which the current work force cannot meet production demands.

ARTICLE II RECOGNITION

- A. The Company recognizes the Union as the exclusive bargaining representative of its employees with reference to wages, hours and working conditions.
- B. The Company shall recognize and deal with such representatives as the Union may elect or appoint and shall permit the duly accredited representatives of the Union, after first notifying the local plant manager, to visit the Company's factories named above at any time. Such Union representative or representatives in performing such duties, shall not interrupt or delay production.
- C. The Company agrees to make available to the Union such payroll and production records which the Union may reasonably require in the performance of its duties as the collective bargaining agent for the employees covered by this Agreement.
- D. The Company will provide bulletin board(s) for the posting of Union notices and bulletins.

ARTICLE III TRIAL PERIOD & NOTIFICATIONS OF HIRING & TERMINATIONS

- A. There shall be a trial period of 320 hours in the case of new hires and 160 hours for previous VF Playwear employees after the commencement of their employment. If an employee is continued in the employ of the Company after the end of the trial period as above defined, he/she shall become a regular employee entitled to all the benefits of this Agreement.
- B. The Company shall inform the Union as to all new employees hired and employees whose services have been terminated.
- C. Promotions to Non-Bargaining Unit Positions: The Company shall have the right to promote or transfer employees to positions outside the bargaining unit and the selection of such employees shall not be subject to a grievance. Employees promoted or transferred to positions outside the bargaining unit shall retain their seniority held at the time of transfer for a period of twelve (12) months after transfer. If at any time during this twelve (12) month period, the employee desires to return to the bargaining unit, or the Company desires to transfer said employee back to the bargaining unit, said employee shall return to his/her former job classification, if available, with no loss of seniority. If his/her job classification is not available, employee could displace the least senior employee in the facility.

It is further understood that employees who fill positions vacated by promoted bargaining unit employees do so on a temporary basis for a period of three (3) months. In the event that the promoted employee returns to his/her previous position, the employee who is filling the position temporarily will likewise return to his/her previous position.

ARTICLE IV **HOURS OF WORK**

- A. Except as may be otherwise provided by law or by any governmental order or regulations, the basic work week shall consist of forty (40) hours. On scheduled eight (8) hour, nine (9) hour, and twelve (12) hour days, time and one-half shall be paid for hours in excess of these scheduled hours and for all hours worked on Saturday. Moreover, if the Company requests an employee to report to work prior to the regularly scheduled starting time, such employee shall be guaranteed an eight (8) hour work assignment for the day in addition to the hours worked prior to the regular starting time. Double time shall be paid for all hours worked on holidays and Sundays, unless Sunday is part of regularly scheduled work week, in a continuous operation.
- B. Employees who work prior to or after their normal shifts and process grievances or are excused for union business periodically during their shift will not lose their eligibility for overtime pay. Hours spent on grievances or

union business will be counted as hours worked when computing overtime benefits.

- C. The Company may schedule up to twelve (12) Saturdays and (12) Friday afternoons per year as regular work days, not to exceed four (4) hours each occurrence, with one (1) week notice. Any absence on these days will be included in the regular attendance program. The Union may unilaterally terminate this overtime agreement on the last effective date of this Agreement.
- D. In allocating overtime work on any job or operation, preference shall be given to employees regularly employed on such job or operation and, insofar as is practicable, such overtime shall be equally distributed. The Company agrees to give reasonable notice that is, by the lunch break, to the employees and the appropriate Union representative when overtime is to be worked.
- E. No work shall be performed on a holiday except by mutual agreement of the parties.
- F. Two (2) rest periods of ten (10) minutes duration each shall be given to the employees, one in the morning and one in the afternoon.
- G.
 1. Insofar as practical, the Company shall operate his/her plant or plants in such a manner and maintain such practices as to make available to the employees in a section a reasonably full work week.
 2. In order to provide a reasonable full work week, operators may be assigned to a second job (but not more than two (2) jobs) when work is not available on the operator's primary job. Copies of all transfers will be given to the Union Chairperson.
 3. When it becomes necessary to establish a split operation, a volunteer from the affected operation will be requested. In the absence of any volunteers, the least senior operator on the affected operation will become a split operator.
 4. Operators who volunteer or are assigned to a secondary job shall be paid their PWA or a retraining incentive fixed to afford the operator the opportunity to reasonably maintain his/her PWA. Once the operator has been trained on the secondary job, he/she will work at the established incentive rate for the job.
 5. If a reasonably full work week becomes available on a split operator's primary or secondary job, he/she will be allowed to select either the primary or secondary as a full time job.
- H. Shift Differentials: Premiums will be added to the earnings of incentive workers, and to the rate paid to time workers, where they are regularly

assigned to work on the second or third shifts. The premiums are as follows:

Second Shift = \$.205
Third Shift = \$.390

The second shift is defined as that eight (8) hour period beginning after 3:00 p.m. on the employee's scheduled work day. The third shift is defined as that eight (8) hour period beginning after 11:00 p.m. Shift premium will be included in computing overtime pay for employees entitled to receive shift premium.

- I. In the event a power failure or other acts of God beyond the control of the Company occurs during working hours, incentive rate workers shall be compensated at their PWA and time workers at their present rate of pay for the first thirty (30) minutes of said occurrence. At the end of said thirty (30) minute period, all employees shall be given the option of remaining in the plant without further compensation or going home. However, if the Company elects to compensate the employees as outlined above beyond third (30) minutes, the employee would not have the option of going home.

ARTICLE V WAGES

- A. The Company agrees that incentive raises shall be so set as to enable experienced incentive rate employees on each section working at normal production (100% efficiency) to earn the base rate.
- B. 1. If an employee is temporarily transferred from one job or operation to another for whatever reason, he/she shall, while working on the job or operation to which he/she has been transferred, be paid his/her PWA prevailing at the time of the transfer or incentive rate earnings on the operation, whichever is greater.
 2. When it is necessary to temporarily transfer employees, employees qualified to perform the new job will be selected as follows:

The Company will transfer the qualified employees who volunteer first. The balance of the need will be filled by rotating other qualified employees. The Company will endeavor not to temporarily transfer an employee away from his/her job involuntarily more than 25% of the hours worked each quarter. Maximum length of time for a temporary transfer shall be thirty (30) days at which point the transferred operator shall have the option:

- a) On an incentive job to take the job as permanent, or return to his/her old job.

- b) On a time work job, after thirty (30) days the job shall be posted for bid and the operator returned to his/her own job. If the return to his/her own job then results in over manning, job placement shall be done by seniority.

3. The conditions to apply upon permanent transfer shall be mutually agreed upon by the Company and the Union at the time of such transfer.

C. Reporting Pay: Employees who report for work at their regular starting time or such other hour designated by the Company shall be guaranteed four (4) hours of work. If however, work is not available for such period, the employees shall be compensated at piece work average (PWA) for a period of four (4) hours for incentive workers and four (4) hours of regular hourly pay in the case of time workers. The clause shall not apply in the event of power failure, fire or other cause over which the Company has no control. Failure of other employees to report for work shall be considered cause over which the Company has no control only if an emergency arises which it could not foresee and it has taken adequate steps to train and provide relief workers.

D. Waiting Time: An incentive employee who is required by the Company to wait for work for reasons beyond his/her control (except machine delay), shall be compensated at the rate of his/her PWA or actual incentive earnings, whichever is greater, for all such waiting time in excess of a total of fifteen (15) minutes per day.

Any employee who finds it necessary to wait for work shall, on each such separate occasion, notify his/her immediate supervisor both at the beginning and end of such waiting period. Payment for waiting time shall cover only such time as follows such notification.

The Company may transfer such employees to another machine or job during waiting time. Should an employee be transferred, during the first fifteen (15) minutes of waiting time during any one day, he/she shall be compensated at his/her PWA or his/her incentive rate earnings, whichever is greater, from time to transfer.

E. Machine Delay:

1. Down Time (No Transfer): An incentive employee, required to remain idle due to machine breakdown, shall be compensated at the rate of his/her PWA for full idle time lost that exceeds fifteen (15) minutes.

2. Down Time (Transfer): An incentive employee, transferred to a comparable machine in operating condition on his/her same operation, shall be compensated at the rate of his/her piecework earnings.

Immediate supervisor shall verify comparable machine condition prior to assignment to incentive time.

3. A combination of unpaid waiting time and machine delay will not exceed fifteen (15) minutes per day.
- F. "Piece Work Average (PWA)" shall mean the average hourly earnings of each employee computed on a quarterly basis and including only actual incentive rate earnings and excluding all off-standard hours. A copy of the PWA shall be furnished to the Union quarterly and each employee's average will be made known to the employee.
- G. The Company agrees to maintain conditions, which shall enable the incentive rate employees to maintain reasonably stable hourly earnings.
- H. 1. Rates for new operations, changed operations or new fabrics shall be fixed by mutual agreement between the Company and the Union. The new rate which shall be agreed upon as soon as is practicable, shall maintain the sections' PWA prior to the change, provided, however, that the operators are working at their normal level of speed, effort and efficiency. When an entirely new operations is created, for which there are no previous applicable PWA, the Company and the Union shall mutually agree on the earnings level to be maintained on the new job. Until a new incentive rate is fixed in accordance with this, the Company agrees to pay the affected employee his/her PWA
2. Temporary rates shall normally be in effect for an eight (8) week period. If a permanent rate is not established in eight (8) weeks, the temporary rate may be continued by mutual agreement. In all cases, the Company will notify the affected employees when a temporary rate becomes permanent with retro pay wherever applicable.
- I. Wages: See Schedule A annexed hereto.
- Starting rates, progression tables and minimum wages for certain job classifications shall be set forth in Schedule A annexed hereto and made a part hereof. Job rates not set forth in Schedule A shall be determined by mutual agreement.
- J. 1. Promotions to better time work jobs shall, unless mutually agreed otherwise, be made as herein provided from the employees: all things being substantially equal, the employee with the greatest length of service qualified to learn the job shall be awarded the job with a trial period as outlined in Article V, Paragraph J.7. Special skilled jobs will be awarded according to the senior qualified bidder meeting the qualifications for the job. Attached, as Appendix B is a list of the jobs, which required skills and/or qualifications.

2. A better time work job shall mean a job:
 - a) Which pays a higher maximum rate than the employee's present job rate or base rate
 - b) A job which has a progression to another job with a higher maximum rate than the employee's present rate, or
 - c) One which is on a shift more preferable to the employee than the employee's current shift.

3. Substantially equal is defined as:
 - a) When both employees are out of makeup the senior employee shall prevail.
 - b) Notwithstanding the above, however, preference will be given to an employee if they have held the job in question within two (2) years prior

4. In the event a time work job becomes vacant, the opening shall be posted on the bulletin board for a period of seven (7) working days. All regular employees shall have the right to bid by plant-wide seniority. All things being substantially equal, the senior employee shall be awarded the job.

5. If after a successful bid, the employee chooses within the thirty (30) day trial period to return to his/hr former job, he/she may not bid for another job for a period of six (6) months.

6. An incentive rate worker, who transfers to a time worker job shall be paid his/her PWA or the starting rate of the time worker job, whichever is greater, provided said PWA does not exceed the maximum of the time work progression and he/she shall progress from that level when his/her experience on the new job is equal to the experience requirement of the next step in the progression of the job to which he/she is promoted.

7. The trail periods for employees transferring to time work jobs shall be commensurate with the length of progression for the new job as follows:

<u>Length of Progression</u>	<u>Trial Period</u>
6 Months	30 Days
36 Months	180 Days

- K. For an incentive job request, the employee must notify the Company in advance and in writing of their desire to a specific transfer. The letter must be dated, and will only be held on file until the end of the calendar year. The incentive job shall be awarded to the most senior bidding employee. One (1) successful incentive job request per year shall be allowed employees with two (2) or more years of employment. When an incentive operator transfers from

one job to another, for whatever reason, employees' job seniority will pick up after sixty (60) days.

- L. Samples will be paid at 150% of incentive rate earnings or PWA, whichever is greater.

ARTICLE VI
LAYOFF & RECALL

- A. Whenever there is insufficient work, the least senior employee in the affected job classification shall be laid off first should all things be substantially equal as defined in Article V, Section J.3. Layoffs and recall to work after layoff shall be governed by plant seniority, preference being given to those employees with the greatest of service. Recall rights are to the same classification and the same department.
- B. Long term layoffs, defined as expected to last or actually lasting 60 calendar days or longer, will be by plant seniority in the affected Job Classification (Schedule A). Employees displaced by a long term layoff will have the right to displace in the following manner:
 - 1. All temporary employees on affected job classifications will be terminated. Probationary employees, wherever feasible, depending on production requirements, will be terminated.
 - 2. The least senior employee in the affected job classification will be laid off.
 - 3. An employee must first exercise his/her seniority to displace the least senior employee in his/her job classification on the shift of their choice, and if none,
 - 4. An employee may displace the least senior employee in an equal or lower pay classification in his/her department on the shift of their choice, and if none,
 - 5. An employee may displace the least senior employee in an equal or lower pay job classification on a job the employee has previously held within the past 48 months, in another department, on the shift of their choice, and if none,
 - 6. The employee may displace the least senior employee in the facility.

In all cases the employee must pass any required qualifications established for the position.

For the purpose of this article departments shall be sewing, cutting, embroidery, skilled building maintenance, cutting machine maintenance, sewing/embroidery machine maintenance, samples, hold off, fabric warehouse, shipping and receiving, general time worker/janitorial and general time worker/all others.

ARTICLE VII VACATIONS

All employees who have been continuously employed by the Company during the vacation eligibility year and are so employed at the commencement of the vacation period shall receive vacation days as hereinafter set forth.

- A. **Vacation Scheduling:** The Company shall give notice by January 1 of each year of plans for vacation shutdown periods. Should the Company or a department not shutdown or for those employees eligible for additional weeks of vacation, vacations will be scheduled as follows:

Employees eligible for vacation time off must make their request known to their supervisor no later than May 1 of each year. Vacation weeks will be scheduled by seniority, subject to management approval on the number of employees off in each operation at any one time. After May 1, vacation requests will be honored on a first come-first serve basis.

- B. **Eligibility and Vacation Pay:**

1. All current employees and new hires will be eligible for the following vacation/vacation pay:
 - a) An employee must have one (1) year of continuous service to be eligible for vacation pay. After 1 year of continuous employment as of commencement of the second scheduled vacation period or third scheduled vacation period an employee shall earn two percent 2% of gross earnings for prior 12 months, less any bonus payments received, payable at either the second or third scheduled vacation period.
 - b) After 2 years of continuous employment at commencement of the second or third scheduled vacation period an employee shall earn two percent (2%), of gross earnings for prior 12 months, less any bonus payments received, payable at both the second and third scheduled vacation period.
 - c) From 8-20 years of continuous employee at commencement of the third scheduled vacation period, an employee shall earn two percent (2%) of gross earnings for prior 12 months, less any bonus

payments received, for first, second and third scheduled vacation period.

- d) For 20 or more years of continuous employment, an employee as of his/her anniversary date shall earn the same as Paragraph (C) above and additionally, he/she may take a week of paid vacation, or may elect to work through the vacation week and receive vacation pay in addition to straight time earnings.
- e) In addition, those employees with 20 or more years of continuous employment may schedule the vacation at any time during the twelve (12) months after it is earned. In accordance with paragraph (A) of this article, those employees may schedule this week of vacation one day at a time with no more than five (5) calendar dates per 12 month period.

- 2. All employees including these that are on layoff or authorized sick leave shall receive their vacation pay on the last pay day immediately proceeding the vacation period.
- 3. For the purpose of computing vacation pay, all time lost due to in-plant compensable injuries shall be credited to those employees involved as if they had worked those hours. Time spend on layoff shall not be credited.
- 4. A weeks vacation shall be seven (7) consecutive days including Saturday, Sunday and holidays falling within the period.
- 5. Vacation may not be postponed from one (1) year to another and thus made cumulative. Except as herein provided, no vacation pay and eligibility for such holiday pay shall be governed in accordance with the provisions of Article VIII concerning holidays.

C. The Company will bridge the time period between Christmas and New Year's, and therefore, when this does not happen through the normal spacing of Christmas and New Year's in the calendar, the employee could receive additional day(s) off without pay during the vacation period in order to bridge the holidays.

ARTICLE VIII HOLIDAYS

A. New Year's Day
Martin Luther King's Birthday Observed
Easter Monday
Memorial Day
July 4th

Labor Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas Eve
Christmas Day

Should any of the holidays fall on a Saturday, the holiday will be celebrated on the Friday before the holiday. Should any of the holidays fall on a Sunday, the holiday will be celebrated on the Monday after the holiday.

- B. In the case of time rate employees, the pay for each holiday shall be eight (8) times the individual employees' current hourly rate. In the case of incentive rate employees, the pay for each holiday shall be eight (8) times the individual employee's PWA for the last available thirteen (13) week period.

- C.
 - 1. An employee who is absent from work without reasonable cause during the work day scheduled before or after a holiday shall not be entitled to holiday pay. This rule shall apply to all holidays with the exception that should separate holidays fall either simultaneously or successively, an employee so absent, either the day before or the day after, the employee shall lose only one of the holidays. In the event the employee is so absent, both the day before and the day after, the employee shall lose holiday pay for all intervening holidays.

 - 2. An employee who is absent from work for the entire week in which the holiday occurs shall not be entitled to holiday pay unless such absence is occasioned by personal illness certified by a doctor's certificate.

 - 3. An employee absent from work because of personal illness certified by a doctor's certificate shall be entitled to holiday pay unless such employee is ill for three (3) full consecutive weeks as follows:
 - a) The entire week immediately preceding the week in which such paid holiday occurs; and
 - b) The entire week during which such paid holiday occurs; and
 - c) The entire week immediately following the week in which such paid holiday occurs.

 - 4. An employee absent from work because of a plant shutdown shall be entitled to holiday pay as herein provided unless the plant is shut down in all manufacturing departments for five (5) full consecutive weeks as follows:
 - a) The two (2) entire weeks immediately preceding the week in which such paid holiday occurs; and
 - b) The entire week during which such paid holiday occurs; and
 - c) The two (2) entire weeks immediately following the week in which such paid holiday occurs.

It is understood that the shipping department shall not be considered as a manufacturing department for purpose of this paragraph.

5. An employee absence from work because of layoff shall be entitled to holiday pay as herein provided unless such layoff shall be for five (5) full consecutive weeks as follows:
 - a) The two (2) entire weeks immediately preceding the week in which such holiday occurs; and
 - b) The entire week during which such paid holiday occurs; and
 - c) The two (2) entire weeks immediately following the week in which such paid holiday occurs.

ARTICLE IX **LEAVE OF ABSENCE**

- A. Eligibility: Employees who have completed three (3) months of employment shall be eligible for a written leave of absence for personal or medical reasons. Leave time shall not be considered time worked, except where required by State and Federal laws.
- B. Procedure: Employees shall make written application for leaves to the Personnel office prior to the desired starting date of the leave.
- C. Types of Leaves:
 1. Family and Medical. Leaves of absence shall be granted in accordance with Federal and State laws. Notwithstanding the above, leave for employee's personal illness may be extended a maximum of twelve (12) months.
 2. If employee has in excess of twelve (12) months of cumulative leave within a rolling thirty-six (36) month period the employee will forfeit job seniority and company may fill position. Employee will maintain plant seniority and will be eligible for first available opening for which they are qualified. Employee must return to work for a minimum of thirty (30) calendar days to return to "Active" status. "Active" status will allow an employee to be considered for a "non FMLA" leave. Medical leaves shall be three (3) or more days with proper documentation.
 3. Personal. The Company, in its discretion, may grant leaves of absence without pay for any reason deemed acceptable to the Company for a period not to exceed thirty (30) and not less than five (5) calendar days. Such leaves will not be unreasonably denied. The Company may consider production needs and the individual's attendance record to determine granting a leave.
 4. Armed Forces. Leaves of absence shall be granted in accordance with Federal Law

5. Union Leave. Leaves of absence for Union business shall be required in writing by the district manager to the designated representative of the Company.

Employees elected or appointed as full time representatives of the Southern Regional Joint Board, not exceeding one (1) per plant in number, shall be granted a leave of absence without loss of seniority for a period not to exceed one (1) year, which is renewable by mutual consent without loss of seniority or continuity of service except as limited by ERISA and other State and Federal laws.

The Company shall approve Union leaves for Union conferences, conventions and other similar Union functions provided that no employees in any department are on such Union leave at any time that would result in production being severely disrupted. Notwithstanding the above the Company will not repeatedly refuse such leave for any individual employee.

6. School Conference. Employees will be allowed three (3) hours of unpaid leave each school semester to attend a required conference at their child's school. Documentation from the school must be provided to the Company twenty-four (24) hours prior to the day of the conference whenever possible. The maximum allowed each calendar year will be six (6) hours.

- D. Other Employment: Any employee who is granted a leave of absence under this article and while on such leave accepts employment with another employer or goes into business for himself shall be considered a voluntary quit.
- E. Return to Work: Any employee who is granted a leave of absence under this article shall give the Company twenty-four (24) hours notice before the expiration of the leave indicating his/her intent to return to work. Employees shall be restored to their previous jobs, operations, and machines upon return to work.
- F. Bereavement Eligibility: Employees must have completed probationary period to be eligible for bereavement pay.
- G. Bereavement Pay: For the death of a member of the immediate family, as defined below, an employee shall be paid for three (3) days between the day the relative died and the day after the funeral when these days fall on days the employee would otherwise have worked. If an employee is on a personal leave related to the illness of the deceased, the employee will be eligible for paid bereavement leave as defined above. Employee may

request and Company shall grant an additional two (2) days off without pay during the time frame defined above e.

- H. Immediate Family Defined: Immediate family should include: spouse, parent, child, brother, sister, step-parent, step-child, grandparent, grandchild, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, step-brother and step-sister.
- I. Pay Provision:
 - 1. Payment shall not exceed regularly scheduled hours per day and shall be based on the employee's PWA.
 - 2. No bereavement pay will be granted unless the employee notifies the Company and requests leave. At the Company's discretion, evidence of death and kinship may be required.
- J. Jury Duty Pay: An employee who is called for involuntary trial jury duty will be paid the difference between the employee's time rate or average hourly incentive rate earnings, as established for the purpose of holiday pay, multiplied by the hours such employee would otherwise have been scheduled to work and the net of any payments received (excluding reimbursement for out-of-pocket expenses) for time spent on jury duty. The employee shall present to the Company all records of such jury service received from the public authorities. If the Company deems it necessary to have the employee excused from jury duty, the Union and the employee agree to cooperate in seeing to have the employee excused.

ARTICLE X **INSURANCE & PENSION PLAN**

- A. Insurance: The Company agrees to contribute----- per month per full time employee to Amalgamated Cotton Garment & Allied Industries Fund for insurance benefits during the first year of this Agreement.

For the second year of this Agreement, the Company agrees to contribute \$233.00 per month per full time employee to Amalgamated Cotton Garment & Allied Industries Fund for insurance benefits.

For the third year of this Agreement, the Company agrees to contribute \$245.00 per month per full time employee to Amalgamated Cotton Garment & Allied Industries Fund for insurance benefits.

- B. Pension Plan: The Company Pension Plan will be effective on 3-11-1991. Employees will participate in company pension plan with all rights and benefits as defined in the plan. The Company will have no liability for any former retirement programs.

ARTICLE XI
DISCHARGES

- A. No employee covered by this Agreement shall be discharged except for just cause nor without a one (1) day "cooling off" period. The Company shall notify the Union of the discharge. Upon receipt of said notice, the Union shall present all complaints of alleged discharge without just cause to the Company within seven (7) working days after the discharge or as soon thereafter as possible. If the complaint cannot be adjusted by mutual agreement, it shall be submitted to the Arbitrator for determination. If the Arbitrator finds that the employee was discharged without just cause, he/she shall order reinstatement and may require the payment of back pay in such amount as, in his/her judgement, the circumstances warrant. This Article shall not apply to an employee during his trial period.
- B. The Company agrees that any disciplinary warning with an issue date of more than six (6) months shall not be considered valid for future disciplinary purposes. Three (3) warnings of same kind of four (4) warnings of any kind will subject an employee to possible termination.

ARTICLE XII
GRIEVANCE & ARBITRATION PROCEDURE

- A. All complaints, grievances or disputes arising between the parties hereto relating directly or indirectly to the provisions of this Agreement shall in the first instance be taken up for adjustment by a representative of the Union and a representative of the Company.
- B. The following grievance procedure shall be used to effectively resolve problems between the Company and the Union:

Step 1: Complaints or questions shall first be discussed between the employee and his/her supervisor. The employee may elect to have the Department Steward present during this discussion.

Step 2: If the complaint is unresolved at Step 1, the employee and the Union Steward shall discuss the complaint with the Sewing or applicable department Supervisor.

Step 3: If resolution of the complaint is not achieved by Step 3, then the employee and the Chairperson shall discuss the complaint with the Production manager. These first three steps should be completed with ten (10) working days from knowledge of the complaint.

Step 4: If a resolution to the complaint has not been achieved by Step 3, then the Chairperson and/or the Business Agent shall discuss the

complaint with the Plant Manager within ten (10) working days. The complaint shall be reduced to writing upon its referral to the Business Agent for handling. The Plant Manager shall give his/her answer in writing without delay, but within five (5) working days.

Step 5: If the grievance has not been resolved satisfactorily after following the above steps, it may be submitted to arbitration within sixty (60) working days.

Notwithstanding the above, however, any outside representative of the Union or the Company may participate at any step in the grievance procedure or initiate a grievance on behalf of the Union or the Company at any step of the procedure. Such time limits as quoted above may be extended by mutual agreement. Should any of the time limits be exceeded by either party, without a mutual extension agreement, the grievance shall proceed automatically to the next step.

- C. In the event that the parties are unable to amicably adjust any of the aforesaid complaints, grievances or disputes, such matters shall be referred for arbitration and final determination to an Arbitrator. The arbitrator shall be such person as is designated by the Director of the Federal Mediation and Conciliation Service. In any grievance involving incentive rates and/or standards the Arbitrator selected shall be a recognized Industrial Engineer in the apparel industry.
- D. Except as otherwise expressly provided in this Agreement, decision of the Arbitrator shall be effective as of the date the decision is rendered. Failure to abide by such a decision shall be considered a breach of this Agreement. The other party, anything contained in this Agreement to the contrary notwithstanding, shall be free to enforce such decision by such action, as it deems appropriate.
- E. It is expressly understood and agreed that the procedure established in this Agreement for the adjustment and arbitration of complaints, grievances and disputes shall be the exclusive means for the determination of such complaint, grievance or dispute. None of the parties hereto shall institute any proceeding in a court of law or equity or any administrative tribunal other than to compel arbitration or to enforce an arbitration award as herein provided. It is further agreed that this provision shall constitute a complete defense to any action instituted contrary hereto.
- F. Compensation and expense of arbitration shall be shared and paid equally by the Company and the Union.
- G. In the event that the parties thereto are unable to mutually agree on any matter reserved for such mutual agreement in this Agreement, such matter

shall be referred, for final and binding determination, to arbitration under the procedures set forth in the Agreement.

ARTICLE XIII
STRIKES, STOPPAGES & LOCKOUTS

- A. Neither the Union, its officers, representatives nor any employee shall engage in a strike, sympathy strike, work stoppage, concerted refusal to work overtime, or refusal to cross a picket line established at the Company's facilities during the term of this Agreement. Any employee engaging in a strike or work stoppage may be subject to discipline up to and including discharge. The Company shall have the right to vary the discipline according to the degree of involvement of the employees.
- B. In the event violation of this Article takes place, the Company shall notify the Union at its Southern Regional office in Union City, Georgia. Within eight (8) hours of such notice, the Union shall:
1. Issue a written notice to employees directing employees to cease the work stoppage and return to work.
 2. Take other reasonable measures designed to secure a return to work.

As long as the Union complies with the above requirements, neither it, nor its officers or agents, shall be liable for any breach of this Agreement. In the event of an alleged or asserted breach of this section, the parties may file a notice to the Federal Mediation and Conciliation Service for immediate, expeditious arbitration and a verbal bench decision with opinion to follow.

- C. The Company agrees that it shall not lockout employees during the term of this Agreement.

ARTICLE XIV
CHECKOFF

In the manner and to the extent permitted by law, the Company shall deduct from the wages of the employees, when authorized by the employees in writing, the regular membership dues of the Union or a service fee of an equal amount. The amounts deducted pursuant to such authorization shall be transmitted at monthly intervals to the properly designated officials of the Union, together with a list of the names of the employees from who the deductions were made, such lists to be transmitted on forms to be provided by the Union.

ARTICLE XV
COMPLIANCE WITH EXISTING LAWS

- A. The Company agrees to comply with all Federal, State, and Municipal laws affecting wages, hours, working conditions, and all other conditions of employment.
- B. Non-Discrimination: The Company and the Union agree that there will be no discrimination against any employees because of race, creed, color, sex, national origin, age, veteran status or mental and physical handicap, contrary to the provisions of Federal and State laws.

ARTICLE XVI
EXISTING PLANT PRACTICES

All existing rules, regulations and shop practices of the company which are more favorable to the employees shall continue in full force and effect. However, in the event of a conflict between any such rule, regulation and shop practice on the one hand, and any provision of this Agreement on the other hand, this Agreement shall control.

ARTICLE XVII
MUTUAL AGREEMENT

In the event that the parties hereto are unable to mutually agree on any matter reserved for such mutual agreement in this Agreement, such matter shall be referred for final and binding determination to arbitration under the procedures set forth in the Agreement.

ARTICLE XVIII
UNION LABEL

The Company agrees to print the union label on the garment size label. In addition, the parties will appoint a joint committee to study additional means of displaying the Union label more prominently and the methods and cost of the display of the Union label. Should the joint committee be unable to agree on its report within six (6) months from the date hereof, the unresolved issues shall be submitted to arbitration.

ARTICLE XIX
MANAGEMENT RIGHTS

The management and operation of the enterprise and the direction of the work force are vested exclusively with the Company. The Company retains all of the power, rights, functions, responsibility and authority to operate its business and direct its employees except as specifically limited by express language of this Agreement. Prominent among the rights reserved and retained by the Company, but by no means wholly inclusive, are the sole right to hire, discipline or discharge for just cause, layoff, transfer and promote employees, alter starting and quitting times and the number of

hours worked, to establish job duties and standards of performance, to establish engineering standards to be used in incentive jobs, to promulgate reasonable rules and regulations, to assign duties to the work force, to determine the type of product and the amount of product to be manufactured in the facilities covered by the Agreement, to combine jobs, to introduce new operations or methods of operation: and in all respects to carry out the ordinary and customary functions of management whether or not possessed or exercised by the Company prior to the execution of this Agreement..

ARTICLE XX **SUBCONTRACTING**

The parties agree that the Company shall have the right to sub-contract work. In the event the Company deems it necessary to sub-contract work, it will notify the Union in writing on a quarterly basis of its plans and provide the Union with information as to garment type, amount to be contracted and the sub-contractors. (The identity of the sub-contractor will be designated by letter).

Prior to sub-contracting, the Company will offer the union the opportunity to enter into good-faith discussions as to possible alternatives to sub-contracting. If these good-faith discussions do not provide timely alternatives, the Company will proceed. The Union does not have a veto.

ARTICLE XXI **HEALTH AND SAFETY**

A Central Safety and Health Committee shall be established in accordance with the VF Corporation CSHC Guidelines. The Union will appoint at least half the members of every safety committee and subcommittee. The Company and Union will, at least once per year, co-sponsor a training program for all committee members.

ARTICLE XXII **SEPARABILITY**

If any provision or part thereof of the Agreement is in conflict with any Federal or State law or regulation, such provision shall be deleted from this Agreement or shall be deemed to be in effect only to the extent permitted by such law or regulation. In the event that any provision of this Agreement is thus rendered inoperative, the remaining provisions shall nevertheless remain in full force and effect.

ARTICLE XXIII **UNION SECURITY**

In the manner and to the extent permitted by law: (1) membership in the Union shall be required as a condition of employment of each employee after 160 hours in the case of previous Healthtex employees and 320 hours in the case of learners or the execution of this Agreement, whichever is later; (2) all employees who are now

members or hereafter become members of the Union, shall as a condition of continued employment remain members in good standing during the term of this Agreement.

JOB SECURITY: Because of a mutual concern to promote job security by discussion of problems and to facilitate such discussion in the event the Company experiences circumstances which may require discontinuing its operations or closing one or more of its plants, the Union shall be informed so that there can be joint discussion of the problem. In the event of willful failure to give such notice to the Union, the Union may refer such alleged willful breach to arbitration and the arbitrator who may award damages to the affected employees. If attempts to avert the plant closure are not successful, the Company and the Union shall meet to negotiate on the impact of such closure on the employees.

ARTICLE XXIV
VOLUNTARY CHECK OFF OF POLITICAL CONTRIBUTIONS

- A. The Company agrees to deduct from the wages of its employees who are Union members and who voluntarily authorize such contributions on forms provided for that purpose, contributions to Union of Needletrades, Industrial and Textile Employees-Political Action Committee. The amounts deducted pursuant to said voluntary authorization shall be transmitted to the Treasurer of UNITE-PAC at monthly intervals. These transmittals shall be accompanied by a list of the names of those employees for whom such deductions have been made and the amount deducted for each such employee.

- B. The Union shall reimburse the Company for any expenses incurred due to this provision.

ARTICLE XXV
DURATION OF AGREEMENT

This Agreement shall be effective for a period of three (3) years commencing 12-21-99 and thereafter, for successive yearly periods unless either party gives written notice by certified mail at least sixty (60) days prior to the expirations of this Agreement.

IN WITNESS WHEREOFF, the Company and the Union have executed this Agreement by their duly authorized offices.

HEALTHTEX, INC.

UNION OF NEEDLETRADES,
INDUSTRIAL & TEXTILE EMPLOYEES

BY: _____

BY: _____

DATE: _____

DATE: _____

APPENDIX B

Jobs	Qualifications
Maintenance Mechanics Sample Operators For Lift Operators Truck Driver	Aptitude Test Aptitude Test Sample Test Fork Lift License Test CDL License
Jobs	Qualifications
Gerber, Spreader, Utility	<ul style="list-style-type: none">• Posses math skills, to include addition, multiplication, division, fractions & the ability to read a ruler• Able to read & follow instructions• Must be able to work in a team environment• Must possess the minimum physical requirements to perform the job• Must be able to recognize shade differentiation in fabric

CUTTING TRAINING AGREEMENT

1. All cutting employees should be trained on two (2) operations within their teams. The operations shall be at least one (1) skilled and one (1) non-skilled position although they may train on two (2) skilled operations.
2. The company will train the employees on their own teams and shifts, using the method as required for the hiring of new employees within a team. The team members will be paid average during training. The team may propose their team members to be trained subject to mutual agreement between the company and the union. The training schedule will take into account production schedule needs.
3. Trained and qualified employees must move at company request within their team. Refusal to move will result in disciplinary action.
4. Employees must meet a minimum standard of 75% to be considered qualified.
5. Management may cross train other employees as production needs may require – if no volunteers.

Appendix ??? HOLD OFF AGREEMENT

Base Rate:

Method of Payment: **Measured Day Work**

Based on the claims, SAH's will be earned. Payment will reflect daily input with a weekly summary of earnings. The payment window will be from 83.6% of the base rate to a potential of 110% of the base rate based upon SAH's earned through the claims of each cut produced of 1st quality work.

The following will apply:

1. Guaranteed minimum pay of 83.6% of the base rate/hour.
2. Opportunity to earn up to/but not to exceed 110%-of the base rate.
3. The 110% rule will apply weekly, not daily.
4. Off standard time will be paid at the base rate.

5. One operator must perform all work to a cut. The last cut of a shift may be split between the operators of the two shifts, but all others must be complete before starting another cut.
6. Production warnings will be issued whenever an operator constantly falls below 80%.
7. Training others-payment of 110% (clocked off)
8. Producing Samples-payment at 110%(clocked off)
9. Shortages-payment at 110%
10. T.I. Trim taken away.

MEMORANDUM OF UNDERSTANDING

1. The Union agrees to print the contract.
2. On 01-01-03 the Company will increase its contribution to the insurance fund to \$000.00, 01-01-04 to \$000.00 and 01-01-05 to \$000.00.
3. Wage Increase Effective:

00-00-00	0.0%
00-00-00	0.0%
00-00-00	0.0%

4. Holiday Pay – 12 hour employees will receive 12 hours holiday pay if the holiday is their normally scheduled workday, but the plant has shut down for the holiday. 8 hours will be paid for those who are not normally scheduled to work.
5. Fabric Warehouse PG Handlers who fill in for a supervisor when the supervisor is out will receive \$1.00 in addition to their regular rate of pay for all hours worked in that capacity.
5. The Union representative shall attend the CSHC chairperson meeting. The Union representative must be on time and not miss more than 2 meetings in six (6) months, or this agreement will be void.
6. The Sewing Bonus Plan will be extended by mutual agreement for six (6) month increments.