

#385

2000



LABOR AGREEMENT

EFFECTIVE DATE: JULY 19, 1998

EXPIRATION DATE: DECEMBER 31, 2003

between

BRACH & BROCK CONFECTIONS

and

TEAMSTERS LOCAL 738

**Grocery and Food Products, Processors,
Canneries, Frozen Food Plants, Sugar
Processors, Confectionery and Candy
Manufacturers and Distributors,
Coffee Vending, Miscellaneous Drivers
and Salesmen, Warehousemen and
Related Office Employees Union,
Local 738**

affiliated with the
**International Brotherhood of Teamsters
AFL-CIO**

61 pages

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PREAMBLE

THIS AGREEMENT has been entered into effect on the 19th day of July 1998 by and between Brach & Brock Confections, located at 401 North Cicero Avenue, Chicago, Illinois, hereinafter referred to as the "Company" and GROCERY AND FOOD PRODUCTS, PROCESSORS, CANNERIES, FROZEN FOOD PLANTS, COFFEE VENDING, MISCELLANEOUS DRIVERS AND SALESMEN, WAREHOUSEMEN AND RELATED OFFICE EMPLOYEES UNION, LOCAL 738, INTERNATIONAL BROTHERHOOD OF TEAMSTERS, AFL-CIO, hereinafter referred to as the "Union".

ARTICLE 1

PURPOSE AND INTENT

Section 1.01

The purpose of this Agreement is to provide orderly collective bargaining relations, to secure a prompt and equitable disposition of grievances, to establish wages, hours of work and other conditions of employment, to insure the most efficient and economical operation of the plant, and to maintain and improve a harmonious relationship between the Union and the Company.

ARTICLE 2

UNION RECOGNITION

Section 2.01

The Company recognizes the Union as the sole and exclusive collective bargaining agent with respect to wages, hours of work and other conditions of employment for all of those hourly paid production and maintenance employees as certified by the National Labor Relations Board on January 26, 1968 in Case Number 13-RC-11343, specifically Warehouse employees, Shipping and Receiving employees, hourly paid Plant Clerical employees, Quality Control Inspectors, and hourly paid Laboratory employees, but excluding Office Clerical employees, Sales Representatives, Professional employees, Technical employees, Guards and Supervisors as defined in the Act.

In the event Brach & Brock Confections in the future shall take over the cafeteria operation and operate it with Brach & Brock Confection employees, those employees will become part of the bargaining unit as defined in Section 2.01.

ARTICLE 3
UNION SECURITY

Section 3.01

Union Shop

On or after the completion of a full thirty (30) calendar days following the beginning of employment, the effective date of this agreement, or the execution date of this agreement, whichever is later, every employee covered by this agreement shall, as a condition of employment, become and remain a member of the Union. Membership as used herein shall mean only the obligation to pay periodic dues and initiation fees uniformly required, or in the event that the employee objects to the payment of full dues and initiation fees, only the obligation to pay periodic dues and initiation fees related to representational costs.

ARTICLE 4
CHECK-OFF INDEMNIFICATION

Section 4.01

Check-Off

The Company agrees for the term of this Agreement to deduct from an employee's earnings, an employee's initiation fee, membership dues and regular assessments required of each employee for whom the Company has received an individual and voluntary authorization for such deductions in a form furnished by the Union and approved by the Company. The Union dues deduction shall commence thirty (30) calendar days after the employee's date of hire. In the event that any employee is in arrears in dues at the time he/she leaves employment, such amount as is due to the Union shall be deducted from any final wages paid to such employee, provided, however, that the Union has notified the Employer of such arrearage in writing prior to the payment of the employee of such final wages.

Section 4.02

Indemnification

The Union, its successors, and assigns shall indemnify and save the Company harmless against any and all claims, demands, suits, actions, damages, or other forms of liability arising out of any amounts of money remitted to the Union or by reason of action taken in reliance on individually, authorized deduction forms furnished to the Company by the Union.

ARTICLE 5
REPRESENTATION

Section 5.01

Union Officers, Stewards, and Designated Representatives

The Union agrees to notify the Company in writing of the names of the Local Union Officers, and Designated Representatives of the Union.

Section 5.02

Stewards Clause

The Union may designate not more than 50 employees as Union Stewards who shall be recognized in the plant. Stewards shall not be discriminated against in any way. The Union agrees to inform the Company in writing of the names of the stewards appointed by the Union. Further, in the event a steward is relieved, the Company will be notified in writing by the Union.

Section 5.03

Plant Access

An authorized representative of Local 738 shall have access to the plant for the purpose of conducting Union business under this Agreement. The visits shall be conducted during normal daytime business hours, unless it is necessary that they be conducted at other times, after prior notice is given to the Company. A Company representative will accompany the Union official during his/her visit.

ARTICLE 6
MANAGEMENT RIGHTS

Section 6.01

Management Rights

The management of the business and the direction of the working forces, including the right to plan, direct and control operations, hire, suspend or discharge for proper cause, transfer or relieve employees from duty because of lack of work or for other legitimate reasons, the right to study or introduce new or improved production methods or facilities, are vested in the Employer.

Section 6.02

Work Rules

The Union further recognizes the right of the Company to make and to alter from time to time reasonable rules and regulations to be observed and complied with by the employees, which rules and regulations shall not be inconsistent with the provisions of this Agreement. The Union shall be advised of such rules and regulations. Disputes arising under this section are subject to the grievance procedure.

Section 6.03

Discrimination and Invalidation

These rights shall be exercised with due regard for the rights of the employees and provided further that they will not be used for the purpose of discrimination against any employee, or for the purpose of invalidating any contract provision.

Section 6.04

Unit Work to be Done by Unit Members

The Company does not want, nor will it permit, supervisors, assistant managers, managers, or non-bargaining unit employees at the Cicero Avenue facility to perform work ordinarily performed by members of the bargaining unit except as follows:

- a) for the purpose of training employees;
- b) in case of emergency of short duration;
- c) for experimental work; and
- d) for the purpose of temporarily relieving an employee when no other employee is reasonably available.

For the purpose of this Section the term emergency shall be defined as an unforeseen contingency upon which the Company has no control.

Section 6.05

No Strike

No Lockout

The Union agrees that during the duration of this agreement, there shall be no strikes, including sympathy strikes, stoppages, or slowdowns, and the Company agrees that there shall be no lockouts. In the event of a breach of this provision by any member of the bargaining unit, the Union, through its representatives, will immediately take every reasonable, active measure to terminate such interference and any employee engaging in or instigating such activity shall be subject to disciplinary

action up to and including discharge. If the Union and its representatives take every reasonable active measure to terminate the interference, then the Union will not be liable for the breach of this provision.

ARTICLE 7
GRIEVANCE RESOLUTION PROCEDURE

Section 7.01
Statement of Principles

The parties understand and agree that unresolved disputes are detrimental to the purpose and intent of this Agreement and that adequate means must be established for minimizing them and providing for their prompt and efficient resolution. Therefore, the following principles shall at all times be applied in order to resolve any and all disputes:

(a) Whenever any dispute occurs, both the Union and Company shall make an earnest effort to discover the facts and to seek a prompt, fair and equitable resolution.

(b) It is mutually desired that disputes be satisfactorily settled as quickly as possible.

(c) Every reasonable effort shall be made to resolve disputes at the lowest possible level, whenever practicable between the employee and supervisor, before the dispute becomes a formal grievance. If these efforts are not successful the dispute shall become a formal grievance and shall be resolved under the grievance procedure described in Section 7.02 of this Article.

(d) The grievance procedure shall not be abused by either the Union or the Company. The grievance procedure shall not be used for the filing or pursuing of mass grievances, repetitive grievances, duplicate grievances or frivolous grievances for the purpose of harassment or engaging in in-plant strategies or tactics.

It is understood and agreed that neither party may refuse to proceed with any step of this grievance procedure on the basis that any of these principles have not been followed.

Section 7.02
Grievance Procedure

Any misunderstanding or complaint as to the meaning or application of this Agreement shall be considered a grievance and both the Company and Union will cooperate to settle grievances promptly in accordance with the following procedure:

Step One

Any employee who feels he/she has a grievance shall first discuss the problem with his/her immediate Supervisor, with or without the appropriate area Steward at the employee's discretion, within five (5) working days of the occurrence that has caused the grievance. The employee and/or his/her Steward must inform the Supervisor that a formal grievance is being filed. The Supervisor shall investigate the facts and answer the grievance to the Steward within three (3) working days. If the Supervisor's answer does not resolve the dispute, the employee may proceed to Step Two.

Step Two

If no settlement is reached in Step One, the grievance shall be reduced to writing by the Union and presented to the appropriate Cell Manager within five (5) working days from the date of the Step One answer. The written grievance shall be submitted on the Union's approved form.

Within five (5) working days following presentation of the written grievance to the Cell Manager, the grievant(s) and appropriate area Steward will meet with the Cell Manager and attempt to settle the dispute. If no settlement is reached within this five (5) day period, the Cell Manager shall provide the Steward with the Company's Step Two answer, explaining the Company's position within five (5) working days.

Step Three

If no settlement is reached in Step Two, the Union's Business Representative may present a written request for a Step Three meeting. This request must be presented to the Company's Director of Human Resources within five (5) working days of the Step Two answer. The parties shall then meet promptly to discuss the grievance and attempt to resolve it. If no settlement is resolved at the Step Three meeting, the Director of Human Resources shall give a written answer to the Business Representative within five (5) working days after this meeting.

Step Four

If no settlement is reached in Step Three, the Secretary/Treasurer of the Local Union, or his/her designee, may present a written demand for arbitration to the Company's Director of Human Resources within ten (10) days after the Step Three answer has been given.

Section 7.03

Retroactivity

Employees will be entitled to full retroactivity provided they file a grievance as soon as reasonably possible, but in no event later than seven (7) work days after its occurrence.

However, if an employee should file a grievance after the above stated period, the employee will be entitled to not more than seven (7) work days retroactivity.

It is mutually agreed that all parties will act in good faith and file grievances as soon as reasonably possible in implementing this provision.

Section 7.04

Witnesses

The Union and the Company shall have the right to call witnesses at any step of the grievance procedure.

Section 7.05

Meetings - Pay

Grievance meetings will be scheduled at the mutual convenience of the parties during working hours. The aggrieved employee and the department steward will be paid at their hourly rate for the time lost from their regularly scheduled shift because of the time spent at the grievance meeting with the Company.

Section 7.06

Waiver

The parties may, by mutual consent, waive any step of the above procedure and/or may modify the stipulated time periods.

Section 7.07

Business Representative

The Business Representative of Local 738 can appear at any step of the grievance procedures as outlined in Article 7.

Section 7.08

Settlement of Grievances

Any settlement or resolution of a grievance at Step Two or Step Three should be signed off by both parties. At each Step, the grievance will automatically proceed

to the next Step if the Company's answer is not received within the designated time limits.

ARTICLE 8 ARBITRATION

Section 8.01

Selection of Arbitrators

The Company and Union shall each select a representative within ten (10) working days after receipt of the written request to arbitrate. An arbitrator shall then be selected and assigned within this ten (10) day period in accordance with the procedure described in this Article:

(a) The parties will select an arbitrator from a panel of arbitrators mutually agreed upon by the parties.

(b) For the duration of this Agreement, unless modified by mutual consent, the panel of Arbitrators, and order of selection are:

- (1) Aaron Wolff
- (2) Herbert Berman
- (3) Steven Briggs
- (4) Robert McAllister
- (5) Randi Hammer Abramsky

(c) For each grievance that is submitted to arbitration, the parties shall refer grievances to the first available arbitrator on the panel on a rotating basis.

(d) In the event that multiple cases have been sent to the Company in which arbitration was demanded, the date upon which the arbitration was demanded will be controlling in determining which arbitrator will be designated to hear that case upon the rotating basis. In the event that multiple cases are sent to the Company where arbitration was demanded on the same day, the date upon which the grievance was filed will be controlling in determining which arbitrator will be selected from the list. In the event that multiple cases are submitted to the Company where the arbitration demand date and the grievance filing dates are the same, the parties will flip a coin to determine which action shall proceed first.

(e) Grievances referred to arbitration involving discharge and suspensions over ten (10) days shall be assigned prior to any other grievances.

(f) The party demanding arbitration is the moving party and carries the burden of going forward in selecting and assigning an arbitrator. Once an arbitrator

has been selected and assigned, the moving party shall notify the arbitrator within ten (10) working days, in writing, of his assignment and request dates for a hearing.

(g) The arbitrator shall schedule a hearing to commence within forty-five (45) days of his/her assignment. If the arbitrator is unable to schedule the hearing within this time frame, either party has the right to have the case reassigned to the next available arbitrator on the panel. If none of the panel arbitrators are able to schedule the hearing as required, then either party may request the American Arbitration Association to assign an arbitrator who: resides in the Chicago area; is a member of the National Academy of Arbitrators; and is able to schedule the hearing as required by this Agreement.

Section 8.02

Payment of Arbitration

The decision of the arbitrator shall be binding on both parties and the expense of the arbitrator and the hearing room, if any, shall be shared by both parties. Each party will pay its own participants at the arbitration.

Section 8.03

Arbitrator's Powers

It is further mutually agreed that the arbitrator shall have only the power to determine the meaning and application of this Agreement, and to grant such remedy as may be appropriate consistent with the terms of this Agreement.

ARTICLE 9

SENIORITY

Section 9.01

Definition of Seniority

Seniority shall mean an employee's length of continuous service with the employer from his/her most recent date of hire subject to the provisions of Section 9.14. In the event two or more employees are hired on the same date, higher seniority shall be determined on the basis of the alphabetical order of the employee's last name.

Section 9.02

Operation of Seniority

Seniority shall operate only on a facility basis. There shall be Manufacturing and Support Cells, as designated by the Company, within the facility.

Section 9.03 (A)

Regular Employee

Each new employee hired will serve a probationary period of forty-five (45) full calendar days of work, after which he/she will become a regular employee and his/her seniority shall date back to his/her last date of hire subject to the provisions of Section 9.14. The probationary period for newly hired employees may be extended by mutual agreement by the Union and the Company.

There shall be no seniority among probationary employees. They may be transferred to another cell or laid off, discharged, or otherwise terminated at the sole discretion of the Company without recourse to the grievance procedure.

In the event a probationary employee is separated and re-employed within a six-month period from his/her last date of employment he/she will be credited with seniority accrued before separation in accordance with Section 9.03.

Section 9.03 (B)

Temporary Employee

To assist in stabilizing the workforce, the Company may employ temporary employees for up to six (6) months in any calendar year. The Union will be notified of the names of employees hired in a temporary status. Temporary employees will be assigned to job openings, transferred, or terminated as needed, by the Company. Temporary employees will be subject to the requirements of Section 3.01 and 4.01. Temporary employees will be hired into job groups 6 and 7 after the posting and bidding provisions of Section 9.07 (B) have been met. At no time will the number of temporary employees exceed 20% of the total work force. Temporary employees are not subject to the provisions of Articles Nine (9) through Sixteen (16) of the collective bargaining agreement, with the exception that in the event that a temporary employee works 1,000 hours or more in a twelve (12) month period, he will be considered a regular employee for the purposes of participation in the Central States Pension Fund only; all hours worked by him/her thereafter (for the remainder of that year and all subsequent years) will require contributions to the Central States Pension Fund in the same manner and amount as required by this contract for regular employees. Temporary employees shall not accrue seniority. In addition, they shall not be subject

to the just cause limitations regarding discipline and discharge. They will be paid the rate of \$6.00 per hour.

Any temporary employee retained for an accumulated period of six (6) months during the term of this agreement (but in no event exceeding one (1) year for the purpose of this clause) will become a regular employee and be covered by all of the terms of this Agreement. Retained employees will be granted seniority reflecting six months of service. Temporary employees will not be employed while regular employees qualified to satisfactorily perform the work are on layoff under Section 9.11 (B) and 9.11 (C).

Section 9.04

Seniority List

A seniority list of all employees will be furnished to the Union every ninety (90) days. Further, a list will be posted on each Cell seniority board. The seniority list will contain the name of the employee and the employee's most recent date of hire into the facility subject to the provisions of Section 9.14. Unless the Company receives objections from the Union within thirty (30) days of the date of submission of each seniority list to the Union, said list shall be deemed to be correct. The Company agrees it will supply the Union with the names of new employees hired into the bargaining unit together with their hiring date at the end of each month in which the new employees are hired. Further, the Company agrees to provide the Union with a list of terminated employees, and the reason therefore, at the end of each month in which the employees were terminated.

Section 9.05

Application of Seniority

(A) In all applications of seniority for job groups 6 and 7, length of continuous service in the facility shall be the determining factor provided the employee can satisfactorily perform the job or learn the job within a reasonable time. Reasonable time for bidding purposes in this Paragraph shall mean a period of time not to exceed four (4) weeks from the time the employee starts on the job.

(B) In all applications of seniority for job groups 1, 2, 3, 4, and 5 and job numbers 81, 88, 135, 283, 203, 208, 210, 298, 305, 308, 310, 316, and 502 in job group 6, and maintenance occupations the following shall be considered:

- 1) Length of continuous service in the facility.
- 2) Training, ability, skill, and physical fitness.

3) Length of continuous service shall govern when the factors in (2) in the opinion of the Company are equal.

Employees who become successful bidders under "B" on a cell bid shall be evaluated for a period of eight (8) weeks from the time the employee starts on the job. This time period may be extended by mutual agreement by the Company and Union.

(C) The application of the seniority provisions of this Agreement are subject to the grievance procedure.

Section 9.06

Manufacturing and Support Cells

For the purpose of implementing the bidding, layoff and recall provisions of this agreement, the Company will designate Manufacturing and Support Cells, and will advise the Union accordingly.

Section 9.07 (A)

Cell Additions and Deletions

The Company has the right in its sole discretion to establish additional cells or eliminate or combine cells, based on the needs of the business. In the event the Company is planning to establish an additional cell, or eliminate or combine cells the Company will notify the Union in writing at least seven (7) days prior to making such combination, addition, or deletion.

When cells or portions of cells are created or combined the affected employees will be slotted into a single, merged seniority list based upon their facility seniority at the time of the combination or the creation.

When the Company eliminates a cell or portion of cell the affected employees, who are permanently relocated in a new job opening by transfer or bidding shall be slotted into the seniority list of their new cell based upon their facility seniority. Any affected employees not relocated may utilize their rights under Section 9.11 (B).

Section 9.07 (B)

Posting and Bidding

Permanent job openings will be posted for bids within the cell in which a permanent vacancy exists and in the facility at the same time. Posting shall be for two (2) consecutive work days. Employees desiring the job vacancy must place their names on the bid sheet. Upon completion of a posted bid, employees will be interviewed and selected first by cell and then by facility in accordance with the

provisions of Section 9.05. Employees will be notified by the Company within one (1) week as to the time the assignment will be effective and assigned within the following week, or later, as soon as a vacancy exists. The name of the successful bidder and the date the assignment will be effective will be posted.

Should no employee bid on the job opening, the job vacancy may then be assigned to the employee with the least facility-wide seniority in the affected cell in accordance with the provisions of Section 9.05. The employee selected in accordance with the provisions of Section 9.05 will be notified by the Company within one (1) week as to the time the assignment will be effective, and assigned within the following week, or later as soon as the vacancy exists. The name of the selected employee and the date the assignment will be effective will be posted.

In the event there are no successful bidders for the job vacancy, the Company may hire a new employee or transfer an employee under Section 9.10 of the current Labor Agreement.

The Company will furnish a copy of the successful bid posting to the Steward when the vacancy has been filled. In the event no bidder is selected or the posting is rescinded, the Steward will be notified. The Steward may then contact the Industrial Relations Department if there are any questions regarding the award.

Section 9.07 (C)

Unqualified Employee

In the event the successful bidder is unable to do the new job, the employee will be returned to his/her former job and the other bidders for the vacancy will be considered or the vacancy will be re-posted in accordance with the provisions of Section 9.07 (B).

After an employee's bid is accepted on a new job, if the employee requests to return to his/her former job, this request will be denied.

Section 9.07 (D)

Rights of Absent Employee

In the event an employee who was eligible to bid was absent because of vacation, illness, injury or other good and sufficient reason, except for leave of absence, during the posting period, the employee will be permitted to exercise his/her rights to bid on not more than two (2) of the jobs posted provided the employee returns within thirty (30) work days after the successful bidder has been appointed to the job vacancy, and exercises such bidding rights within forty-eight (48) hours after returning to work. An employee displaced by the operation of the provision shall

return to his/her former job. This time limit may be extended by mutual consent between the parties to this Agreement.

Section 9.07 (E)

Bidding Limitations

- 1) Any employee upon his/her hiring shall remain in his/her cell, for six (6) calendar months prior to being eligible to bid out of the cell.
- 2) Any employee who becomes a successful bidder shall not be eligible to bid out of his/her cell for a period of six (6) calendar months. This limitation shall have no effect on an employee's right to bid on positions posted within his/her cell.
- 3) If, in the opinion of the Company, an employee is abusing the bidding procedure, the Company and the Union will review the employee's bidding record and the employee's bidding rights will be controlled.
- 4) No employee can refuse a bid after the bid sheet has been removed from the board, if in the opinion of the Company, the employee has been given the necessary information regarding the job bid.

Section 9.08 (A)

Permanent Job Openings

A permanent job opening is a newly created job or a vacancy caused by death, termination, retirement, or bidding out. When the Company decides that there is a permanent vacancy in the job, it will post the position immediately. It is understood the Company may fill a permanent job opening on a temporary basis, subject to the provisions of Section 9.10.

Section 9.08 (B)

Temporary Bids

A temporary vacancy exists for such reasons as, but not limited to, additional manpower requirements, experimental projects, or extended absences of employees as defined in Article 15. A temporary vacancy occurs when the position is expected to be vacant for more than ninety (90) days and cannot be filled in accordance with Section 9.10 of the Agreement.

Temporary bids shall be posted in accordance with Section 9.07 of the Agreement. The posted bid shall indicate that the position is being offered on a "temporary basis". When a temporary bid is posted, all regular employees shall have the opportunity to bid on the temporary vacancy in accordance with Section 9.07 (B). Whenever possible, the Personnel Department will inform bidders as to the anticipated

duration of the temporary vacancy. Successful bidders shall be selected in accordance with Section 9.05 of the Agreement.

The successful bidders for a temporary vacancy shall be returned to his/her regular permanent job when a temporary vacancy no longer exists or in the event of a cutback in the temporary job held by the bidder.

A successful bidder for a temporary vacancy has the right to bid on a permanent job opening in the same temporary job and cell to which he/she is assigned when the bid is posted. He/she also has the right to bid on a permanent job opening other than the one to which he/she is assigned, within the cell when the bid is posted.

Section 9.09

Shift Assignment

An employee shall be considered to be a regular member of the shift within the cell to which the employee is assigned. An employee's shift within the cell can only be permanently changed in accordance with the bidding procedures of Section 9.07 (B) of the contract. In instances of a lay-off or recall, an employee may voluntarily accept an offer of work on a different shift on a temporary basis or as provided in Section 9.10.

Section 9.10

Temporary Assignment

The parties recognize that because of the nature of the operation, it is necessary to temporarily assign employees to the performance of work in a job other than the one in which they are regularly assigned or to shifts other than the one that they are normally assigned for a period of up to ninety (90) calendar days. In the event it becomes necessary to temporarily assign employees as a result of fluctuation or fractional manpower requirements, however, this does not include the situation as defined in Section 9.11 (A), or for such reasons as but not limited to absenteeism, vacations or leaves of absence, the employee with the highest seniority in the same cell desiring the job will be temporarily assigned to work. In the event the temporary vacancy is not filled in the above manner, then the employee with the lowest seniority in the cell who is qualified to perform the work will be temporarily assigned to the work. This assignment will be contingent on skill and ability to perform the work, and the employee will be returned to his/her regular job should he/she be unable to do the work. If it is necessary to add additional employees to a cell on a temporary basis, they usually will be provided from the least senior employees of other cells provided

they can satisfactorily perform the work. On occasion the Company may decide it is advisable to temporarily assign an employee to a job in a lower job group.

Section 9.11 (A)

Transfer Downgrading

In case of transfer or downgrading to avoid layoff as a result of job elimination or production requirements, the adjustment of personnel within a cell shall be made in accordance with the seniority provisions of Section 9.05.

Section 9.11 (B)

Layoff

In the event a layoff becomes necessary, affected employees in the affected cell who have less than five (5) years of service will be placed directly on layoff, provided other senior employees are capable of performing their work. With the completion of this movement, the layoff process will continue as follows:

The number of affected positions in the affected cell to be reduced will be identified. A like number of least senior non-skilled employees working in the affected cell, regardless of home cell, will be designated to be laid off, employing the "shuffle" principles, if necessary, outlined in the Letter of Understanding concerning Job Consolidation signed and dated April 8, 1998. With the completion of this movement, bump options will be as follows for displaced employees:

1. Any least senior position in the affected cell, provided the employee can perform the job within several hours.
2. Least senior in job, facility-wide.
3. Any least senior position in the job group, provided the employee can perform the job within several hours.
4. Least senior five (5) non-skilled in the facility.
5. Any open or temporary job.

Skilled employees working in the affected cell, regardless of home cell, either affected or bumped, will have the following bump options:

Any least senior position in the affected cell, provided the employee can perform the job within several hours.

1. Least senior in job, facility-wide.
2. Any least senior position in the job group, provided the employee can perform the job within several hours.

3. Least senior five (5) non-skilled in the facility.
4. Any open or temporary job.

In order to manage the layoff/recall process and minimize the impact of unnecessary movement of employees, the Company reserves the right to schedule an annual two (2) week partial or total shutdown per work cell. (With the option of at least one week scheduled on a cell-by-cell basis during the year-end holiday period.) The Holiday Eligibility requirements as set forth in Section 13.02 of the current labor contract shall remain in full force and effect.

If an entire cell is shutdown, then employees with five (5) or more years of seniority will be allowed to bump into one of the jobs of the five least senior employees in any other cell as long as they are more senior than the employees being bumped and capable of satisfactorily performing the job within several hours without being trained. Those employees who are unable to bump or who choose not to bump will be placed on layoff to the street. This section shall apply to all layoffs in excess of four weeks.

Section 9.11 (C)

Temporary Layoff

If, in the discretion of the Company, conditions arise which necessitate work going down temporarily in one or more jobs within a cell, temporary layoffs of up to four (4) weeks shall be permitted. During any contract year no regular employee may be temporarily laid off for an accumulated period greater than four (4) weeks. These temporary layoffs may be made without application of the general layoff and seniority provisions herein except that employees with more than 15 years facility seniority shall not be subject to temporary layoffs.

Temporarily laid off regular employees may bump any of the five (5) most recently hired temporary employees, provided the regular employee is capable of satisfactorily performing the work in question. If the regular employee successfully bumps the temporary employee, the regular employee will assume the applicable job group rate for the work being performed if the job group is different from his/her own assigned job group, and perform work as assigned. If the regular employee bumps a temporary employee within the regular employee's assigned job group, the regular employee will be paid the rate of the job group or his/her Red Circle Rate, whichever is higher. A regular employee, who once commits to a temporary assignment, must complete that entire assignment and may not during the temporary assignment exercise a right to layoff.

Section 9.11 (D)

Temporary Shutdown

A line or job within a cell may be shut down for as long as six (6) work days for machine repairs, lack of production, new method of implementation, and any other conditions that may arise and the affected employees of the line or job will be utilized at the Company's discretion before the Company reassigns the affected employees according to seniority in accordance with Section 9.05.

Section 9.11 (E)

Permanent Job Elimination

When an employee is displaced by the permanent elimination of the permanent job to which the employee is assigned, the employee shall be paid the earnings of the new job or the earnings of the eliminated job, whichever are highest. This Section will only apply to the employee affected and only for a period of ten (10) work days.

Section 9.12

Recall

Employees subject to recall after layoff will be notified by letter sent to the last known address of the employee with the understanding that failure to keep the Company advised of their latest address shall be no excuse for non-receipt of such notice. The employee, will be given five (5) work days after the notice is mailed to return to work. However, it is understood that each employee must notify the Company forty-eight (48) hours prior to returning of his/her intent to report to work, or the employee will be considered as having quit.

When recalls commence:

1. Openings will be offered by seniority to all employees working in the facility holding the needed job who belong to the work cell where the opening has occurred, but not working in the needed job or not working in their home work cell.
2. Following the above movement, employees on layoff will be recalled according to the employee's seniority, into any cell, as expressed on the "Layoff/Recall Option" form completed by the employee at the time of layoff.

Section 9.13 (A)

Vacancy at Time of Layoff

It is the intent of the parties that every reasonable effort will be made to find employment consistent with Section 9.05 of the Agreement and the needs of the

business for those employees who have established seniority before any new employees are hired.

Section 9.13 (B)

Information to Union

Whenever possible, the Company will provide the Union a copy of both the layoff and recall lists and if time does not permit the publication of the lists, the Union will be notified verbally.

Section 9.14

Breaks in Seniority

The seniority and the employment relationship of an employee shall be terminated when the employee:

- a. Voluntarily leaves the service of the Company or is discharged for cause.
- b. Is on layoff for a twenty-four (24) month period or fails to report to work, due to non-compensable illness or non-compensable injury, for a twelve (12) month period.
- c. Fails to return from layoff upon recall without good and sufficient reason.
- d. Fails to return from an authorized leave of absence and/or vacation within the specified time without good and sufficient reason.
- e. Is absent for three (3) consecutive working days without notifying the Company and giving an acceptable explanation for absence.
- f. Any memorandum or warning letters in the employee's personnel file will be voided after eighteen (18) months from their date of issue (except in case of warnings for absenteeism which will be voided after twelve (12) months from their date of issue). Time spent on layoff or leaves of absence will not be included in the twelve (12) month period.

Section 9.15

Relief Supervisors

The Company will discontinue the practice of appointing bargaining unit employees to the position of temporary supervisors and full-time group leaders for the purpose of adding to the supervisory staff.

When the Company deems it necessary to fill a supervisory vacancy due to vacation, illness, leave of absence, or other temporary absence of a regular supervisor, assistant manager, or manager; or due to an increase of production not to exceed six (6) months, the company may select an employee to serve in the capacity

of relief supervisor to carry out the temporary assignment. The Company shall notify the Union of relief supervisors who are serving due to an increase in production.

Group Leaders

A Group Leader is defined as a regular bargaining unit employee who performs duties in his or her job and whose additional responsibilities may include receiving instructions and work specifications from a Supervisor or Manager and transmitting them to other employees in the group, helping employees and supervision solve work problems, explaining tasks to employees, checking product and completed product work, and recording information such as time and production data.

A Group Leader does not have the authority or responsibility for recommending or initiating disciplinary action because of an employee's job performance, conduct, or actions directly or indirectly. Any disputes over work assignments must be handled by management. A Group Leader may not be scheduled for an overtime work assignment out of line of seniority unless such work is within their job. A Group Leader may not distribute pay slips or paychecks to employees.

The Manager (or Representative) will post a listing of all Group Leaders and Relief Supervisors on the Plant bulletin board at the beginning of each month. All changes of this listing will be indicated as they occur. The Company shall review Group Leaders at least once each year.

Section 9.16

Promotion from Bargaining Unit

An employee transferred or promoted from the bargaining unit to any position in the Company outside of the bargaining unit shall forfeit all seniority acquired in the bargaining unit. It is agreed that an employee may be transferred or promoted out of the bargaining unit during a twelve (12) month period up to ninety (90) accumulated calendar days of work without loss of seniority. The ninety (90) day period may be extended by mutual consent of the parties.

ARTICLE 10

HOURS OF WORK

Section 10.01

Work Week

The work week begins at 12:01 a.m. on Sunday and ends midnight on the following Saturday. The basic work week shall consist of forty (40) hours and the

basic work day shall be eight (8) hours (exclusive of the designated unpaid lunch period).

Section 10.02

Thirty-seven and one-half (37 1/2) Hour Guaranteed Work Week

Each employee, except probationary employees, employees on vacation, or recognized holiday or leave of absence, who is present, punctual, ready and able to work all scheduled hours in any work week is guaranteed thirty-seven and one-half (37 1/2) hours hourly rate for such work week, provided however:

The guarantee herein above provided shall not be operative in any week in which any employee is laid off, but in such event the employee must be given notice prior to such layoff. Unless such layoff is due to Acts of God, emergencies and causes beyond the Company's complete control.

Notice prior to layoff is a Notice of three (3) work days including the day the Notice is given.

Section 10.03

Work Limitation

Nothing in this Agreement shall be construed as a guarantee or limitation on the number of hours to be worked per day, per week, or for any other period of time, except as may be specifically provided herein or limited by statute.

Voluntary Overtime

The Company agrees to use every reasonable effort to schedule operations so that employees will work as close to a minimum eight (8) hours per day or forty (40) hours per week as is economical and practical considering production requirements.

In no event will employees be required to work an unreasonable number of overtime hours. The Company will notify employees on Thursday, if possible, but in no event later than the end of the fourth hour on the employee's shift on the Friday preceding the overtime day. Employees who cannot work on the overtime day for good and sufficient reason will notify their supervisor immediately.

Section 10.04

Rest Period

One ten (10) minute rest period shall be granted each employee during the first half of the shift and one ten (10) minute rest period shall be granted each employee

during the second half of the shift. All employees shall remain in the plant during all rest periods.

In the event circumstances warrant additional time, such time will be granted, but in no event will it exceed the time customarily granted in the past.

The Company will review rest periods exceeding the ten (10) minute limitation and if abuses are found, the rest period will be reduced to a reasonable level but in no event less than ten (10) minutes. The Union will be notified of any Company action taken regarding rest periods.

Section 10.05

Reporting Pay

Whenever a full-time regular employee reports for work on any regularly scheduled work day, unless the employee has been notified by the Company on the preceding day not to report, the employee shall be given four (4) hours work or four (4) hours pay at his/her hourly rate, if no work is provided by the Company. The Company has the right to offer an employee any work which the employee can perform consistent with the Seniority Provisions of this Agreement and if the employee refuses such work, then the employee shall not be entitled to any pay by the Company. This shall not apply in the event operations are suspended due to a labor dispute, or any employee is suspended, discharged or quits, or by reason of an Act of God, or because of emergency conditions beyond the control of the Company.

Section 10.06

Short Notice

When an employee is called in on short notice to work a shift other than his/her regularly scheduled shift, the employee will be paid time and one-half for all hours worked on the new shift. This does not include employees who are rescheduled as a result of vacancies created by vacations, leaves, or general relief.

Section 10.07

Reporting Tardy

If an employee reports to his/her work area after the starting time of his/her shift, the employee will be assigned to any available job, at that rate. The Company shall make a reasonable effort to find available work for the employee, but if, in the opinion of the Company, work is not available, or if the employee is habitually tardy, the employee has no right to work.

Section 10.08

Lunch Period

The present unpaid lunch period of one-half hour will be continued. No employee will be required to work more than five (5) hours without a lunch period.

Section 10.09 (A)

Premium Pay for Employees Hired on or Prior to July 14, 1983

All employees hired on or prior to July 14, 1983 are eligible for shift premium pay for all hours worked if their starting time is 12:00 noon or later. All employees required to start at 5:30 a.m. or earlier shall be entitled to early morning premium pay from their starting time up to 7:00 a.m. These employees shall receive premium pay in accordance with the rate established as of July 15, 1983. This rate shall remain the same during the duration of the Agreement.

Section 10.09 (B)

Premium Pay for Employees Hired After July 14, 1983

All employees hired after July 14, 1983 are eligible for premium pay for all hours worked if their starting time is 12:00 noon or later. These employees shall receive premium pay at the rate of thirty (\$.30) cents per hour. This rate shall remain the same during the duration of this Agreement.

Section 10.10

Continuous Operation Scheduling

Notwithstanding any other provisions to the contrary of this Agreement (including Section 10.01 and Article 11), the parties have agreed that in order to facilitate operations the Company may schedule equipment of specific operations on a continuous 24-hour per day, 7 day a week basis, using employees working five consecutive days, which may include Saturday or Sunday or both days. The employees working in these Continuous Operations will be selected by following the posting and bidding procedure in Section 9.07 (B). If no employee in the covered cell bids on the job vacancy (including the starting day of the employee's workweek), then the posting and bidding procedures in Section 9.07 (B) shall be continued to the facility-wide bidders. All posting and bidding procedures shall be subject to the other sections of this collective bargaining agreement pertaining to bidding. The Company may elect to employ the continuous operation schedule on a one (1), two (2) or three (3) shift operation.

Each employee working in a Continuous Operation will work five (5) consecutive 8-hour days and be off two (2) consecutive days (i.e., Continuous Operation Schedule).

The following special procedures shall apply to Continuous Operation employees:

A. Workweek:

Different workweeks may be established for different employees or different groups of employees working in a Continuous Operation, but once beginning time of Continuous Operation employee's workweek is established, it remains fixed for that employee regardless of the schedule of hours actually worked by him. The Company shall be permitted, however, to change the beginning of an employee's workweek.

A Continuous Operation employee's workweek will consist of one of the following workweeks: Sunday through Thursday, Monday through Friday, Tuesday through Saturday, Wednesday through Sunday, Thursday through Monday, Friday through Tuesday or Saturday through Wednesday.

B. Overtime Payments:

Time and one-half the Continuous Operation employee's hourly rate of pay shall be paid only for hours worked over forty (40) hours in his assigned workweek or eight (8) hours per shift. Saturday and Sunday, "as such", premium payments will not be paid, but all Continuous Operation employees shall be paid one and one-half time their hourly rate for all hours worked on the sixth (6th) day of one workweek and all such employees shall be paid twice their hourly rate for all hours worked on the seventh (7th) day of one workweek. There shall be no pyramiding of overtime.

C. Continuous Operation Premium:

A premium of \$1.00 per hour shall be paid to all Continuous Operation employees for all hours worked during the Continuous Operation schedule.

D. Guaranteed Workweek:

Section 10.02 Guaranteed Workweek will not apply to Continuous Operation employees. Instead, each Continuous Operation employee, except probationary employees, employees on vacation, or recognized holiday or leave of absence, who is present, punctual, ready and able to work all scheduled hours in any workweek is guaranteed thirty-seven and one-half (37 1/2) hours at their hourly rate for each workweek beginning on their assigned starting day and ending on the day and time 168 hours later. This guarantee shall not be operative in any week in which any employee is laid off, but in such

event the employee must be given notice prior to layoff, unless such layoff is due to Acts of God, emergencies and causes beyond the Company's complete control. Notice prior to layoff is a notice of three (3) work days including the day notice is given.

E. Continuous Operations Employee Limit:

The Company and the Union mutually agree for the term of this agreement to employ no greater than 10% of the total workforce at any given time as Continuous Operation employees. In the event a need arises to employ more than 10% of the total workforce as Continuous Operation employees the parties will meet to discuss this need and reach resolution regarding this issue.

F. Resolution of Issues:

In the event a dispute arises as to the application of any of the terms and conditions of the contract to employees on a Continuous Operation schedule, the Company and the Union will meet promptly and seek to agree on the appropriate procedure. If the Company and the Union cannot agree, the Union may submit the issue directly to the grievance and arbitration procedures. If arbitration is necessary, the arbitrator shall have the authority to order a binding resolution of the issue taken into consideration both fair and equitable treatment of the Continuous Operation employee(s) involved and the company's need for efficient and economic operations under all the circumstances involved.

ARTICLE 11

OVERTIME

Section 11:01

Time and One-Half Pay Over Eight (8) or Over Forty (40) Hours

All employees shall be paid one and one-half times their hourly rate for all hours worked in excess of eight (8) hours per shift or in excess of forty (40) hours in one work week.

Section 11.02

Saturday and Sunday Pay

Employees working on Saturday shall receive one and one-half times their hourly rate for all hours worked on Saturday.

Employees working on Sunday shall receive two times their hourly rate for all hours worked on Sunday.

Saturday is defined as beginning at 12:01 a.m. on Saturday, and ending at 12:00 midnight on Saturday.

Sunday is defined as beginning at 12:01 a.m. on Sunday, and ending at 12:00 midnight on Sunday.

Section 11.03

Computation of Premium Pay

Employees entitled to premium pay under any of the provisions of this Agreement shall receive the highest rate provided for such hours, but premium pay shall not be compounded or paid twice for the same hours.

Section 11.04

Hours Worked for Overtime Purposes

In the event an employee receives pay for hours lost from work for any of the following reasons: Jury Leave, Bereavement Leave, Doctor's Visit, Holidays, Reporting Time, and Grievance Time; such hours shall be considered as hours worked for the purpose of computing overtime.

Section 11.05

Power Plant

In the event an employee in the Power Plant is required to double back, the employee will be paid time and one-half for all hours worked on the double back shift, provided the employee's regular shift and the double back shift fall within any twenty-four (24)-hour period.

Section 11.06

Maintenance Departments

Five (5%) percent or a minimum of one employee from each craft department will be scheduled off voluntarily each Saturday on a rotational basis by seniority provided, if in the opinion of the Company, it does not unreasonably interfere with the requirements of the business.

ARTICLE 12

WAGES

Section 12.01 (A)

Effective January 3, 1999, 1.5% increase to Schedule A, Schedule B job groups 1 through 5, and all maintenance.

Effective January 2, 2000, 2% increase to Schedule A, Schedule B job groups 1 through 5, and all maintenance.

Effective January 7, 2001, 2% increase to Schedule A, Schedule B job groups 1 through 5, and all maintenance.

Effective January 6, 2002, 2% increase to Schedule A, Schedule B job groups 1 through 5, and all maintenance.

Effective January 5, 2003, 2% increase to Schedule A, Schedule B job groups 1 through 5, and all maintenance.

A one-time Signing Bonus of \$175 for each employee will be paid by September 15, 1998.

Section 12.01 (B)

Red Circle Rates

All Red Circle Rates will be retained until Schedule A rates catch up. Where Red Circle Rates exceed the job rate, all contractual wage increases will be paid up-front in quarterly lump sum payments. Once the Schedule A rate equals or exceeds the Red Circle Rate, the employee will be paid the higher rate.

The wage increase will be added to the hourly rate for the purpose of pay calculation of:

- | | |
|-----------------------|---------------------|
| (a) Jury Leave | (Section 15.05) |
| (b) Bereavement Leave | (Section 15.04) |
| (c) Doctor's Visit | (Section 15.01 (B)) |
| (d) Grievance Time | (Section 7.05) |
| (e) Reporting Time | (Section 10.05) |

Section 12.02

Wage Rates

All employees, excluding maintenance, will be assigned a job group consistent with the jobs specified for the job group. Employees hired prior to May 1, 1998 shall be assigned a wage rate as specified in Schedule A. Employees assigned to Schedule A will be paid either the rate specified in Schedule A or their Red Circle Rate, whichever is higher.

SCHEDULE A

Job Group	Wage Rate	Effective 1/3/1999	Effective 1/2/2000	Effective 1/7/2001	Effective 1/6/2002	Effective 1/5/2003
1	\$13.87	\$14.08	\$14.36	\$14.65	\$14.94	\$15.24
2	\$13.47	\$13.67	\$13.94	\$14.22	\$14.50	\$14.79
3	\$13.08	\$13.28	\$13.55	\$13.82	\$14.10	\$14.38
4	\$12.70	\$12.89	\$13.15	\$13.41	\$13.68	\$13.95
5	\$12.33	\$12.51	\$12.76	\$13.02	\$13.28	\$13.55
6	\$12.08	\$12.26	\$12.51	\$12.76	\$13.02	\$13.28
7	\$11.67	\$11.85	\$12.09	\$12.33	\$12.58	\$12.83

All employees hired on or after May 1, 1998 shall have Schedule B wages applied to all job assignment movement.

SCHEDULE B

Job Group	Wage Rate	Effective 1/3/1999	Effective 1/2/2000	Effective 1/7/2001	Effective 1/6/2002	Effective 1/5/2003
1	\$13.87	\$14.08	\$14.36	\$14.65	\$14.94	\$15.24
2	\$13.47	\$13.67	\$13.94	\$14.22	\$14.50	\$14.79
3	\$13.08	\$13.28	\$13.55	\$13.82	\$14.10	\$14.38
4	\$12.70	\$12.89	\$13.15	\$13.41	\$13.68	\$13.95
5	\$12.33	\$12.51	\$12.76	\$13.02	\$13.28	\$13.55
6	\$8.75	\$8.75	\$8.75	\$8.75	\$8.75	\$8.75
7	\$7.75	\$7.75	\$7.75	\$7.75	\$7.75	\$7.75

MAINTENANCE LABOR GRADES

Job #	Title	Labor Grade	Hourly Rate	Effective 1/3/1999	Effective 1/2/2000	Effective 1/7/2001	Effective 1/6/2002	Effective 1/5/2003
218	Instrument Repairman	18A	\$18.57	\$18.85	\$19.23	\$19.61	\$20.00	\$20.40
221	Electrician A	18A	\$18.57	\$18.85	\$19.23	\$19.61	\$20.00	\$20.40
222	Electrician B	14B	\$16.15	\$16.39	\$16.72	\$17.05	\$17.39	\$17.74
224	Carpenter A	16A	\$17.86	\$18.13	\$18.49	\$18.86	\$19.24	\$19.62
227	Sheetmetal A	17B	\$18.23	\$18.50	\$18.87	\$19.25	\$19.64	\$20.03
228	Sheetmetal B	14B	\$16.15	\$16.39	\$16.72	\$17.05	\$17.39	\$17.74
230	Pipefitter A	17B	\$18.23	\$18.50	\$18.87	\$19.25	\$19.64	\$20.03
231	Pipefitter B	14B	\$16.15	\$16.39	\$16.72	\$17.05	\$17.39	\$17.74
233	Machinist A	18A	\$18.57	\$18.85	\$19.23	\$19.61	\$20.00	\$20.40
234	Mechanic B	14B	\$16.15	\$16.39	\$16.72	\$17.05	\$17.39	\$17.74
238	Mechanic A	17B	\$18.23	\$18.50	\$18.87	\$19.25	\$19.64	\$20.03
239	Stores Attendant	12A	\$14.54	\$14.76	\$15.06	\$15.36	\$15.67	\$15.98
241	Repair Person A	17B	\$18.23	\$18.50	\$18.87	\$19.25	\$19.64	\$20.03
242	Repair Person B	14B	\$16.15	\$16.39	\$16.72	\$17.05	\$17.39	\$17.74
243	Packaging Mechanic A	18A	\$18.57	\$18.85	\$19.23	\$19.61	\$20.00	\$20.40
244	Packaging Mechanic B	14B	\$16.15	\$16.39	\$16.72	\$17.05	\$17.39	\$17.74
246	Maintenance Utility Worker	9H	\$13.01	\$13.21	\$13.47	\$13.74	\$14.01	\$14.29
267	Painter A	14D	\$16.01	\$16.25	\$16.58	\$16.91	\$17.25	\$17.60
269	Plasterer	15E	\$16.23	\$16.47	\$16.80	\$17.14	\$17.48	\$17.83
701	Engineer	18B	\$18.57	\$18.85	\$19.23	\$19.61	\$20.00	\$20.40
703	Assistant Engineer	13G	\$16.86	\$17.11	\$17.45	\$17.80	\$18.16	\$18.52

Section 12.03 Inventory Work

Workers performing inventory work shall be paid their hourly rate.

Section 12.04

Grievance on New Standard

When a new or revised standard is applied to an operation, no grievance may be filed in the grievance procedure relating to the new or revised standard until ten (10) work days have elapsed on the operation on which the new standard was set.

Any upward change which is made in a standard pursuant to a grievance filed in accordance with this Section shall be retroactive to the date when the new or revised standard was applied.

The Company will notify the Union five (5) work days prior to installing a new or revised standard, if reasonably possible.

Grievances on Existing Standard

Grievances on standards now in effect and being challenged by the Union will be processed according to the grievance procedure of this contract. Any retroactivity shall be limited to the period commencing with the day the grievance was filed.

Section 12.05

Information on Standards

The Company shall provide, upon request from the Union, a copy in writing of the pertinent data pertaining to standards. The Union agrees that such information will be treated in a confidential manner.

Section 12.06

Maintenance of Standards

It is agreed between the parties that the present methods now in use for establishing standards will remain in effect, if reasonably possible, unless changed by mutual agreement of the parties.

Disputes arising out of any Section of this standard article not otherwise provided for will be resolved through the grievance procedure of this Agreement.

Section 12.07

Rate on Transfer

When the Company transfers an employee to another job, the employee will be paid the rate of the job to which he/she is assigned or his/her regular rate, whichever is higher, unless the transfer is for any one of the following reasons: machine breakdown; scheduled preventive maintenance; lack of material; acts of God; emergencies; and other causes beyond the complete control of the Company.

Section 12.08

Calculation of Hours Worked

In order to establish a uniform procedure for calculating hours worked, the determination of hours worked will be by tenths for all employees.

Section 12.09

Wage Rate Change

The wage rates contained herein shall remain in effect during the term of this Agreement unless changed pursuant to any Sections of this Agreement.

Section 12.10

Job Groups

The present job groups, as detailed in the Letter of Understanding concerning Job Consolidation signed and dated on April 8, 1998 shall remain in effect during the term of this Agreement unless changed pursuant to any Section of this Agreement. Any disputes arising because of a noticeable change in a job shall be subject to Article 7 - Grievance Resolution Procedure.

If any employee with a date of hire prior to May 1, 1998 is recalled from layoff, or rehired after losing seniority, the employee shall be paid at full wage rate as provided in Schedule A.

The parties understand and agree that the Company may, in its discretion, establish and implement a compensation program to provide employees with the opportunity to earn additional compensation through improvements in safety, sanitation, quality, adherence to production schedule and costs/profits.

Section 12.11

Key Job

When employees who are normally assigned to a job designated by the Company as a key job are removed from their jobs and transferred within the cell because of low activity in their regular department, they will be paid their hourly rate or the rate listed in Schedule A for the job into which they are placed, whichever is higher. When employees who are normally assigned to a job designated by the Company as a key job are removed from their jobs and transferred outside of the cell because of low activity in their regular department, they will be paid the rate of the job into which they are placed.

This guarantee does not apply to employees for the time they work over eight (8) hours daily, in other than their own department. Nor does it apply on Saturday in

other than their own department. For these hours worked they will be paid the normal rate of the job worked.

This guarantee does not apply to employees removed from key jobs by their own request or by their inability to perform the key job properly. This guarantee will be canceled if the individual refuses to return to his/her job upon request.

ARTICLE 13 HOLIDAYS

Section 13.01

Holidays

The following days shall be recognized as holidays: New Year's Day, Martin Luther King's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Day before Christmas Day, Christmas Day, and the Day before New Year's Day.

Section 13.02

Holiday Eligibility Requirements

Each employee who has completed thirty (30) calendar days of work shall be paid eight (8) hours at their hourly rate for each holiday. However, the employee must work the entire regularly scheduled shift on the work day immediately preceding and immediately following the holiday unless the employee is absent for good and sufficient reason; or, is placed on layoff within fourteen (14) calendar days preceding the holiday; or, is absent due to illness or injury not exceeding thirty (30) calendar days preceding the holiday.

However, prior to returning to work, the employee must, if requested by the Company, provide satisfactory proof that he/she was unable to work. Any payment under any other section of this Agreement will be deducted from the compensation received by the employee from the Company under this Section other than the compensation received for hours worked.

Section 13.03

Definition of a Holiday

A holiday is defined as beginning at 12:01 a.m. on the holiday and ending at 12:00 midnight on the holiday.

Section 13.04

Observed Holidays

When any of the holidays listed falls on Sunday, it will normally be observed the following Monday, unless the Company notifies the Union that another day will be recognized as the holiday. However, national holidays listed above falling on Sunday will be observed the following Monday.

Section 13.05

Holiday Pay When Worked

An employee who is required to work on any of the above holidays shall be paid two times his/her hourly rate for the week in addition to his/her holiday pay for all hours worked on his/her shift provided his/her shift starts on the holiday.

Section 13.06

Disputes

Any disputes arising out of the interpretation and application of this Article shall be determined in accordance with the Grievance Resolution Procedure of Article 7.

ARTICLE 14

VACATIONS

Section 14.01

Eligibility

All regular employees on the payroll at the time their vacation is due will be entitled to an annual vacation at their average earnings based on the following schedule:

Section 14.02

Time Off

1. One week vacation - Employees will be eligible for one week vacation one year from the date of their employment.
2. Two weeks vacation - Employees will be eligible for two weeks vacation upon their second anniversary. All subsequent vacations may be taken any time during the calendar year without respect to anniversary date.
3. Three weeks vacation - Employees with five (5) years service are eligible for three weeks vacation effective January 1st of the year in which their fifth anniversary occurs.

4. Four weeks vacation - Employees with twelve (12) years service are eligible for four weeks vacation effective January 1st of the year in which their twelfth anniversary occurs.
5. Five weeks vacation - Employees with twenty-two (22) years service are eligible for five weeks vacation effective January 1st of the year in which their twenty-second anniversary occurs.
6. Six weeks vacation - Employees with thirty (30) years service are eligible for six weeks vacation effective January 1st of the year in which their thirtieth anniversary occurs.

Section 14.03

Pay

Employees must have completed thirty-six (36) weeks of work including vacation weeks in a calendar year or by their first and second anniversary date in order to be eligible for full vacation pay. Full-time employees not eligible for full vacation pay because of not completing the thirty-six (36) weeks in a year will be eligible for partial pay as follows:

If twenty (20) weeks or more are worked - 1/2 vacation pay.

If thirty (30) weeks or more are worked - 3/4 vacation pay.

For the purpose of this Section, a work week is defined as three (3) or more days in which the employee works within a work week as defined in Section 10.01.

Section 14.04

Average Earnings

For the purpose of vacation pay, average earnings shall be total annual earnings for the calendar year preceding the vacation divided by the number of weeks for which a payment was made during that period. Wages and time provided for in Section 15.01 of this Agreement shall be excluded from this calculation.

Average earnings for the first vacation shall be total earnings for the calendar year in which most of the number of weeks for which a payment was made occurred divided by the total number of weeks for which a payment was made during that year. Time off for compensable injury will count towards the weeks worked requirement in this section.

Section 14.05

Holidays

Holidays occurring within a vacation period - If a holiday occurs within an employee's scheduled vacation, the employee shall be granted an additional vacation

day with pay or an additional day's pay at average earnings at the option of the employee. At the employees request the vacation pay check will include the holiday pay.

Section 14.06

Servicemen

All regular, full time employees who enlist to enter the military service of the United States pursuant to the provisions of the Universal Military Training and Service Act of June 30, 1950, as amended, and who on their release from service have been reinstated to employment shall be eligible for a vacation under the following conditions:

- a. After working three (3) months and at least 430 hours, the veteran will be eligible for a vacation according to his/her seniority as outlined herein.
- b. For the purpose of this vacation only, it will be assumed that the veteran's vacation was accrued during the year preceding the date the veteran becomes eligible for this vacation.
- c. After receiving a vacation under this practice, the veteran will then come under the general provisions of the vacation policy for all subsequent vacations. The three (3) month eligibility requirement mentioned herein will not be deducted when determining the veteran's eligibility for subsequent vacations under this policy.
- d. The veteran shall not be eligible for more than one vacation in any one calendar year.
- e. The length of the veteran's service with the Company, plus the length of service with the Armed Forces, shall determine the years of services as a basis for determining the length of the vacation.
- f. The total earnings from the date of reinstatement to the date of the vacation period divided by the number of weeks for which a payment was made, or base rate times forty (40) hours, whichever is the greater, shall determine the amount paid for each week's vacation.

Section 14.07

Scheduling

The Company shall arrange the vacation schedule based on the dictates of production. Preference for vacation dates shall be given on the basis of the employee's facility seniority provided such request is made prior to January 31 of the vacation year. Employees who fail to schedule their vacation with the Cell Manager by June 1st of each year, shall have their vacation time scheduled by their Manager.

Vacation time for employees who bid into new cells will be arranged based on the vacation schedule of the cell and the dictates of production. The manager of the cell in which the employee works must approve the time of vacation. Vacation time must be taken in the year of eligibility and cannot be accumulated.

Section 14.08

Resigns

Any employee who resigns will receive vacation pay for vacation time the employee has become eligible for in that calendar year.

Section 14.09

Laid Off

Any employee who is laid off will receive vacation pay for the time the employee becomes eligible for in that calendar year.

Section 14.10

Leaves

Any employee who is on military, personal leave, illness or injury will receive vacation pay for vacation time the employee has become eligible for in that calendar year.

ARTICLE 15

LEAVES

Section 15.01 (A)

Sick Leave

All regular, full time employees are eligible for pay for bona fide sick leave of absence, or non-compensable injury which is substantiated by a doctor's certificate, stating the nature of the illness or injury and the dates on which the employee was unable to work. A sick leave will not be used for the purpose of going to work for another Company or engaging in any business enterprises. Sick benefits will be paid to an employee for time lost from work for a period not to exceed twenty-six (26) weeks at one-hundred seventy dollars (\$170.00) per week.

Sick benefits start on the first day for non-compensable accidents and on the eighth day for illness, provided the employee has been examined by a doctor during that time who will certify the employee's disability.

Benefits under this provision shall neither be paid at the end of any year if not used nor be cumulative from year to year.

Eligible benefits from any other employer paid disability program will be subtracted from the benefits paid under this provision.

Employees who are disabled due to pregnancy, childbirth or related medical conditions are eligible for benefits on the same basis as disabled employees who qualify for such benefits because of other non-work related medical conditions.

In the event of illness and/or injury, an employee continues to accumulate seniority. In order to remain on sick leave and to claim credit for seniority, the employee's condition must be verified by a physician during the period of disability at reasonable intervals and visit the Company doctor prior to returning to work.

Section 15.01 (B)

Pay for Doctor's Visits

1) In the event an employee is injured while working and is required by the Company to visit a Company doctor, the Company shall pay at the employee's hourly rate for the balance of the employee's shift for the day of the injury, provided that in the opinion of the Company Medical Department the injured employee is unable to continue working.

2) Any future visits requested by the Company for additional examination or treatment of the same condition shall not be scheduled during the employee's regular work shift, whenever possible. However, if the visit is scheduled during the employee's regular work shift, the employee will be paid at his/her hourly rate for the reasonable time lost on the day of the visit.

3) Should the employee be required by the Company to obtain a certificate from the Company doctor in order to return to work, the Company will pay the doctor's fee. If the employee is working, the employee shall be paid for the reasonable lost time on the day of the visit at hourly rate. In the event a dispute arises over the employee's ability to work, then the employee's doctor and the Company doctor shall choose an impartial doctor whose opinion shall be binding on the parties. The costs of the impartial doctor shall be shared equally by the Company and the Union.

Section 15.02 (A)

Personal Leave

Any employee with at least one (1) year of continuous service who desires a leave of absence for a period not in excess of three (3) months, shall give the Company two (2) weeks advance notice in writing, whenever it is reasonably possible,

and shall be granted such leave without pay provided such leave will not unreasonably interfere with production. Such leave shall not affect their seniority credit, and they shall continue to accumulate seniority under the seniority provisions of the Agreement. Employees will be returned to their former job; however, in the event it is not in operation, they will be returned to the work force in accordance with the seniority provisions of the Agreement.

It is understood that such leave of absence will not be for the purpose of going to work for some other Company, or going into business for themselves. Employees may exercise their rights under this provision only once during the contract term unless the parties mutually agree otherwise for good and sufficient reason. Personal leave will be granted annually for up to two (2) weeks by mutual agreement of the parties.

Section 15.02 (B)

Each employee covered by this agreement shall have the right to use up to five (5) personal leave days, set out in the last sentence of (a) above as individual leave days each year provided:

1. The employee gives 24 hour written notice, except in a legitimate emergency; and
2. No more than 10% of the employee's cell is absent due to vacation, personal leave, or sick leave.

Such personal day(s) shall not be considered an absence and shall be taken on a first come basis.

In the event 10% or more of the cell is off as provided above, no more than two (2) employees in each cell, on each shift, shall take such personal day(s).

Parties may modify this Section 15.02 (B) by mutual agreement after twelve months commencing upon the effective date of this agreement.

Section 15.03

Military Service

The Company will comply with all existing legislation or future legislation which may be enacted pertaining to the reinstatement and crediting of seniority to former employees who are on leave from the Company due to active service in the Armed Forces of the United States of America. Any disputes arising under this provision are subject to the grievance procedure.

Section 15.04

Bereavement Pay

The Company will pay all regular, full time employees for the time lost at their hourly rate up to eight (8) hours per day for three (3) working days for time lost from work due to death in the employee's immediate family. If death occurs while the employee is at work, the employee will be excused for the balance of the working day, and will be paid for the time lost at his/her hourly rate up to eight (8) hours. An employee may request from his/her cell manager leave for two (2) additional days which will be unpaid should the employee be required to attend out of state funeral services. Immediate family is defined as follows:

1. Spouse, child, mother, father, sister, brother, mother-in-law, father-in-law, grandmother, grandfather and grandchild.
2. Relatives other than the above living in the same household as the employee.

Section 15.05

Jury Leave

All regular, full time employees called to serve on a jury and thus being prevented from working their regular work schedule on such days will be paid the difference between the amount received in jury fees and what they would have earned had they worked eight (8) hours at their hourly rate. Employees will be returned to their former job; however, in the event it is not in operation, they will be returned to the workforce in accordance with the seniority provisions of this Agreement.

ARTICLE 16

OTHER BENEFITS

Section 16.01

Pensions

The Company and the Union agree that the Company shall pay to the Central States Southeast and Southwest Areas Pension Fund, Schedule B, commencing July 19, 1998 and continuing through December 31, 2003 for each eligible employee in the bargaining unit a maximum payment in the amount of forty-nine dollars (\$49.00) for each full calendar week of work. These payments to provide retirement benefits for members of the bargaining unit. Effective at the below dates the maximum payments will be changed to:

January 1, 1999	Fifty-five dollars (\$55.00) for each full calendar week of work.
January 1, 2000	Sixty-one dollars (\$61.00) for each full calendar week of work.
January 1, 2001	Sixty-five dollars (\$65.00) for each full calendar week of work.
January 1, 2002	Sixty-nine dollars (\$69.00) for each full calendar week of work.
January 1, 2003	Sixty-nine dollars (\$69.00) for each full calendar week of work.

Work week as defined for purposes of Article 16 shall be any week in which the employee works three (3) or more days.

It is further agreed that any days for which an employee is paid would be considered as a day worked.

The Union further agrees to relieve the Company from any other liability for retirement benefits to said members of the bargaining unit. No matter respecting the provisions of the pension agreement or pension plan shall be subject to the grievance procedure and arbitration provisions of this agreement.

Section 16.02

Group Insurance Plan

Upon ratification all eligible employees will continue enrollment in the following currently constructed plans:

Brach Comprehensive Medical Plan or one of the HMO alternatives offered and
Dental Plan and
Prescription Drug Plan and
Basic Life Insurance Plan and
Basic Accidental Death and Dismemberment Plan.

The following has been previously agreed to by the parties:

Eligible employees will receive as a basic life insurance benefit the higher of either \$25,000 or one times their average annual earnings at no cost to the employee, to be defined as the employee's most recent gross W-2 earnings.

Employees may elect Voluntary Life Insurance Plan, Voluntary Dependent Life Insurance Plan, and a Voluntary Accidental Death and Dismemberment Plan, all which require an employee contribution. The voluntary dependent life insurance plan maximum will be increased to \$20,000 with the appropriate employee contributions.

Upon ratification the total annual out-of-pocket feature per covered family will be \$3,000, in the "Core Option" plan.

The total lifetime maximum payable under the Comprehensive Medical Plan is \$2,000,000 per covered individual.

Provide maintenance drugs under the Prescription Drug Plan for three months with one deductible applied.

Supplemental medical plan for retirees. The Company and the Union agree to meet and discuss revision to the retiree health care program in an effort to reduce retiree share of the co-pay.

Eliminate permanent disability payout provisions under Basic Life Insurance Plan.

Continued coverage provision of employees laid off to include only month in which employee is laid off.

In an effort to maintain a cost effective benefit program, the Company may continue Utilization Review and Preferred Provider Option Program for the employees.

The Company will provide \$350.00 per month aggregate per union employee contribution towards group medical, dental and prescription drug plans for the duration of the contract. Each year the parties will meet and discuss the scheduled premium changes and determine how the plan will be altered to maintain an employer contribution of \$350.00 aggregate per Union employee per month. The parties, beginning January 1, 1996 and for the remaining term of this Agreement, will equally divide any increased or decreased premium contribution as a 50% / 50% split between the Employer and the Employees.

A review of the plan(s) will be made each September 1, (the first such review September 1, 1995 and each September 1 thereafter for the duration of this agreement) with the purpose being to either alter plan design and maintain the employer \$350.00 aggregate monthly contribution level or develop employee contribution levels to maintain benefits and maintain the employer \$350.00 aggregate monthly contribution level. For plan year January 1, 1995 - December 31, 1995, the employee aggregate base contribution level is \$109.47, to be used for future plan year contribution calculations.

The Union agrees that all matters concerning the administration, interpretation and application of the Group Insurance Program are vested exclusively in the Company and that such matters shall not be subject to the grievance procedure and arbitration provisions of this agreement.

ARTICLE 17
SAFETY AND HEALTH

Section 17.01

Tools and Work Clothes

The Company agrees to continue its present practice of supplying necessary work clothing which the Company requires to be worn. They shall remain the property of the Company and will be laundered at no cost to the employees. The Company agrees to continue the practice of supplying special tools needed in performance of their work. Employees will be held accountable for the reasonable use of work clothing and tools and shall return all such items upon leaving the employment of the Company or pay for them.

Section 17.02

Safety Committee

It order to promote more harmonious relations and safer working conditions, a Cell Safety Committee will be appointed in which the Union will have equal representatives.

Section 17.03

Inspections

The Cell Safety Inspection shall take place once every three (3) months.

Section 17.04

Recommendations

A letter containing the recommendations of the Committee will be forwarded to the Industrial Relations Department, which will reply by letter within two (2) weeks as to the disposition of the recommendations.

Section 17.05

Safety Shoes

The Company will co-pay \$18.00 for a pair of Safety shoes two times within a calendar year on the condition that the employee turn in the old shoes.

ARTICLE 18
MISCELLANEOUS

Section 18.01

Previous Customs

All benefits and working conditions now enjoyed by the employees shall be maintained as heretofore if reasonably possible unless changed by mutual agreement of the parties. It is further agreed that there shall be no reduction of wages or wage scales during the period of the Agreement.

Reasonably possible is defined to mean a substantial change of the circumstances surrounding the benefit or working condition.

Nothing in this Section shall be used to void any provision of this Agreement.

Any disputes arising out of this Section shall be determined according to the grievance procedure of this Agreement.

Section 18.02

Non-Discrimination Clause

The Company and the Union agree that they will not discriminate either directly or indirectly, nor will they permit any of their agents or representatives to discriminate either directly or indirectly against any person by reason of membership or activity in the Union, or race, color, religion, sex, national origin, age, physical or mental handicap or status as a Vietnam veteran or qualified disabled veteran, except where age or sex are bona fide occupational qualifications, or where handicap is a bone fide disqualification.

Section 18.03

Bulletin Boards

The Company will provide bulletin board space for the posting of notices pertaining to the Union's official business. The material must be submitted to the Company for posting.

Section 18.04

Individual Agreements

The Company will neither negotiate nor make labor agreements for or with any of its employees in the bargaining unit covered by this Agreement unless it be through duly authorized representatives of the Union.

Section 18.05

Successors in Interest Clause

This Agreement shall be binding not only upon the Employer but also upon any person, firm or corporation who shall succeed the Employer and maintain the substantial continuity of identity of the Employer's business. The Employer agrees that in the event the plant or warehouse facility which is covered by this collective bargaining agreement is sold, transferred or leased to any person, firm or corporation, the Employer at least thirty (30) days prior thereto shall inform said person, firm or corporation of the existence of this collective bargaining agreement and that the Employer's employees in the collective bargaining unit set forth herein are represented by the Union for the purpose of collective bargaining with respect to the employee's wages, hours, and terms and conditions of employment. The Employer at least thirty (30) days prior to such transaction being finalized also shall inform the Union of the name of the person, firm or corporation to whom it is selling, transferring or leasing said plant or warehouse facility.

Section 18.06

Severability

If any of the provisions of this Agreement should be held invalid by operation of law, the remainder of this Agreement shall not be affected thereby.

Section 18.07

Waiver of Liability

The Union shall not be responsible for unauthorized acts of any person merely because the person is a member of the Union and the Company shall not file any suit against the Union for damages under the Labor-Management Relations Act of 1947, as amended, based on the claim that the Union is responsible for the unauthorized act of any person solely because the person is a member of the Union or because the person is represented by the Union. The Company has the right to discipline employees responsible for, and engaging in such unauthorized activities, including the right to discharge, which discipline by the Company shall not be subject of a grievance, unless such grievance is filed by an authorized officer of the Union within five (5) days following the effective date of the disciplinary action.

Section 18.08

Definition of Average Hourly Earnings

Average hourly earnings is defined as the total adjusted earnings divided by the total hours worked. Total adjusted earnings for the purpose of computing average earnings shall exclude compensation for hours not worked such as sick benefit payments, doctor visits, jury leave, bereavement leave, grievance pay, reporting pay, vacation, holiday, and suggestion awards, overtime premium and night premium. Hours worked for the purpose of computing average earnings do not include hours for sick benefits, doctor visits, jury leave, bereavement leave, grievance time, reporting time, holiday and vacation.

When computing average hourly earnings, earnings of the previous quarter will be used when applicable.

Average earnings for new employees will be based on earnings to date until "previous quarter" has been established.

Section 18.09

Modernization of Plant Facilities

Notwithstanding any other provisions of this Agreement, the parties have agreed that to promote the Company's efforts to modernize and to restructure its operation at its Chicago facility, including the replacement of equipment with new equipment and controls, the Company may change, realign, or relocate production and equipment within the facility as the Company determines necessary.

Whenever the Company combines, eliminates, creates, or changes job duties and/or jobs in the bargaining unit, the Company will establish the new job and the proposed permanent hourly rate and the Union shall be notified of the new or changed job and its proposed permanent rate.

The Company will meet with the Union to discuss the new rate and the duties involved. If the Union disagrees with the rate, it shall have up to 30 days to grieve the rate or it shall become permanent. If submitted to arbitration for determination, the permanent rate shall be based on the rates and duties of the job covered by this Agreement. Any new permanent rate established shall be paid to the date the employee was placed in the new job.

Section 18.10

Light Duty

The parties agree to establish a light duty program. The purpose of the program will be to provide specific light duty jobs as an accommodation to employees,

who cannot return to their regular jobs due to illness or injury. Such light duty designation will be provided by the employee's personal physician subject to confirmation by the Company's physician.

Employees will be assigned light duty in order to enable them to have a transition period back to their normal work duties or until such times as they are able to bid on a permanent position commensurate with their physical capabilities.

Light duty jobs are not permanent positions. In order that the maximum number of employees can be accommodated, (except for specific extenuating circumstances determined by the Company) the intent of this clause is to assign an employee to one of these positions for a period no greater than six months.

Light duty assignments will be made at the sole discretion of the Company, with consideration given to the employee's years of service with the Company. These assignments will not be subject to the normal bidding procedures of the Collective Bargaining Agreement.

Section 18.11

Labor-Management Committee

The Union and Company agree to the formation of a Labor-Management Committee consisting of members selected by the Company and by the Union who shall meet at least once a quarter for two hours on paid time to discuss interests of the plant personnel. The Committee shall not have authority to discuss or resolve pending grievances.

ARTICLE 19

TERMS OF AGREEMENT

Section 19.01

Terms of Contract

On July 10, 1998 an Agreement was entered into by the parties and terms hereby are incorporated.

This Agreement shall become effective on the 19th day of July, 1998 and shall remain in full force and effect to and including the 31st day of December, 2003 and shall continue in full force and effect from year to year thereafter unless either party to this Agreement desires to change or modify any of the terms or provisions of the Agreement. The party desiring the change or modification must notify the other party to this Agreement in writing not less than sixty (60) days prior to the expiration date of this Agreement, or not less than sixty (60) days prior to any subsequent anniversary

date hereof. Upon the receipt of such notice, the parties immediately thereafter shall commence bona fide negotiations for the renewal of this Agreement.

Section 19.02

The duly authorized officers of the Company and the Union do herewith execute this Agreement on this 18th day of December, 1998.

For the Company:

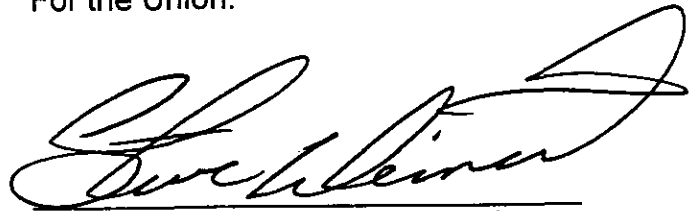


Dennis Donnellan
Director Human Resources

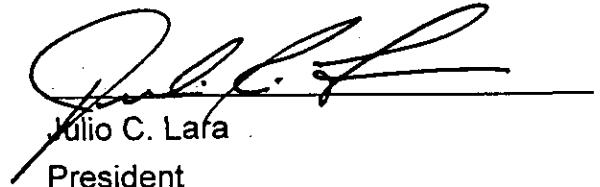


Michael Pfeiffer
Vice President Manufacturing

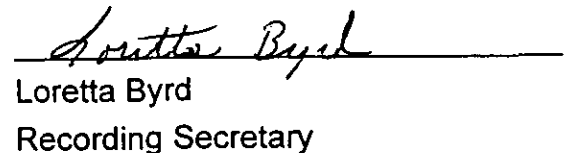
For the Union:



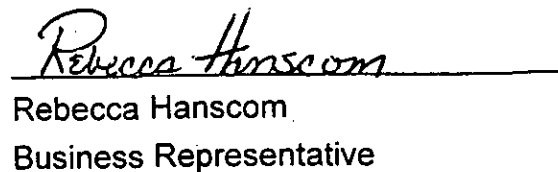
Steve Weinert
Secretary Treasurer



Julio C. Lafa
President



Loretta Byrd
Recording Secretary



Rebecca Hanscom
Business Representative

APPENDIX A

MEMORANDUM OF AGREEMENT: SCANLON PLAN

GOAL:

The Company and Union agree to establish and implement a Scanlon-type gain-sharing plan to address some of the matters that now prevent the Company from being competitive in many products or product lines. Long term competitiveness means retaining existing work, currently under market based pressure, and attracting new work. Becoming and remaining competitive is the only way to provide job security of a real and enduring nature.

PURPOSE:

To reduce costs of the operations and to increase efficiency, quality and productivity through a joint, cooperative effort that fully utilizes the experience, initiative and expertise of the entire work force. Objectives must be clearly defined and reasonably attainable. Emphasis must be placed upon identification of issues that are closely related to the insights, knowledge and experience of employees.

INCENTIVES AND REWARDS:

Long term competitiveness will be promoted by reduced costs, increased efficiency, quality and productivity. Employees will benefit directly through a shared distribution of cost savings as additional compensation. All employees - management, salaried and hourly alike - will enjoy the benefits of better job security through increased long term competitiveness.

STRUCTURE:

The Company and Union shall each establish a separate and independent Area Wide Committee consisting of ten (10) members. A Joint Labor/Management Steering Committee consisting of five (5) members from each Area Wide Committee shall also be established. The Company and Union shall each select an equal number of representatives from their respective Area Wide Committees to serve on the Joint Labor/Management Steering Committee. The Steering Committee shall be co-chaired by the Company and Union.

FUNCTIONS / RESPONSIBILITIES:

The Steering Committee shall meet as soon as possible to work out the details of the plan. Once the plan has been established, the Steering Committee shall be responsible for:

1. Selection of objectives;
2. Development and recommendation of improvements;
3. Sharing information and resources necessary for analysis, development and implementation of recommendations;
4. Identification of cost savings resulting from implementation of the plan.

The Company will provide consultants and/or coordinator(s) to the Steering Committee on an as needed basis to provide research and advice on financial and production issues.

SHARED DISTRIBUTION OF COST SAVINGS:

Cost savings that result directly from the implementation of the plan will be shared on a fair and equitable basis with all employees. Any cost of the implementation of the plan will come out of any savings realized by the plan before any savings are distributed to the parties. As a guiding principle in the development and implementation of the plan:

1. 35% of cost savings should be distributed to the employees;
2. 35% of cost savings should be retained by management;
3. 30% of cost savings should be allocated as determined by the Joint Labor/Management Steering Committee.

JOB SECURITY:

No regular, full-time employee will be laid off as a direct result of the implementation of the plan.

E. J. Brach Corporation:

by: Bernard R. Schroeder
Vice President - Industrial Relations

John Klepper
Director - Industrial Relations

Local 738, I. B. of T.

by: Randy Atkins

APPENDIX B

SEVERANCE

It is agreed that each full-time regular employee who is terminated from his/her employment by reason of the closing of the total Chicago plant shall be compensated for such termination, provided he/she is actively (or holding seniority as defined in 9.14) employed by the employer at the time of such termination. An employee's severance pay for his/her termination shall be on the basis of severance pay at their hourly rate of pay for each full year of their actual service, at the time of termination, on the following schedule:

More Than 5 Years Service	1 Month
More Than 10 Years Service	2 Months
More Than 15 Years Service	3 Months
More Than 20 Years Service	4 Months
More Than 25 Years Service	5 Months

The total closing of the Chicago plant is defined as total candy production ceasing forever at the plant.

A month is defined as 173.3 hours.

E. J. Brach Corporation:

by: Bernard R. Schroeder
Vice President - Industrial Relations

John Klepper
Director - Industrial Relations

Local 738, I. B. of T.

by: Randy Atkins