

APRIL 5, 2021 THROUGH APRIL 4, 2026

LABOR AGREEMENT

BETWEEN

THE AMERICAN BOTTLING COMPANY
(RIVERSIDE / EL CENTRO / PALM SPRINGS)

AND THE

INTERNATIONAL BROTHERHOOD OF
TEAMSTERS
LOCALS 1932, 495, AND 542

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AGREEMENT

This Agreement is entered into the 5th day of June 27, 2021 regarding Job Classifications listed in the Wage Rate Section of this RIVERSIDE/EL CENTRO/PALM SPRINGS Agreement between The American Bottling Company (hereinafter referred to as the “Company” or “Employer”) and the INTERNATIONAL BROTHERHOOD OF TEAMSTERS LOCALS 1932 542, and 495 (hereinafter referred to as the “Union”).

WITNESSETH

SECTION 1.00 – RECOGNITION

The Company recognizes the Union as the exclusive collective bargaining agent and representative for wages, hours and other conditions of employment for all of the employees of the Company covered by this Agreement who are assigned to the jobs listed in the wage rate section of this Agreement and excluding all others, except as otherwise agreed to between the Company and the Union.

It is mutually agreed that excluded employees shall include technical employees, quality control technicians, temporary employees, professional employees, office/clerical employees, salespersons (except covered route salespersons), guards and supervisors as defined in the Act.

Excluded employees in the Section shall not perform any work covered by the Agreement except when required to aid or assist job accomplishments of Display Stockers, in case of any and all emergencies, and for installation and modification of equipment.

Except as expressly set forth herein, the Riverside, El Centro and Palm Springs facilities shall be deemed and treated as separate facilities/operations (such as, for example, for purposes of overtime assignments, vacation scheduling, job bidding and daily/short-term layoffs).

1.01 Hiring of Employees

The Company shall have the privilege of engaging employees from any source. The Company may use temporary help on a daily basis due to absenteeism of regular employees. As business conditions permit, the Company will endeavor to establish an on-call pool of regular and part-time employees to supplement or lessen the utilization of a temporary employee performing bargaining unit work for extended durations. The Company, at its option, may use outside janitorial services. The company may only use temporary help the week before, during, and after a recognized holiday in the collective bargaining agreement, or as mutually agreed upon by the Company and the Union.

1.02 Part-Time Employees

- (a) Part-time employees may be employed and notwithstanding the provisions of Section 4.00, shall be given a minimum of four (4) hours of work per shift scheduled.
- (b) Part-time employees scheduled to work more than a five (5) hour shift shall be entitled to a one-half (1/2) hour lunch period which shall not be counted as working time.
- (c) Part-time employees shall be required to join the Union under the terms and conditions specified by the Union.
- (d) The number of part-time employees per job classification shall not be greater than one (1) part-time employee for every four (4) full-time employees assigned to the job classification unless otherwise mutually agreed between the Company and the Union.
- (e) In the event of layoff, the Company agrees to first layoff part-time employees within the classification(s) affected by the layoff.
- (f) All part-time employees shall be on a probationary period for the first ninety (90) calendar days. The Company may extend this timeframe for reasonable concerns by up to thirty (30) calendar days upon notification to the Union at least fifteen (15) days before the probationary period ends. The Company and the Union may extend the probationary period of a part-time employee by mutual agreement because of particular circumstances which require additional time.
- (g) All part-time employees hired on or after June 6, 1994, shall receive ninety percent (90%) of the respective hourly full-time rate as set forth in this Agreement.
- (h) When there is dullness of trade, qualified full-time employees shall be given the opportunity to work available part-time hours, and if assigned to a part-time schedule, shall be paid the regular full-time hourly rate for the work performed.
- (i) Part-time employees shall be covered by the following contractual benefit provisions only if otherwise eligible:
 1. Four (4) hours holiday pay for each holiday the employee qualified for such pay pursuant to Section 6.00.
 2. Vacation pay entitlement calculated in accordance with the pro-rated provisions of Section 7.00.

- (j) A part-time employee who averages forty (40) hours per week for any period consisting of 1040 actual hours worked shall be considered a full-time employee and shall receive any appropriate hourly rate adjustment in accordance with the Section 5.09.
- (k) Part-time employees may apply with the Company's Employment Department for consideration for full-time new employee work referenced under Section 5.00.

1.03 Membership of the Union

- (a) It shall be a condition of employment that all employees of the Company covered by this Agreement who are members of the Union in good standing, and those who are not members on the effective date of this Agreement, shall on the 31st calendar day following the effective date of this Agreement, become and thereafter remain members in good standing of the Union. It shall also be a condition of employment that all employees covered by the Agreement and hired on or after its effective date, shall on the 31st calendar day following the beginning of such employment, become and thereafter remain members in good standing in the Union. Any employee who is required herein to remain a member of the Union in good standing shall be considered as having done so as long as he properly tenders to the Union his initiation fee and thereafter regularly tenders his uniform periodic monthly dues (as distinguished from assessments, fines or contributions).

Any employee covered by this Agreement who fails to become a member of the Union as herein provided or to remain a member in good standing of the Union, shall be discharged on written request of the Union and such employee shall not be rehired until the employee has brought himself into good standing with the Union. The Company shall not be required to discharge an employee for failure to obtain or maintain Union membership in good standing, if the membership was not available to the employee on the same terms and conditions generally applicable to other members.

- (b) At the time of hiring, the Company shall issue the employee an Employee Registration Notice form furnished by the Union. Following receipt of the employee's completed registration form, the Union shall provide the employee with the Union's Membership Application form. In this regard, the Union and the Company will cooperate so that no work time shall be lost by the Company or employee in the completing of the Union's Membership Application form.
- (c) Subject to the provisions of the Labor Management Relations Act, 1947, as amended, all present employees who are members of the Union on the effective date of this Agreement, or who become members during the term of

the Agreement, shall remain members of the Union in good standing as a condition of employment or pay the required agency fee. Furthermore, all new employees shall be obligated to become and remain members of the Union as a condition of employment or pay the required agency fee.

Employees who are not members of the Union shall within thirty (30) days of the effective date of this Agreement either become members in good standing or shall pay to the Union, as an agency fee, an amount equal to Union dues as a condition of employment.

The failure of any person to become and remain a member of the Union at the required time or to pay the agency fee shall obligate the Employer, upon notice of the Union, to such effect and to further effect that Union membership was available to such person on the same terms and conditions generally available to other members, to forthwith discharge such person. Further, the failure of any person to maintain his Union membership in good standing as required herein, (except as otherwise required or permitted by law) or to continue to pay the agency fee shall, upon notice to the Employer by the Union, obligate the Employer to discharge such person.

- (d) Notwithstanding anything to the contrary therein, paragraph “c” above shall not be applicable if all or any part thereof shall be in conflict with applicable law, provided, however, that if all or any part of paragraph “c” becomes permissible by virtue of a change in applicable law, whether by legislation or judicial action, the provisions of paragraph “c” held valid shall immediately apply.

1.04 Check-Off

The Union, an unincorporated association consisting of employees of the Company and of other Employers, and the Company, to facilitate and implement the desire of such employees to maintain their Union and to assist such employees in complying with their monetary obligations to their Union, agree to the establishment and maintenance of a voluntary check-off procedure for the employees covered by this Agreement. The Union and the Company further acknowledge that such check-off is in accordance with the authority and direction of exclusive federal law and decisions of the NLRB regulating labor management relations such as the relationship which is the subject of the Agreement between these parties. In accordance with the provisions of Section 302 (c)(4) of the Federal Labor Management Relations Act, as amended, the Company agrees that upon receipt of a voluntary written authorization executed by employees covered by this Agreement, it will deduct the employee’s regular initiation fees, regular dues, or agency fees from such employee’s compensation, including payment for or made during time-off periods, if any, in the amounts set forth in the written authorization and timely remit such amounts to the Union. Such deductions shall be made and shall come from the wages paid during the first pay period of each calendar month; however, if the wages paid during such pay period are insufficient

to fully cover the currently monthly dues, fees or initiation amounts, deductions shall then be made from one or more consecutive pay periods of said month to pay and satisfy same. The Company agrees to hold all such sums deducted in trust for the Union.

The Company further agrees to forward the amount of dues, initiation fees or agency fees deducted, to the Union not later than the fifteenth (15) day of the month following the month in which the deductions were made. A list of those from whom deductions were made, their social security numbers, dates of hire, hourly rates of pay and the amount of such deductions will be furnished to the Union along with the remittance to the address designated by each Local Union.

Effective on or about June 1, 2007, the Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's social security number and the amount deducted from that employees paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employers actual cost for the expenses incurred in administering the weekly payroll deduction plan.

The Union shall indemnify and defend the company and hold it harmless against any and all claims demands, or suits that shall arise out of any action taken by the Company for the purpose of complying with the provisions of this Article and strictly pursuant to this Article.

No other provisions of this CBA will be impacted by this change.

1.05 Non-Discrimination

- (a) The Employer and the Union agree to conform to all applicable federal, state, county and local laws with respect to discrimination and employment.
- (b) The words "he" and "his" for the purpose of this Agreement shall be considered neutral gender and apply to and mean both female and male employees.

SECTION 2.00 – NO STRIKES AND LOCKOUTS

The Union and the Employer agree that there shall be no strikes or lockouts during the term of the Agreement.

2.01 Honoring of Picket Lines

Refusal of any employee to go through a legitimate picket line recognized by the Union shall not be a violation of this Agreement. The employee will not be subject to discipline.

2.02 Union Business on Premises

It is mutually agreed that any Union Business Representative, visiting the premises will enter through the front lobby and notify management of their presence during regular business hours. After regular business hours any Union Business Representative visiting the premises will notify the Manager and/or Supervisor on duty of their presence.

It is further agreed that there will be no interference by the Union with the work of any employee covered by this agreement during regular working hours of said employee, except for the purpose of observing whether or not this Agreement is being followed and to assist in adjusting and investigating grievances.

This privilege shall be so exercised so that no time is lost unnecessarily to the Company or employees. As a condition of entrance, such Union Representative may be required to submit a signed waiver of any liability for damage or injuries sustained on the premises of the Company. The Union Representative agrees to abide by all Company policies related to safety and security while on Company premises.

SECTION 3.00 - BARGAINING AND GRIEVANCE COMMITTEE

3.01 Pay for Time in Grievance Negotiation Meetings

All time spent by an employee in grievance meetings or contract negotiation meetings during the employee's regular work time shall be paid by the Company at the employee's full rate of compensation. If the employee is on an hourly rate, that shall be the employee's compensation for up to eight (8) or ten (10) straight-time hours, whichever shall apply, based upon the employee's regular work schedule. There will be no more than five (5) employees for the Contract Negotiation Committee. It is understood that employees involved in grievance meetings or contract negotiations first duties are those of an employee and such employees must give first priority to performing work assignments.

3.02 Union Stewards

(a) Following notice to appropriate supervision, a Union Steward shall be given reasonable time off with pay from regular work assignments to investigate circumstances surrounding and relative to a grievance or an alleged contract violation in his department. If the employee's assigned Union Steward is not available, the employee may request an alternate Union Steward to represent him.

- (b) The authority of the Union Steward shall be limited to the investigation and presentation of grievances with the appropriate Company Representative and employee(s) in accordance with the provisions of the grievance procedure.
- (c) The Union Steward's first duties are those of an employee and the Steward must give first priority to performing work assignments. The investigation of grievances shall be conducted so as not to unduly interfere with Company operations. The presentation of grievances to the Company will be held at a time which will permit orderly operation of the Company's business and reasonable and proper handling of grievances.
- (d) The Union will keep the management advised in writing of the names of its officers, committees and stewards who are authorized to function in matters covered by this contract.
- (e) There shall be no more than two (2) stewards per shift in each department or area. In accordance with this Section 3.02, the Union may appoint alternate stewards who are authorized to function in case the regular steward is absent from work. Authorized stewards may function in other departments or shifts if the regular steward(s) is/are absent or not available. If any of the employees employed out of the Palm Springs and/or El Centro facility wish to serve as a steward, then the Union shall have the right to designate one (1) of them as such. If none are interested and the Union does not designate one of the employees as the shop steward for the Palm Springs and/or El Centro facility, then the stewards at the Riverside facility shall also represent the bargaining unit employees at the Palm Springs and/or El Centro facility. In that event, Palm Springs and/or El Centro employees may communicate with the stewards at the Riverside facility in accordance with this Agreement.

SECTION 4.00 – WORK WEEK

4.01 Work Schedule

Regular work shall be assigned to employees as scheduled by the Company on the basis of five (5) days a week, normally Monday through Friday. In addition, the Company may schedule up to sixty-five percent (65%) of the employees by seniority in each job classification on a ten (10) hour, four (4) day workweek. All employees on a ten (10) hour, four (4) day workweek shall by seniority have two (2) consecutive days off. A Pre-Sales Delivery Driver's scheduled shift will begin at their regular start time except when unforeseen business circumstances occur. The regular work week for the Delivery Drivers employed at the Palm Springs facility shall be as scheduled by the Company on the basis of five (5) days a week, normally Tuesday through Saturday.

The regular work week for Transport Drivers shall be as scheduled by the Company on the basis of five (5) days a week, normally Monday through Friday on the night shift.

For those employees on the normal Monday through Friday five (5) day a week, or employees on a ten (10) hour, four (4) day workweek schedule, schedule, any workweek schedule variation or change from the normal Monday through Friday schedule may be implemented by the Company based on business needs only which are related to either new products, technological changes, competition factors, seasonal variations, or production requirements. It is not the Company's intent to unduly change the work schedules of employees and only those departments, shifts, and/or job classifications requiring schedule adjustments based on the business need will be affected. The Company will provide at least seven (7) calendar days' advance notice to employees affected by a changed schedule.

Withstanding that the Company has adhered in providing seven (7) calendar days advance written notice of change in the work schedule, Employees that are on a layoff of less than 5 days may utilize their sick days and floating holidays for compensation of any lost hours of work. Upon depletion of all available sick days and floating holidays, the impacted employee may request to use up to one week of their respective vacation allotment in increments of one day, to cover additional days of layoff, subject to Company and Union mutual agreement.

4.02 Work in Another Classification

Whenever, at the request of the Company, an employee performs work beyond the duties of his job classification, he shall receive, in lieu of the regular rate of his own classification, the regular rate of the higher rated classification to which he is temporarily assigned for time actually worked in the higher rated classification.

The Company intends to employ one or more Merchandisers/Display Stockers with a Class A license in Palm Springs. Such employees will normally perform the duties of that classification, but will also be utilized to fill in for absences of other employees in Palm Springs (such as for sick days and vacation). When, at the request of the Company, they perform work beyond the regular duties of their normal classification, they shall be paid in accordance with this Section.

If the Company needs additional employees to fill in for absences of employees in Palm Springs, it may assign employees from Riverside to perform work in Palm Springs during such absences. In that event, the Riverside employees so assigned will receive mileage reimbursement in accordance with this Agreement for use of their personal vehicle, and their starting and quitting times for pay purposes will be when they leave from and return to the Riverside location each day while working at or out of the Palm Springs facility.

4.03 Overtime for Full Service Attendants

No Full Service work shall be performed on the set holidays enumerated in Section 6.00, save and except in the event it is necessary in the opinion of the Company to perform critical or emergency work. In the event employees in the Full Service Attendant classification are requested by the Company to work more than eight (8)

hours in one day or more than forty (40) hours in any one workweek, such employees shall be compensated for the time beyond the forty (40) hours worked during the week, or eight (8) hours in the work day at time and one-half (1-1/2) of the employees' regular rate of pay for the sixth (6th) day worked and double time (2 times) the employees' regular rate of pay for the seventh (7th) day worked in the workweek. In the event such work is performed on any of the set holidays enumerated in Section 6.00, the employees engaged in such work shall be compensated at the rate of time and one-half (1-1/2) the employee's regular base rate in addition to holiday pay.

4.04 Overtime Assignments

Overtime work shall be performed by employees in the hourly rated classification only upon the specific order of the Company. Overtime shall be provided based upon the needs of the Company by department, shift, classification, qualifications and seniority. No employee in the warehouse classification may be required to work in excess of seventy-two (72) hours in a workweek unless there is an absenteeism rate of 10% or higher in the warehouse unit or items outside of the Company's control (such as technological issues, power issues, natural disasters) cause the need to require work beyond seventy-two (72) hours. No employee in the warehouse classification will be required to work in excess of eighty (80) hours in a workweek.

Notice of schedule change for the following week will be no later than the end of the employee's shift the Thursday prior, except in the event of circumstances not known to the Company.

For employees in hourly rated classifications who work a regular eight (8) hour, five (5) day workweek, overtime will be any properly authorized time worked beyond eight (8) hours in any one day or forty (40) hours in any one week. Such overtime will be paid for at one and one-half (1-1/2) times the respective employee's regular hourly rate of pay for all time worked in excess of eight (8) hours in any one day and doubletime (2 times) the rate of pay after twelve (12) hours in any one day. On the sixth (6th) consecutive day worked in the workweek one and one-half (1-1/2) times the respective employee's regular hourly rate of pay for all time worked.

For employees in hourly rated classifications who work a regular ten (10) hour, four (4) day work week, overtime will be paid at one and one-half (1-1/2) times the respective employee's hourly rate of pay for all time worked in excess of ten (10) hours in any one (1) day or forty (40) hours in one (1) week and double time (2 times) the rate of pay after twelve (12) hours in any one day. If the employee works on the fifth (5) or sixth (6) day, the employee will be paid at one and one-half (1-1/2) times the respective employee's hourly rate of pay for all time worked.

All employees shall receive double time (2 times) the respective employee's regular hourly rate on the seventh (7) consecutive day in the work week.

No unreasonable restrictions shall be placed upon the hours a Full Service Attendant may work in any day or week, and the employee shall receive the full appropriate rate as provided in Section 5.00.

Employees shall not be paid for unauthorized time off work and such time off work shall not be used in calculating overtime premium pay.

Paid vacation (except as provided in this paragraph), sick/disability leave, funeral and jury duty benefit shall not be considered or counted as time worked for purposes of calculating overtime premium pay. Except as otherwise provided in Sections 6.02 and 6.03, all paid holiday hours, including the employee's birthday, and all full weeks of vacation scheduled by February 15th only, in accordance with Section 7.02 Scheduling of Vacations, to include said schedule changed before or after February 15th at the request of management, shall be considered as time worked in calculating overtime premium pay.

The scheduling of work beyond the regular workweek for employees not eligible for overtime premium pay in connection with such scheduled work is as follows:

- (a) If the entire shift or department is needed to work, or the Company does not have adequate time to seek volunteers in accordance with this Section of the Agreement, the employee(s) may be required to work.
- (b) If the entire shift or department is not required to work, volunteers will be sought in accordance with this Section. Where an insufficient number of volunteers is solicited with the specific skills necessary to perform the work, employees not eligible for overtime premium pay may be required to work in addition to the least senior qualified employee(s). The required work shall be assigned in accordance with Section 4.00 and in reverse seniority order (junior qualified employee first).
- (c) Where the facts are known to the Company, the employees shall be given as much advance notice as is possible of requirement to work overtime and of any shift change. For warehouse and display stocker employees, the Company agrees to give reasonable consideration to an employee's request made at the start of his/her shift to be released from "same day" overtime in instances of verifiable extreme hardship (i.e. day care, medical appointments, school, etc)

Same Day Overtime Procedure for Display Stockers: The Company shall give two (2) hours' notice of mandatory overtime prior to the end of the shift when the Company has knowledge of the need for overtime through the Merch My Day application. If no notice is given the overtime is voluntary. In the event the Company does not have knowledge for the need of

overtime two (2) hours before the end of the shift, mandatory overtime shall be assigned by seniority in the area needed.

On the same day that a need for overtime is established, the employee(s) will work such overtime as required. If not previously communicated at the beginning of the shift in writing or posting, the company will post a notice of required overtime for warehouse employees at least two (2) hours before the end of the employee(s) shift. If the company does not post the required overtime notice at least two (2) hours before the end of the employee(s) shift, and the requirement for overtime was not communicated at the beginning of the shift, overtime is voluntary.

Overtime will be provided as follows where the Company has at least three (3) days prior knowledge of such need:

- 1) Volunteers will be solicited and assigned to available work in accordance with Section 4.00.
- 2) Where an insufficient number of volunteers are solicited with the specific skills necessary to perform the work, the least senior qualified employee(s) will report for work.
- 3) If an entire shift or department is needed to work, the Company will post a mandatory workday notice as soon as the need for overtime is established.

Seniority will be recognized in making day shift assignments as a preferred shift to night shift assignments.

Normally, overtime assignments in Palm Springs, El Centro, and Riverside will be handled separately. Namely, available overtime work in Riverside will be assigned to the employees regularly employed in Riverside in accordance with this Agreement, while available overtime work in Palm Springs will be assigned to the employees regularly employed in Palm Springs in accordance with this Agreement. For El Centro overtime opportunities created by vacation, sick, or other scheduled time-off will be posted at least two (2) weeks in advance if possible, and available employees within the classification may volunteer to cover the overtime, by seniority. If no employees within the classification volunteer for the overtime, the company may extend the overtime to qualified employees outside the classification by seniority.

However, when additional drivers are needed to meet customers' delivery needs/requirements in Palm Springs, such as during peak business periods or because of sales volume increases in accounts serviced out of Palm Springs, the Company may assign drivers (and trucks) from Riverside to handle the additional Palm Springs work as necessary. If there are an insufficient number of available drivers from Riverside in such

circumstances, then the Company may have the extra work performed by Palm Springs employees, such as the class A-licensed Merchandiser(s)/Display Stocker(s).

4.05 Starting Times

Starting times will be set by the Company, and may be changed due to circumstances beyond the control of the Company. The Company shall not move start times more than two (2) hours before or after an employee's regularly scheduled start time during the current workweek. Drivers and Display Stockers shall be notified no later than 6:00 p.m. of the evening preceding a start time change. Other employees shall be notified by the end of the prior shift.

4.06 Lunch Period

Employees shall be provided an unpaid, uninterrupted non-working thirty (30) minute meal period between the second (2nd) and fifth (5th) hour of work.

A second meal period will be provided if an employee works more than ten (10) hours per day, unless the work period is less than twelve (12) hours, then the second meal period may be waived by mutual consent.

In the event the shift is longer than twelve (12) hours, the meal period cannot be waived.

4.07 Sales Meeting Hours

Required attendance time at sales meetings shall not exceed three (3) hours per calendar month unless additional time for specific occasions is agreed upon between the Company and the Union. All time spent for mandatory attendance of said meeting shall be paid. Display Stocker(s) shall be paid all mileage from their last scheduled stop to the branch.

4.08 Rest Periods – Hourly Paid Employees

All employees will be authorized and permitted to take a rest period of ten (10) minutes for every four hours worked or major fraction thereof, and if practicable the rest period should be taken in the middle of each work period. Thus, if an employee on an eight or ten hour shift, will be authorized and permitted to take two (2) rest periods of ten (10) minutes each.

The time for such rest periods shall be designated by the Company. If employees who are working either an eight or ten hour shift are scheduled to work two (2) hours in excess of the regular shift, they will receive one (1) additional ten (10) minute rest period at the end of the regular shift and at every two (2) hour interval thereafter.

Should state law permit more flexible meal time and rest periods scheduling or a waiver of meal time and rest periods, the Company and the Union agree to meet and negotiate alternative meal times and rest period rules that meet the requirements of the law. No changes will be made unless mutually agreed upon.

4.09 Reporting Pay

If an employee reports for work as scheduled and has not been given eight (8) hours advance notice not to report, the employee shall be given a minimum of four (4) hours work or four (4) hours pay at the employee's basic hourly rate, and if any full-time employee works more than four (4) hours on the same day, the employee shall receive eight (8) hours work or eight (8) hours of pay at the employee's basic hourly rate, unless circumstances beyond the control of the Company, such as power failure, or breakdown, fire or flood or earthquake, utility failure, equipment failure or breakdown, or any other similar circumstances, caused the failure of the Company to provide work for the employee. Employees scheduled to work a four (4) day workweek shall be given a minimum of five (5) hours work as applicable per above Section. Such employees shall be paid at the regular hourly rates set forth under Section 5.00 according to their classifications.

4.10 Call-Out Pay

Any employee who is called out for work after his regularly scheduled shift shall receive a minimum of two (2) hours pay or time and one-half (1-1/2), whichever is greater.

4.11 Standby Pay

Fountain Vending Mechanic employees shall be paid \$30.00 per day plus time and one-half (1-1/2) for all hours worked on a portal-to-portal basis for weekend standby duty.

4.12 Bidding

The Employer shall post notices of any job which is vacant by the time clock so that interested employees may have knowledge of it. Such notices shall be posted in a conspicuous place for at least five (5) days and shall indicate to whom the employee may make his interest in the opening known. Selection to fill a promotional vacancy shall be made by seniority provided the employee does not have a written warning letter in place from the previous six (6) months.

The Employer agrees to post for a period of five (5) days any route made available due to an employee leaving the Company (separation, retirement, etc.) or any new route.

Said route will be assigned to the most senior employee who has made their interest known within the five (5) days.

The Company reserves the right to remove an employee from his bid route for proven performance problems on the route. In such case, the vacated route will be put up for bid. The route vacated in turn by the person awarded the originally vacated route will also be put up for bid. After that route is awarded, the Company shall have the right to assign employees to fill remaining vacant routes.

The routes on which employees bid are general geographic areas, not a fixed/static route or run with fixed/static accounts.

Riverside employees may bid on open Palm Springs positions, and vice versa. In addition, once each year, drivers in Riverside and Palm Springs will be permitted to express their interest in transferring to the other facility. Drivers who do so will be permitted to transfer to the other facility on a one-for-one replacement basis in seniority order. This process will be repeated in the event the Company changes the normal workweek schedule in Palm Springs.

Drivers in Riverside and Palm Springs may bid on trucks at their respective facilities by seniority, consistent with the Side Letter of Agreement on page 46 of this Agreement. New tractors will be bid at their respective facilities by seniority using a method of bidding determined by the Company and Union at the time of arrival. The Company will, consistent with business needs, use trucks during high temperature periods that have operational AC units with the intent to keep drivers safe during such periods. Warehouse employees will be allowed to bid on respective equipment (pallet-jacks, forklifts) once per year, and whenever new equipment is purchased using a method agreed on by the Company and Union. The bid equipment will be assigned to the bid-holder (exceptions being dual-utilization situations, maintenance, etc) Drivers in Riverside will have standard pallet-jacks assigned to them. (bid during the normal bidding time once per year). It is understood that in no situation will an employee refuse to perform work based on an equipment assignment.

Drivers classified as floaters shall bid on their route by seniority daily, if their start times are the same. This process will take no longer than 3 minutes and will be handled directly by the employees starting at the same time.

4.13 Overtime Pyramiding

There shall be no pyramiding of overtime.

SECTION 5.00 – MINIMUM WAGE RATES

5.01 Full Service Commission:

\$1.05 for every case over 70 cases per day sold.

5.02 Temporary Assignments – Full Service

(1) Temporarily Assigned Full Service Attendant

In the event a Dispenser/Vending Utility employee or Display Stocker is temporarily assigned and handles a full service route, the employee shall receive his/her respective Dispenser/Vending Utility or Display Stocker hourly rate for all hours worked as a temporarily assigned Full Service Attendant.

5.03 Commission Pay Period

Earned Full Service commission shall be paid in the next pay period.

5.04 Wage Schedule of Full-time Hourly Employees

Wage table: See Appendix A

Wage increases are applicable to full time active employees. Employees on a leave of absence at the time of a wage increase will receive the applicable wage increase when they return to work.

An employee classified as a Leadperson for a specific job classification will receive twenty-five cents (\$0.25) per hour in addition to the specified classification hourly rate.

Transport Drivers will be paid the same hourly rate as a Class A Driver, plus any applicable shift differential.

The Company will work to cross train Loaders and Display Stockers.

- a) Hourly rate increases for Display Stocker classification shall be 90% of any general hourly rate increase. Loader, Plant Crew, Dispenser/Vending Utility and Garage Utility classification – hourly rates of pay shall be the same as the Display Stocker hourly rate. All non-seasonal, non-probationary, regular full-time employees classified to a Loader, Plant Crew, Janitor, Dispenser/vending Utility or Garage/Utility classification prior to April 6, 1998, shall continue at their current rate of pay subject to any wage adjustments applicable to their respective job classification.

All employees hired after April 6, 1998 to a non-seasonal, non-probationary, regular full-time Loader, Plant Crew, Dispenser/Vending Utility, or Garage Utility position shall be paid at the new lower hourly rate for the job classification. All employees classified part-time on or After April 16, 1998, shall have their hourly pay rate adjusted to 90% of the lower hourly rate.

All employees transferred on or after April 6, 1998 to a non-seasonal, non-probationary, regular full-time Loader, Plant Crew, Dispenser/Vending Utility or Garage Utility position shall be paid at the appropriate hourly rate for the job classification.

- b) There shall be three (3) separate progressive Fountain Vending Mechanic classifications. A Fountain Vending Mechanic A will be at 100% of the hourly wage rate. Incumbents must have the refrigeration certification. A Fountain Vending Mechanic B will be paid 80% of the hourly wage rate. Employees in this classification will have some related experience and will be able to do minor fountain-vending repairs. A Fountain Vending Mechanic C will be paid 70% of the hourly wage rate. This is the entry-level position for a Fountain Vending Mechanic. Incumbents will be performing entry-level work, basic preparatory work and pick up vending equipment.
- c) The rates scheduled within this Section are minimums, and nothing shall preclude the Company from paying above such rates. Any future wage increases, or changes to any incentive or bonus program shall be negotiated by the parties. Wage increases scheduled above will be implemented in the first full pay period after the specific dates set forth above.

5.05 Pay Period

The workweek pay period will be every calendar week (Monday through Sunday). Payments for said period are to be made on the Friday following the previous pay period.

Paycheck shortages shall be corrected and payment shall be made available to the employee at his or her reporting location within seven (7) working days of the employer having knowledge of such shortages. In the event the pay check shortage is over \$50.00, the Company will respond and process those shortages within seventy-two (72) hours.

5.06 Night Shift Premium

Employees working on a night crew will receive a night shift premium in addition to their assigned job rate for actual hours worked. Employees whose shifts begin between 1:00 p.m. and 3:00 a.m., inclusive, shall be considered night crew and will receive fifteen cents (\$0.15) per hour for their entire shift. Night shift premium is not considered part of a regular pay for computation of overtime premium, vacation and holiday pay and other paid leave benefits.

5.07 Probationary Period

All full-time employees shall be on a probationary period for the first ninety (90) calendar days of their employment. The Company may extend this timeframe for reasonable concerns by up to thirty (30) calendar days upon notification to the Union at least fifteen (15) days before the probationary period ends. The Company and the Union may extend the probationary period of an individual employee in increments of thirty (30) calendar days by mutual agreement because of particular circumstances which require additional time. An employee may be terminated for any reason during his probationary period and shall have no recourse to the grievance procedure.

5.08 Progression Rates

All full/part-time employees shall be subject to the following progression rates of pay:

- a) For first six (6) calendar months worked: 90% of Section 5.05 Wage Schedule for the respective full/part-time hourly rate of pay;
- b) For the second six (6) calendar months worked: 95% of Section 5.05 Wage Schedule for the respective full/part-time hourly rate of pay;
- c) After twelve (12) calendar months worked: 100% of pay.

(Rounding: \$0.005 to \$0.014 = 1; \$0.004 or less = 0)

For skilled maintenance and mechanics, Transport Drivers, Class "A" drivers, Display Stocker, Loader, Plant Crew, Dispenser/Vending Utility and Garage Utility classifications, the department manager, with Human Resources' approval, may bypass or accelerate the pay progression times referenced above, based on job related factors as determined by the Company, and subject to discussions with the Union.

5.09 Time Record

Employees must accurately record and attest to their time on the timekeeping system installed and maintained by the Employer.

5.10 Contact Information

It is the obligation of employees to ensure that their current address and phone contact information is kept up to date via the Company's designated method (currently done through the Workday Plus portal on the Company Intranet).

5.11 Saturday Mandate Reporting Pay

If the Company mandates an employee to work on Saturday or their scheduled day off and does not give seventy-two (72) hours notice that the mandate is cancelled, the Company shall pay employees affected four (4) hours of the top rate of pay in their classification.

SECTION 6.00 – HOLIDAYS

6.01 Holiday Schedule

The following holidays shall be granted with regular pay for a day of eight (8) hours or ten (10) hours, whichever shall apply, based upon the eligible employee's regular work schedule:

- New Year's Day
- Washington's Birthday / Presidents' Day
- Labor Day
- Thanksgiving Day

- Memorial Day
- Independence Day (4th of July)
- Two (2) Floating Holidays
- Christmas Day
- Employee's Birthday

For Full Service Attendants, holiday pay for holidays not worked shall consist of the employee's regular hourly rate and appropriate commissions in accordance with Sections 4.01, 4.03 and 5.01.

To be eligible for holiday pay, an employee must have completed 1040 hours actually worked and:

- a) Actually be scheduled to work at least one day of the work week in which the holiday falls; and
- b) Report and work as scheduled on his last regularly scheduled working day immediately preceding the holiday and his first regularly scheduled working day immediately following the holiday unless excused by the Company or ill, subject to verification by the Company.
- c) Floating holiday may be requested at the time the employee bids for his vacation. Floating holiday may not requested at the time of vacation bidding must be requested at least fourteen (14) calendar days prior to the date it will be taken. Requests for floating holiday will be granted on a first come, first serve basis in seniority order among all the employees in the classification on the shift. Newly hired employees that complete their probationary period before July 1 of the calendar year will receive two (2) floating holidays. Newly hired employees that complete their probationary period after July 1 of the calendar year will receive one (1) floating holiday. In the event an employee is unable to take his or her floating holiday(s) throughout the course of the calendar year, any unused floating holiday(s) will be paid out by December 15th of the respective calendar year.
- d) The following shall apply for the employee's birthday holiday:
 - (1) An employee, otherwise eligible for holiday pay as referenced above, is not entitled to said holiday until reaching the month in which the employee's birthday falls. The supervisor and employee should arrange said holiday to be taken as practical after the employee reaches his or her entitlement month. In no event can the holiday be carried beyond the end of the calendar year in which the holiday is earned.
 - (2) If an employee's birthday falls on the employee's regular day off or set holiday, the birthday holiday will be observed on a work day mutually agreed upon between the employee and the supervisor in accordance with paragraph (1).

- (3) Seniority shall be recognized in cases where more than one employee is requesting the same day as their birthday holiday.
- (4) Pay for the employee's birthday holiday shall not be due to the employee if the employee leaves the Company for any reason prior to taking the holiday or reaching the employee's respective holiday entitlement month in accordance with the provisions of this section.

6.02 Holidays Falling on Regular Day Off

If any of the foregoing set holidays fall on an employee's regular day off, the Company at its discretion shall pay employee an extra day's holiday pay or allow such employee the work day before or the work day after such holiday as a day off. The Company will give the employee at least five (5) working days advance notice of which day will be granted as a holiday.

6.03 Holidays Falling During Employee's Vacation

In the event a holiday, as provided in this Agreement, falls during the period of an employee's vacation, such employee shall be granted an extra day's vacation, to be taken concurrent with the employee's vacation, or may receive an additional day's pay for such holiday, at the option of the Company, and insofar as is possible, by the employee's choice. The Company shall notify an employee as to whether the employee is to receive an additional day's vacation or an additional day's pay at least five (5) working days prior to the employee's vacation. It is the employee's responsibility to inform the supervisor at least ten (10) working days prior to the vacation that a birthday holiday falls during the employee's vacation. An employee who is to receive an extra day's pay for the holiday shall be paid the extra day's pay at the time the vacation check is issued.

6.04 Holiday Work

If an employee is required to work on one of the set holidays named above, the employee shall receive his or straight time hourly rate or the applicable overtime rate, whichever is greater, for all hours worked in addition to the employee's regular rate of pay for the holiday.

SECTION 7.00 – VACATIONS

7.01 Amount of Vacation and Eligibility Requirements

- (a) After having completed one year's continuous employment with the Company, an employee shall be entitled to one week's vacation time off work with pay based on the regular wage rate of such employee, up to but not exceeding forty (40) straight-time hours of full pay for an hourly paid employee.
- (b) First year employees shall not be granted vacation time off with pay until they have worked at least eighteen hundred (1800) straight-time hours

since their date of employment or until they have completed one year's continuous employment with the Company, whichever occurs first.

- (c) Upon the completion of two (2) years continuous employment, the employee completing said two (2) years continuous service, shall be entitled to two (2) week's vacation time off work with pay based on the regular wage rate of such employee, up to but not exceeding eighty (80) straight-time hours of full pay for an hourly paid employee.
- (d) After an employee has completed five (5) years continuous service, the employee completing said five (5) years continuous service shall be entitled to receive three (3) week's vacation time off work with pay based on the hourly wage rate of such employee, up to but not exceeding one hundred and twenty (120) straight-time hours of full pay for an hourly paid employee.
- (e) After an employee has completed ten (10) years continuous service, the employee completing said ten (10) years continuous service shall be entitled to receive four (4) week's vacation time off work with pay based on the hourly wage rate of such employee, up to but not exceeding one hundred and sixty (160) straight-time hours of full pay for an hourly paid employee.
- (f) After an employee has completed twenty (20) years continuous service, the employee completing said twenty (20) years continuous service shall be entitled to receive five (5) weeks vacation time off work with pay based on the hourly wage rate of such employee, up to but not exceeding two hundred (200) straight-time hours of full pay for an hourly paid employee.
- (g) In computing vacation benefits under this Section, a regularly assigned Route Salesperson and Full Service Attendant shall receive for each week of vacation to which the employee is entitled the base pay and any additional respective commissions earned on the employee's assigned route during the employee's vacation period.
- (h) The maximum time allowed for any consecutive vacation will be five (5) weeks. To qualify for full vacation pay an employee, after completing one year of continuous service or more, must be credited with a minimum of eighteen hundred (1800) straight-time hours worked or paid for in an anniversary year.

For those employees who are credited with less than eighteen hundred (1800) straight-time hours in an anniversary year, vacation pay shall be pro-rated by dividing the number of actual straight-time hours credited by 2,080, which shall represent the percentage of full vacation pay to which that employee is entitled.

7.02 Scheduling of Vacation

- (a) Vacations are not cumulative and must be taken during the calendar year it is earned. Employees are not to carry over vacation days into the next calendar year period unless approved by the Company in writing. In this regard, straight-time hours worked in the new calendar year shall not start to accrue or be credited as hours worked for vacation pay qualification requirements until after the prior year's vacation days have been used.
- (b) Notwithstanding the above, at the Company's option, first year employees who have completed their vacation time granting requirements may be assigned to a calendar year carry-over into January or February of the next calendar year, and if so assigned shall be credited with hours worked in the new calendar year pending completion of any remaining prior calendar year vacation eligibility.
- (c) An employee's selection of pre-approved vacation time within a district, branch or division will be made solely on the basis of the employee's seniority with the Company within the department the employee works. Pre-approved vacation selection will begin on October 1st of each calendar year and must be completed by December 31st of the calendar year. An employee will be given 48 hours in which to make his/her vacation selection, at which time the vacation selection form will be given to the next eligible employee to make his/her selection. An employee's vacation selection after December 31st shall be scheduled on a remaining vacation time, first come availability basis.
- (d) In recognition of the seasonal nature of the business, it is agreed that the Management may limit vacation periods for reasons such as holiday weeks and work force requirements. Subject to this reservation, it is agreed that preference in the selection of vacation dates shall be accorded on the basis of seniority.
- (e) When an employee is on medical leave, commencing the first Monday in July, and accrued vacation will automatically be substituted for sick/injury benefit allowance following the exhaustion of any accrued paid sick/injury benefits or prior to the end of the calendar year, whichever occurs first. In such case, accrued vacation shall be integrated with any applicable state disability insurance employee entitlement so that the combined benefits do not exceed the employee's regular daily straight-time wage.

7.03 Vacation Pay Qualifications of Terminated Employees

- (a) Except as provided in subsection (c), an employee who has more than one (1) year of continuous service, measured from the commencement date of his employment, and who leaves the Company, is entitled to receive pro-rata compensation for any vacation privileges not exercised since his last anniversary date of employment on the basis of one-twelfth (1/12) of such

privileges for each full calendar month of employment following his last anniversary date.

- (b) Pro-rata compensation under subsection (a) for Route Salespersons and Full Service Attendants shall be computed upon the appropriate base pay currently in effect and shall not include commission on sales after their termination.
- (c) Earned vacation will be paid in full upon termination.
- (d) Employees shall give the Employer at least five (5) working days notice of their intent to quit their employment with the Company. A quitting employee who fails to give at least five (5) working days notice of intent to quit shall not be entitled to pro-rata pay under this section.
- (e) Employees advanced vacation pay in excess of that to which they are entitled and credited under Section 7.01, shall refund such excess vacation pay to the Company upon leaving the Company's employ. The Company may withhold such excess vacation pay from an employee's final paycheck as an authorized payroll deduction.
- (f) In order for vacation pay to be paid by the last work day prior to full week(s) of vacation scheduled in accordance with Section 7.02, the request for vacation pay must be submitted to the Payroll Department at least two weeks prior to the commencement of vacation. Lacking advance notice as specified herein, the employee shall receive his or her vacation pay on the regular pay day(s) for said vacation week(s).

SECTION 8.00 – SICK/INJURY BENEFIT ALLOWANCE

- 8.01 Eligible regular full-time employees after completing their probationary period or full-time seasonal employees after completing their first 1040 actual hours worked will be allowed to accrue up to forty (40) straight-time hours disability pay per calendar year in the event the employee is actually sick/injured and disabled, but not to exceed forty (40) straight-time hours pay for hourly paid employees.
- 8.02 Effective each January 1, the period required to qualify for one (1) hour of straight-time sick/injury payment shall consist of forty-five (45) qualifying straight-time hours worked or paid for during the preceding calendar year. For the purpose of this Section, sick/injury pay shall only accrue in one (1) hour increments for each full 45 qualifying straight-time hours worked or paid for. There shall be no partial or pro-rata actual credit for fractions of 45 straight-time hours worked or paid for. Moreover, all hours worked or paid for as a part-time, seasonal or probationary employee shall not be credited as eligible or qualifying hours toward the accrual of sick/injury pay benefits.

- 8.03 An employee shall not be eligible for sick/injury pay if the employee has not notified the Company at least one (1) hour prior to the employee's starting time that he or she shall be absent for the full regular work day or days for which disability pay is claimed. The Union will cooperate with Management to see that this section is not abused and is only used for the purposes for which it is intended. Should any employee abuse these privileges such employee shall not at any time during the life of the contract participate in the benefits of this portion of the Agreement, and the employee shall be subject to any other reasonable penalties imposed by the Company, up to and including termination.
- 8.04 For the purpose of determining benefit eligibility under Section 8.00, the Company may require a doctor's certificate or other evidence satisfactory to the Company if the employee is absent two or more consecutive workdays due to illness or injury. Any employee claiming disability shall, upon request by the Company, authorize any doctor or hospital who has treated or is treating the employee to provide the Company with an explanation and description of the nature and extent of the illness or accident, and the reason why an employee is unable to work for the Company. Any employee claiming disability who in fact is not disabled shall be subject to disciplinary action up to and including termination as outlined in Section 10.00. Moreover, it is understood that eligibility for sick/injury benefits does not mitigate or render worse an unsatisfactory attendance record.
- 8.05 All unused sick/injury pay for which an employee is eligible may be accumulated up to a total of eighty (80) straight-time hours to be used only if the employee is actually sick/injured and disabled from work.
- 8.06 Any employee who accumulates sick/injury disability in excess of eighty (80) straight-time hours as of January 1st of any year shall receive pay for unused disability pay for all hours in excess of eighty (80) hours remaining on his following anniversary date. Any such unused portion of sick/injury disability pay in excess of eighty (80) straight-time hours shall be paid if the employee leaves the bargaining unit prior to the employee's anniversary date.

For determining the rate of compensation for sick/injury pay, the basis for computation shall be as follows:

Hourly Employees: The current basic hourly rate, exclusive of any shift premium.

Full Service Attendant: The hourly rate of pay and any additional commissions earned/collected on the employees' assigned route during the employees' absence.

- 8.07 Except as provided in Section 8.06 above, all accrued sick/injury pay benefits and benefit entitlement as a regular employee shall cease and are cancelled at the time

the employee leaves the bargaining unit or terminates employment with the Company.

8.08 Integrated Sick/Injury Pay

When an employee is entitled to receive disability insurance payments under the California Unemployment Insurance Code or the Company's Workers' Compensation Insurance, the amounts to which the employee is entitled will be deducted from the compensation for sick/injury pay computed in accordance with the preceding paragraph and the portion of the compensation for sick/injury pay that is paid by the Company will be applied against accumulated sick/injury pay hours.

SECTION 9.00 - LEAVE OF ABSENCE

9.01 Funeral Leave

Leave of absence with pay will be granted by the Company not to exceed three (3) days in the event of death in the immediate family of the employee, which shall be defined as spouse, father, mother, step-parent, brother, sister, son or daughter (including step-children), and grandparent. Leave of absence with pay will be granted by the Company not to exceed two (2) days in the event of death in the immediate family of the employee's spouse which shall be defined as father, mother, brother or sister.

If the employee is on an authorized vacation at the time of the funeral, and upon notification to the employee's supervisor prior to the funeral, paid leave of absence pursuant to this provision will be granted by the Company, in addition to the employee's regularly scheduled vacation.

9.02 Family Care and Medical Leave of Absence

- a. Length of Service Requirements: To be eligible for leave, employees must have been employed by the Company for a total of at least 12 months and must have worked at least 1,250 hours during the 12 month period immediately prior to the beginning of leave.

All full-time regular employee with less than 12 months and 1,250 hours service with the Company, who has substantiated the need for a medical leave of absence, may obtain an unpaid leave for up to a period of time equal to the number of days actually worked for the Company prior to the leave, not to exceed 12 weeks, or the minimum time required by law, whichever provides the greatest period of verified necessary time off work, and subject to applicable provisions of the Agreement. Employee(s) requesting FMLA leave or any medical leave of absence of more than three (3) work days in duration must submit requests through the Company's outside vendor, currently UNUM, and

comply with applicable requests for documentation. The company shall be responsible for informing the employee(s) of all contact information for the outside vendor. FMLA leave shall be administered consistent with the ACT.

The Employees(s) under this collective bargaining Agreement which include Riverside, Palm Springs, and El Centro will be eligible for FMLA.

- b. Circumstances Under Which Leave May Be Taken: Eligible employees may take up to 12 weeks of unpaid leave in a 12-month period. The amount of leave available to an eligible employee at any given time will be calculated based on the amount of leave taken within the 12-month period immediately preceding the requested leave commencement. Leave may be taken (1) upon the birth of the employee's child, (2) upon the placement of a child for adoption or foster care, (3) to care for a child, spouse, or parent who has a serious health condition, or (4) if the employee is unable to perform the functions of his or her position because of a serious health condition.

All leave taken under this policy and leave for any other reason which would qualify under the Family and Medical Act of 1993 ("FMLA") and any corresponding state regulations (e.g. Workers' Compensation Leave) will be counted against the employee's leave entitlement under FMLA and any corresponding state regulations.

- c. During and After Leave: Health and welfare benefits provided by the Company, and for which the employee is otherwise eligible, will be continued during the period of disability in accordance with specific benefit plan provisions and applicable state and federal law. The employee will be responsible for any portion of the Group Insurance Premium Costs normally borne by the employee for the length of the leave (on the same terms and conditions as apply to active employees). Failure to pay the appropriate monthly premium on a timely basis will result in termination of those benefits at the end of the month in which the premiums were last paid.

However, employees are not entitled to accrue other employment benefits during the leave period (such as, but not limited to, vacation and paid sick/injury benefits).

An eligible employee shall be entitled to the position the employee occupied at the time the employee went on leave of absence, provided the job has not been eliminated, the employee is physically able to perform the essential functions of the job, and subject to the specified leave limits.

An employee returning from a medical leave of absence may be required to provide a physician's statement indicating the employee's fitness for work and/or any restrictions or limitations. An employee returning from a medical

leave may be required to clear through the Company's designated medical facility or physician.

- d. **Notice and Medical Certification:** When the need for leave is foreseeable, employees must provide 30 days advance notice to the Company, or as soon as practicable, and make efforts to schedule leave so as not to unduly disrupt the Company's operation. The Company also may require an employee to report periodically while on leave regarding the employee's leave status and intention to return to work. In addition, the Company may require medical certification to support a claim for leave. For the employee's own medical leave, the certification must include a statement that the employee is unable to perform the functions of his or her position. For leave to care for a seriously ill child, spouse, or parent, the certification must include an estimate of the amount of time needed to care for the employee's family member. The Company may require employees to use Company provided forms for notice and certification purposes.

An employee who, without reasonable cause, fails to substantiate the need for a leave within five (5) workdays following the first day of absence may be considered a voluntary termination. An employee who presents false documentation in support of a request for leave is subject to discharge.

- e. **Use of Vacation and Paid Sick/Injury Benefits:** If leave is sought because of a serious health condition of the employee, and pursuant to applicable regulation, the employee shall be required to utilize any available paid sick/injury benefits for such leave provided under this provision. Also, pursuant to applicable regulation and Section 7.02, any accrued vacation will be substituted until exhausted for any part of family care and medical leave provided under this provision.
- f. **Spouses Employed By The Company:** Spouses employed by the Company are limited to a total of 12 (not 24) weeks of leave for the birth or adoption of a child or for the care of a sick parent. However, each spouse is entitled to a full 12 weeks and medical leave extension considerations, as outlined in this provision, in the case of his or her own illness, or up to 12 full weeks for the care of their child.
- g. **Intermittent or Reduced Leave:** Leave may be taken on an intermittent or reduced schedule basis, but such leave ordinarily should be at least one week in length. However, if certified by a health care provider, shorter leave may be provided for recurring medical treatments such as chemotherapy, dialysis, or other similar treatments. The Company may require an employee taking intermittent or reduced schedule leave to transfer temporarily to an alternative available position for which the employee is qualified or may modify the employee's current position and/or schedule to better accommodate the employee's recurring periods of leave.

- h. **Medical Leave Extension:** A request for an extension of a medical leave of absence will be considered if received by the Company writing before the expiration of the approved leave, supported by certification of continued disability in the form of a statement from the treating licensed physician. The total period of absence for medical leave shall not exceed three hundred and sixty-five (365) calendar days, counting cumulative family and medical leave in a 12 month period, except as modified by state or federal law. This time may be extended by Mutual Agreement of the Company and the Union.
- i. **Benefit Leave Limits:** Health and Welfare benefits provided by the Company, and for which the employee is otherwise eligible, will be continued for a period of no more than one-hundred and eighty (180) calendar days during the period of disability in accordance with specific benefit plan provisions and applicable state and federal law.

An employee who fails to report for work at the end of an approved leave will be deemed to have voluntarily quit employment with the Company.

- j. **Seniority on Leave of Absence:** Seniority will be maintained during any leave of absence granted by the Company, but will continue to accrue only up to a maximum of three hundred and sixty-five (365) calendar days pursuant to this Section, 9.02. This time may be extended by mutual agreement of the Company and the Union.

An employee working elsewhere during a leave of absence shall forfeit his seniority and employee status, except when granted permission in advance by the Company and the Union.

9.03 Leave of Absence For Personal Reasons

Personal leave of absence, not covered by FMLA/CFRA regulations and provisions, may be granted up to ninety (90) days, provided the employee has at least five (5) years of continuous, uninterrupted service. So long as the employee returns in accordance with the terms of the granting of the leave, such employee will be entitled to the position the employee occupied at the time the leave of absence began.

This time may be extended by mutual agreement of the Company and the Union. During such time, employee will not seek employment elsewhere.

9.04 Military Service

The Company shall comply with the Uniformed Services Employment and Reemployment Rights Act (USERRA), as amended.

9.05 Jury and Civic Duty

A full-time regular employee who has completed their probationary period may request up to ten (10) regular work days in a twelve (12) month period of paid jury duty leave if the employee is called to serve on jury duty, or civic duty leave, if the employee is under subpoena to appear as a witness in a civic matter before a legally constituted court through no fault of the employee, and the employee is neither a defendant or a plaintiff. The amount of paid jury/civic duty leave available to an eligible employee at any given time will be calculated based on the total amount of jury and civic duty leave taken within the twelve (12) month period immediately preceding the jury/civic leave commencement. No jury duty or witness fees will be deducted.

Jury/civic duty pay is not applicable for days when the employee would not have otherwise been scheduled to work.

Jury fees do not include reimbursement for transportation or other expenses advanced by the Jury Commissioner. To be entitled to this benefit and leave of absence (paid or unpaid), the employee must notify the appropriate supervisor within twenty-four (24) hours after receipt of notice of selection for jury duty or subpoena as a witness, and must furnish to the Company a written statement from the appropriate public official showing the date and time served, or in the case of subpoena, the subpoena. The employee must also report to the Company for work on each day (other than a holiday designated herein) when the employee is released from jury duty or as a witness, except when the employee is released after lunch, and except when the employee is excused by the Company. The Company also retains the exclusive right to take proper action to have any employee excused from jury duty based upon Company needs for his or her services. In the case of a night shift employee, the Company will attempt to schedule such employee's work in such a manner that he will receive a fair period of time in which to have adequate rest before returning to work.

If the employee is required to serve on jury or civic duty beyond the period of paid jury/civic duty leave, or is not eligible for paid jury/civic duty benefits, the employee may use any available paid vacation time off or floater holiday (if eligible), or may request an unpaid jury/civic duty leave of absence.

9.06 Seniority on Leave of Absence

An employee working elsewhere during any leave of absence shall forfeit his or her seniority and employee status, except when granted permission in advance by the Company and the Union.

9.07 Union Leave of Absence

An employee whose acceptance of employment with the Union takes him from his employment with the Employer shall, upon written request to the Employer by the Union, receive a leave of absence. The Union's request for such a leave and

return shall be served upon the Employer, in writing, a minimum of seven (7) days immediately preceding the date of the proposed commencement of the requested leave and the proposed return to work respectively. During such leave, the employee's seniority will not be interrupted. Approval for such leaves will be granted on the basis of business need. The employer agrees not to unreasonably deny such a request.

SECTION 10.00 – DIRECTION OF EMPLOYEES, LAYOFF AND DISCHARGE

10.01 Grounds for Termination

An employee may be terminated if he is not physically able to perform the work for which the employee was employed or for lack of work available to the employee due to dullness of trade or seasonal variation of the business of the Company; provided that in the case of an employee being injured on the job and as a result the employee is unable to perform his or her regular duties, the Company shall be obliged to make every reasonable effort to relocate the employee in some capacity, the duties of which the employee is able to perform satisfactorily.

It is the desire of the Company and the Union to maintain high standards of health and safety in order to eliminate industrial accidents or illness to the extent practical. In this regard, if an occupational injury or accident is as a result of a safety violation or negligence by the employee, the employee may be subject to disciplinary action up to and including termination.

10.02 Discipline and Discharge

The Company retains the sole right to discipline and/or discharge employees for just cause, except that probationary employees may be disciplined and discharged for any reason and shall not have recourse to the grievance and arbitration procedures of this Agreement.

Except for discharge for matters covered in Group IV of the General Standards of Conduct, the Attendance, Tardy and No Call Policy, or the Motor Vehicle / P.I.T. Accident Policy, a regular full-time employee shall not be discharged without the use of progressive discipline, which may include written disciplinary notices, suspension or termination. A discharge is subject to the grievance and arbitration provisions of this Agreement in case of dispute. Written disciplinary notices and suspensions shall be effective for a period of time not to exceed twelve (12) months from the date of issuance. Following the expiration of such period of time, they shall be null and void, but shall remain in the employee's personnel file.

Appropriate discipline shall be issued within ten (10) working days of when the Company knows or should have reasonably known of the alleged violation. Provided the Company issues a Letter of Investigation, this period may be extended for up to thirty (30) days.

10.03 Layoffs and Recalls

For layoffs, employees within the department affected will be assigned to available work within the same department in accordance with their seniority and current qualifications. If no work is available, a regular full-time employee may exercise their Company seniority to displace the junior employee in a different department within the same branch and facility location, provided the employee is currently qualified to perform the job of the employee he is displacing.

Employees with at least one hundred and twenty (120) calendar days of continuous employment with the Company laid off because of seasonal variation of the business shall be given the opportunity to return to work with the Company before any new employees may be engaged. Pending a recall opportunity to a job vacancy, said employees laid off because of seasonal variation will be offered available temporary work to include filling in for employees who are on leave of absence or vacation, provided the employee is qualified.

A non-probationary employee who is laid off shall retain seniority for the following maximum periods:

- One hundred and twenty calendar days (120) to fifteen (15) years or more of continuous employment – two hundred and seventy (270) calendar days.
- Fifteen (15) years or more of continuous employment – three hundred and sixty five (365) calendar days.
- Industrial injuries – a minimum of three hundred and sixty-five (365) calendar days.

Employees employed by the Company less than six (6) months shall not have any seniority rights for purpose of this Section.

Following notice from the Company to the employee's last telephone number of record, the employee must report within two regular work days from receipt of notice and make reasonable arrangements to promptly return to work or forfeit seniority and recall rights.

For layoff situations only, the one (1) authorized Union steward per affected branch, shift, department or area will be recognized as having the most seniority within his or her designated job classification, within the Union steward's regular assigned department and shift, provided the Union steward is qualified to perform available work.

The Riverside, El Centro, and Palm Springs facilities shall be considered separate for purposes of seniority and daily layoffs. Layoffs lasting more than five (5) days (and recalls from such layoffs) will be done by overall seniority in the bargaining

unit, with bumping between the Riverside and Palm Springs facilities permitted in accordance with this Section. A driver who is to be laid off may choose not to bump to the other facility and instead accept the layoff.

If a Riverside driver bumps into the Palm Springs facility, his starting and quitting time for pay purposes will be when he leaves from and returns to the Palm Springs facility, he will not be paid mileage reimbursement for travel to and from the Palm Springs facility, and he will work the schedule assigned by the Company to drivers working out of the Palm Springs facility.

10.04 Management Rights

The Company shall at all times have the right of direction, management, placement and rearrangement of employees, providing that due consideration shall be given to qualifications and seniority.

SECTION 11.00 – EMPLOYEE TRANSFER RIGHTS

Any employee desiring to change his job status by transferring to a different or higher rated classification shall be required to apply for such transfer on line. Where an employee has been promoted into a higher rated job or transferred to a different classification and does not perform the job in a satisfactory and efficient manner, he shall be returned to his former classification within a period of thirty (30) days subject to the grievance procedure. The Company and the Union may extend this period for an individual employee by mutual agreement because of the particular circumstances which require additional time. For Display Stockers, the employer will assist Display Stockers that are interested in moving roles to setup a link on their phone to direct them to the KDP Careers/Job application website. Once signed up, employees may setup job alerts automatically informing them of open positions.

Promotion to a higher rated bargaining unit job vacancy or transfer to a different job classification shall be made by seniority provided the employee has the skills, ability, and any required licenses or certifications to do the job and does not have a written warning letter of group two (2) discipline or higher in place from the previous six (6) months.

Class A drivers will maintain their class A rate regardless of the equipment driven. No current class A drivers will be forced down to a lower rate of pay. Any replacement of drivers will be done through attrition for the life of this agreement. The Company will continue to utilize the Grow Your Own Program for developing internal employees into drivers. If there is a daily or weekly layoff the Company shall layoff the Class C drivers by seniority first, if all the Class C drivers are on layoff and the Company still requires drivers to be laid off, the Class B drivers shall be laid off by seniority before any Class A driver is to be laid off. Class B/C equipment will be reserved for the respective license holders. If the Company requires a Class A driver to utilize Class B or C equipment, they shall be paid at the Class A rate of pay. If the Company requires a Class B driver to utilize

Class C equipment they shall be paid at the Class B rate of pay. Seventy five percent or more of the equipment being utilized at the facility will be Class A equipment.

When a bargaining unit employee transfers from another Company location to a bargaining unit position at the Riverside, El Centro or Palm Springs facilities, their Company seniority will remain intact and will be utilized for determining vacation accrual. However, for purposes of shift assignments, work schedules and job assignments, their Union seniority will be based on the date the employee transfers into the Teamster represented bargaining unit position. Deviations from this may only be made by mutual agreement of the Company and the Union in writing.

SECTION 12.00 – UNIFORMS – LAUNDRY SERVICE

Uniform Allowance

Where the Company requires that a uniform or uniform item of wearing apparel be worn by employees, it will be furnished at the Employer’s expense. The Company will supply such uniforms, together with laundry service for the same, for the below listed classifications, according to the following schedule:

SCHEDULE A

CLASSIFICATION	SHIRTS	TROUSERS	JACKETS
Dispenser Mechanic	11	5	2
Foul Weather Apparel – Outside Employees	1	--	--

- B. The Company will purchase uniforms for employees working under the Driver and Display Stocker classifications. These uniforms will be furnished to employees as determined by the Company. Employees will be required to launder and take normal and reasonable care (where washable in a washing machine) of issued uniforms.

<u>Classification</u>	<u>Shirts</u>	<u>Trousers/Shorts</u>	<u>Jackets</u>
A. All Drivers	10	3 / 2	1*
B. Display Stockers/ Merchandisers	10	3 / 2 *supplied once per year	1*

SECTION 13.00 – GROOMING

Each and every employee shall be responsible for the neatness and cleanliness of his or her appearance at all times when engaged in Company business. The most recent grooming policy will be issued to all employees and posted in common areas annually.

SECTION 14.00 – EQUIPMENT, TOOLS AND UNIFORMS

In all cases where equipment, tools, uniforms or garments are supplied by the Company, the same shall not become the personal property of the respective employees and said

equipment, tools, uniforms or garments must be returned to the Company upon the termination of employment. The Company may withhold from the employee's final check the value of the equipment, tools, uniforms or garments until said articles are returned to the Company.

All equipment (dock plates, hand trucks, etc) provided by the Company shall be in good working condition to maintain a safe working environment. Employees will follow Company procedures and protocols for reporting damaged, defective, or unsafe equipment.

The acceptance of the benefits of the foregoing paragraph by the members of the Union shall constitute an agreement on their part not to wear any emblems or facsimiles or trademark of the Company while employed or after the termination of employment in any way that is detrimental to the Company or which could cause an unfavorable impression of the Company. The Company shall supply the Union upon request with a current list of all items which an employee is subject to pay for referred to above.

All employees in the Fountain Vending Mechanic Classification shall receive reimbursement of up to two-hundred and fifty dollars (\$250) per year of the agreement for damaged or broken tools that are required to perform their job. The reimbursement will be paid out as soon as administratively feasible upon receipt of the purchase of the replacement tool, and proof of damage to the tool being replaced.

SECTION 15.00 – BULLETIN BOARD FOR UNION NOTICES

The Company agrees to provide the Union with sufficient space conveniently located for the posting of Union notices. Posted Union notices shall not be derogatory towards the Company or any members of management.

SECTION 16.00 – HEALTH AND WELFARE

The Employer agrees to continue to provide, to all eligible unit employees, the health and welfare coverage in effect as of the date of complete execution of the Agreement through August 2021, or as soon administratively feasible to transition to the Labor Alliance Managed Trust Fund/Labor Alliance Savings Trust Fund. The current Company monthly premiums and employee premiums will remain the same, or unchanged, until the transition of coverage. Effective September 2021, or as soon as administratively feasible, the parties agree to participate in the Labor Alliance Managed Trust Fund– the Medical Plan M20-F&B KS (Dental Plan D3S, Life Plan L10), Medical Plan M20-F&B PS (Dental Plan D3S, Life Plan L10), Medical Plan SIMNSA (Dental Plan D3S, Life Plan L10). Eligible active employees and their eligible dependents may enroll in one of these new options under the Labor Alliance Managed Trust Fund (or, Teamsters Health Fund) and participate in the plan subject to its terms and conditions. Part-time (as defined under the Patient Protection and Affordable Care Act) and temporary employees are not eligible to participate in health and welfare benefits. Employees who have currently waived coverage through the Western Alliance Trust Fund upon ratification of this agreement will not be required to enroll in coverage under the Labor Alliance Managed Trust Fund.

The Labor Alliance Managed Trust Fund is administered by a Board of Trustees on which the union and Company are equally represented.

In accordance with this collective bargaining agreement, employees and their covered eligible dependents will be eligible for insurance coverage as agreed between the Company, the Union and/or the Trustees. Coverage and contributions shall commence on behalf of an eligible participating employee on the first day of the month following the third month of employment, minimum one-hundred thirty (130) straight-time hours worked per month, or as otherwise modified and specified by the Trustees and/or pursuant to Federal or State legislation.

Effective with the transfer of coverage, below are cost of coverages dependent on medical plan option. The cost of the premium will be shared between the Company and employees as follows:

The Company will pay eighty-four percent (84%) and the employee will pay sixteen percent (16%) for all employees.

Kaiser Medical Option:

	Single Rate	Two-Party Rate	Family Rate
Life Plan L10 (\$10,000 Life & AD&D)	\$2.00	\$2.00	\$2.00
Medical Plan M20 - F&B KS	\$477.00	\$925.00	\$1,295.00
Dental Plan D3S	\$21.00	\$41.00	\$51.00
Total	\$500.00	\$968.00	\$1,348.00

United Healthcare Medical Option:

	Single Rate	Two-Party Rate	Family Rate
Life Plan L10 (\$10,000 Life & AD&D)	\$2.00	\$2.00	\$2.00
Medical Plan M20 - F&B PS	\$463.00	\$948.00	\$1,282.00
Dental Plan D3S	\$21.00	\$41.00	\$51.00
Total	\$486.00	\$991.00	\$1,335.00

SIMNSA Medical Option*:

	Single Rate	Two-Party Rate	Family Rate
Life Plan L10 (\$10,000 Life & AD&D)	\$2.00	\$2.00	\$2.00
Medical Plan SIMNSA*	\$311.00	\$544.00	\$800.00
Dental Plan D3S	\$21.00	\$41.00	\$51.00
Total	\$334.00	\$587.00	\$853.00

*SIMNSA – US/Mexico cross-border plan

The above-referenced contribution rates are effective May 1, 2021 through April 30, 2022.

Annual increases (effective with the new plan year) up to 7% will be shared proportionally between the employees and the Company to maintain the cost-sharing percentages above. Increases above 7% will be paid 100% by the employee. The applicable employee contribution amount shall be deducted by payroll deduction on a per pay period basis.

Additional increases during a plan year, if any, shall be borne entirely by the employee.

No contributions will be made by the Company for current employees who have opted out of coverage for the life of this Agreement unless the employee has a qualified life event or through annual enrollment after 12 months.

The above contribution rates constitute the Company's sole obligation for providing health and welfare benefits during the life of this Agreement. Furthermore, the parties expressly agree that the Company shall have no liability beyond the contribution set forth herein either as a result of the dissolution of the existing trust fund or under any successor trust fund in the event that the current trust fund is dissolved.

In the event the above contribution rates are insufficient to maintain the exiting level of benefits in effect at the time of ratification, the additional amount equal to that which is required to maintain benefits shall be deducted from each employee's wages.

It is the intent of the bargaining parties that the Company contributions required in this Agreement are fully deductible as ordinary business expense under the Internal Revenue Code and similar State Revenue and Tax laws in the year in which such contributions are made. If the deductible status of such employer contributions change during the term of this agreement, the Union and the Company shall negotiate a plan, if possible, to maintain the fully deductibility of such contributions.

In the event of illness or injury (whether occupational or non-occupational), coverage shall cease after one hundred and eighty (180) calendar days. In the event of a layoff, coverage shall continue for the balance of the month if they employee worked less than eighty (80) hours that month. If an employee works eighty (80) hour or more in the month of layoff, coverage will continue the following month. An employee off work for the reasons set forth herein shall pay his/her monthly healthcare contributions during the period his/her healthcare is still in effect or coverage will be terminated.

In the event of termination, resignation, labor dispute, an employee's personal leave of absence, or if an employee ceases to be an active employee for reasons other than illness, injury, or layoff, coverage shall cease on the last day of the month of the last day worked.

After eligibility for coverage ceases, an employee shall be eligible for benefit continuation under COBRA.

There will be no retiree medical coverage offered by the Company to employees who participate in the Fund. A person who has retired from active employment covered by the Labor Alliance Managed Trust Fund may be eligible for benefits from the Fund by making timely self-payments in an amount determined by the Trust Fund Board of Trustees. The Company will not have any contribution obligation or other liability whatsoever in connection with any such retiree coverage. Further details including eligibility requirements can be obtained from the Trust.

The parties acknowledge and agree that the Company's agreement to the Teamsters Health Fund is intended to satisfy the Company's obligation to provide full-time employees covered by this Agreement with affordable, minimum essential healthcare coverage that provides minimum

value within the meaning of the Patient Protection and Affordable Care Act of 2010 and any regulations or regulatory guidance regarding such law (“PPACA”). The parties further acknowledge and agree that the Company’s contributions to the Teamsters Health Fund are expressly conditioned on compliance with PPACA.

In the event the Teamsters Health Fund fails to provide minimum essential healthcare coverage or minimum value, or in the event that an excise tax or penalty is imposed on the Company for failure to comply with PPACA, the parties agree to meet and bargain, to either agreement or impasse, in an effort to jointly develop an alternative to the terms herein the provide coverage that complies with PPACA or mitigation of any excise tax or penalty imposed on the Company. In the event any employee’s share of premiums to participate in the Teamsters Health Fund is unaffordable for an individual employee within the meaning of PPACA and the employee receives a government subsidy, credit, or coverage through a state exchange, any of which result in an excise tax being assessed on the Company, the Company may adjust that particular employee’s premium to an amount that is affordable with respect to that employee. The Union agrees to fully cooperate with the Company regarding any adjustment, which may include but is not limited to the provision of information necessary for determining such adjustment.

SECTION 17.00 – PENSION

(a) The Employer shall pay into the Western Conference of Teamsters Pension Trust on behalf of each Fountain Vending Mechanic, Class A Driver, Fountain Vending Delivery Driver, Forklift Operator, Loader, and Full Service Attendant of the bargaining unit (as well as part time, and temporary employees hired to perform bargaining unit work) for each straight time hour for which compensation was paid to a maximum of 2080 hours per calendar year.

Effective June 27, 2021, the hourly contribution rate shall be one dollar and ninety five cents (\$1.95) per straight-time hour.

Effective April 3, 2022, the hourly contribution rate shall be two dollars and fifteen cents (\$2.15) per straight-time hour.

Effective April 2, 2023, the hourly contribution rate shall be two dollars and forty cents (\$2.40) per straight-time hour.

Effective April 7, 2024, the hourly contribution rate shall be two dollars and sixty five cents (\$2.65) per straight-time hour.

Effective April 6, 2025, the hourly contribution rate shall be two dollars and ninety cents (\$2.90) per straight-time hour.

(b) The Employer shall pay into the Western Conference of Teamsters Pension Trust on behalf of each Display Stocker of the bargaining unit (as well as part time hired to

perform bargaining unit work) for each straight time hour for which compensation was paid to a maximum of 2080 hours per calendar year.

Effective June 27, 2021 the hourly contribution rate shall be eighty five cents (\$.85) per straight-time hour.

Effective April 3, 2022, the hourly contribution rate shall be one dollar and five cents (\$1.05) per straight-time hour.

Effective April 2, 2023, the hourly contribution rate shall be one dollar and thirty cents (\$1.30) per straight-time hour.

Effective April 7, 2024, the hourly contribution rate shall be one dollar and fifty five cents (\$1.55) per straight-time hour.

Effective April 6, 2025, the hourly contribution rate shall be one dollar and eighty cents (\$1.80) per straight-time hour.

(c) The hourly pension contribution rates expressed in paragraphs (a) and (b) above include a component (6.5%) for the Program for Enhanced Early Retirement—84 (PEER/84). The contributions for PEER/84 will not be taken into consideration for benefit accrual purposes under the Plan, must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued.

(d) The total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last business day of each month. The Employer agrees to abide by such rules as may be established by the Trustees of said Trust to facilitate the determination of the hours for which contributions are due, the prompt and orderly collection of such amounts and the accurate reporting and recording of such amounts paid on account of each employee for whom contributions are required under this Agreement. Failure to make all payments herein provided for, within the time specified, shall be a breach of this agreement.

(e) Paid holidays, approved holidays, sick leave and approved vacation time shall be counted as regular hours, but no contribution shall be made on overtime hours. Upon termination, vacation hours shall be excluded from the scope of the Employer's obligation to make contributions to the Trust for such compensation.

(f) The Employer and the Union agree to execute the necessary trust documents required by the Trust as a condition of participation in same.

(g) No Company action respecting the Pension Plan/Trust, nor any disputes relating to same, shall be subject to arbitration under this Agreement. Rather, all such disputes shall be resolved in accordance with the procedures specified in the Plan/Trust or applicable law.

(h) For probationary employees hired on or after April 3, 2007 or after the date of Trust Acceptance, the employer shall pay an hourly contribution rate of \$0.10 during the probationary period as defined in Section 5.07, but in no case for a period longer than 90 calendar days from an employee's first date of hire. Contributions shall be made on the same basis as set forth in this Section of this Agreement. After the expiration of the probationary period as defined in Section 5.07, but in no event longer than 90 calendar days from that employee's first date of hire, the contribution shall be increased to the full contractual rate.

17.01 401(K) Plan

As soon as administratively feasible, the parties have agreed to a voluntary contribution to the Teamster's 401K plan. The parties have further agreed that there will be no match from the Company.

SECTION 18.00 – GRIEVANCE PROCEDURE

18.01 A grievance is defined as a claimed violation of the terms of this Agreement, or a claim that a disciplinary action (including discharge) taken against a member of the Bargaining Unit was without just cause. Notwithstanding the above, no grievance protesting the discipline, discharge or other termination of probationary or seasonal employees shall be subject to the grievance or arbitration procedures.

A grievance as defined above shall be processed in the following manner:

Step 1 - Within seven (7) working days after the employee or the Union knows, or by reasonable diligence could have known, of the occurrence or condition which is grieved, either the employee or the Union Steward may present the matter to the employee's supervisor (or if the employee's supervisor is not available, to the next appropriate Company Representative). The matter may be presented either orally or in writing.

Step 2 – If the grievance is not settled at the first step, it must be reduced to writing and signed, initialed or otherwise marked by the employee or the Union Steward and presented to the appropriate Department Manager or Supervisor (or, if the Manager/Supervisor is not available, to another appropriate Company Manager) within the above seven (7) working day period in order for it to be processed to Step 2 of this procedure. The appropriate Department Supervisor and/or Manager, the employee and/or the Union Steward shall meet to discuss the grievance within five (5) working days after it has been received at the second step. The Company shall answer the grievance within five (5) working days after the second step meeting.

Step 3 - Within seventeen (17) working days after the written grievance has been presented to management pursuant to Step 2, the Union or the employee may advance the grievance to the third step of the grievance procedure by so advising

the Company's Human Resources Director (or the Company's designated representative) in writing. Within seventeen (17) working days following receipt of said timely notice, a meeting to discuss the grievance will be held between the National Director of the Union (or the National Director's designated representative) and the Company's Human Resources Director (or the Company's designated representative). The Company shall give a written answer to the grievance following the third step meeting.

- 18.02 Any grievance not advanced to the next step by the Union or the employee within the time limit prescribed in each step shall be deemed resolved on the basis of the Company's last answer to the grievance. Any time limits for the grievance procedure may be extended on a case-by-case by mutual agreement of the Company and the Union in writing; the new agreed date shall then govern. All claims for back wages shall be limited to not more than thirty (30) calendar days prior to the date the written grievance is filed.

SECTION 19.00 - ARBITRATION

- 19.01 If grievance has not been settled after Step 3 of the grievance procedure, it may, but only within thirty (30) calendar days from the date of the Company's third step answer to the grievance, be submitted to arbitration upon the written request of either party sent to the other. An Arbitrator shall be selected in accordance with the provisions of Section 19.05. If no such request is made, the grievance shall be closed.
- 19.02 Employees covered by this Agreement cannot, except through the Union, initiate or invoke the arbitration procedures set forth in these Sections.
- 19.03 If action is not taken by either party to select and to schedule an arbitrator within the ninety (90) calendar days following the written request to arbitrate sent to the other party, the arbitration request will be considered invalid and the grievance shall be considered closed.
- 19.04 After a valid and timely request for arbitration has been made under Section 19.01 the parties will promptly meet for the purpose of selecting an Arbitrator to hear the case. In the event the parties are unable to agree upon the selection of an Arbitrator after receipt by either party of a request to submit a case to arbitration, a request by either party may be made to the Federal Mediation and Conciliation Service to furnish a suggested list of names of seven (7) Arbitrators from which list said parties shall select one (1) Arbitrator. However, before any names are struck from the list if either party feels such list is unsatisfactory, said party shall have the right to request no more than two (2) additional lists of Arbitrators from the Federal Mediation and Conciliation Service.

Upon receipt of the Arbitrators' list, both parties shall have fifteen (15) working days to accept the list or may request for an additional list of Arbitrators. Such selection

shall be made by the parties alternately eliminating names from said lists. After each party has eliminated the names of three Arbitrators from the list, the remaining one (1) shall be accepted by both parties as the Arbitrator to hear and decide the case.

SECTION 20.00 – TERM OF AGREEMENT

This Agreement shall be in force from April 5, 2021 – April 4 2026, and shall automatically renew itself from year to year thereafter unless either party notifies the other in writing at least sixty (60) days prior to April 4, 2026 or the expiration date of the annual renewal, of a desire to modify or terminate this Agreement. Upon the giving of such notice, joint conference shall be arranged promptly at the convenience of the parties for negotiations. Pending negotiations of any new or modified contract, the terms hereof shall remain in full force and effect.

SECTION 21.00 – WAIVER

21.01 Waiver of Negotiation During Life of Contract

It is agreed that all understandings and agreements reached by the parties on matters and conditions properly the concern of negotiation and agreement between the parties hereto are set forth in this Agreement, and that this Agreement may only be modified hereafter by mutual agreement in writing. The parties expressly agree that there is no obligation during the term of this Agreement to negotiate on any matters covered herein. There is no obligation on the part of the Company to pay any bonus or continue any insurance, privilege or benefit for employees not expressly set forth herein.

21.02 Separability

In the event that any Federal or State legislation, government regulation or court decision causes invalidation of any Section or provision of this Agreement, the Company and the Union agree to meet within thirty (30) days to negotiate any Section or provision so affected. All other Sections and/or provisions not so invalidated shall remain in full force and effect. Should the parties be unable to reach agreement, the matter or matters shall be referred to arbitration in accordance with Section 19.02 of the Agreement.

SECTION 22.00 – LABOR/MANAGEMENT COMMITTEE

In order to foster effective labor/management relations, the Company and the Union agree to conduct Labor-Management committee meetings at least once every six months throughout the term of this Agreement.

Two representatives appointed by the Union and two Company representatives shall attend meetings for the purposes of discussing business related issues. Pending grievances and/or individual employee issues will not be discussed at these meetings.

All time spent by an hourly employee in labor-management committee meetings, during the employee's regular work time, shall be paid by the Company at the employee's full rate of compensation.

SECTION 23.00 – ALTERNATIVE DISTRIBUTION

23.01 Change in Type of Distribution

For customers who typically receive direct store delivery, in the event the Company, whether on its own initiative or at the request of a customer, desires to implement indirect sales/store delivers, direct delivers to a customer's warehouse rather than its retail outlets, or direct delivery to a third part warehouse for delivery to the customer's warehouse or retail outlet, the company will give the union at least eight (8) weeks advance notice of the proposed change in distribution method. If the change in distribution method is projected to result in a reduction of bargaining unit employees, the parties shall meet and bargain upon the Union's request over the effects on unit employees.

SECTION 24 – NEW LOCATION / RELOCATION

24.01 New Location/Relocation

In the event the Employer closes or relocates the existing facilities (Riverside, Palm Springs, El Centro) to another location within Riverside County, Imperial County, or San Bernardino County, the Employer shall apply the terms and conditions of this agreement to the covered employees at the relocated facility. The right of current bargaining unit employees to staff the relocated location shall be exercised in seniority order. The employer must honor all transfer requests from current bargaining unit employees, including those on layoff, before considering external applicants.

SECTION 25 - SUCCESSOR & ASSIGNS

25.01 Successor & Assigns

This agreement shall be binding upon both parties, their successors and assigns. In the event of a sale or transfer of the business or the employer, or any part thereof, the purchaser or transferee shall be bound by this agreement.

This is a final and binding collective bargaining agreement and supersedes all prior Agreements of whatever kind or character.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the ____ day of _____, 2021

FOR THE COMPANY:

By: 

By: _____

By: _____

FOR THE UNION:

By:  1932

By:  Local 495

By:  Local 542

**SIDE LETTER OF AGREEMENT
Driver's License/Insurance Policy**

**THE AMERICAN BOTTLING COMPANY
and
TEAMSTERS UNION LOCALS NO. 1932, 542 AND 495**

This Letter of Agreement is entered into by and between The American Bottling Company ("Employer") and the Teamsters Local Union No. 1932, 542 and 495 ("Unions").

The Employer has the Driver's License and Insurance Policy that provides the guidelines used when an employee's license is suspended.

The Parties agree that this is an addendum to the Driver's License and Insurance Policy for drivers only. The agreement is the following:

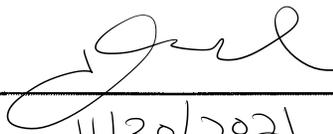
1. When an employee has a suspended license, the employee will be permitted to transfer into a different position if an opening exists provided that the employee has the skill and qualifications to do perform the job.
2. If a position does not exist, the employee will be placed on a Leave of Absence (LOA) until the employee's license is reinstated in accordance with the Leave of Absence provisions of the Agreement.
3. When/If the employee's license is reinstated; the employee will notify the Employer. If a position is available, the employee will be placed back into that position with no loss of seniority.
4. During this LOA, the employee's benefits will be cancelled and the employee will be eligible for COBRA coverage.

In case of conflict, the terms of this Agreement will supersede the terms of any other agreement between the Parties. This Agreement will become effective upon signing and no further ratification of this Agreement is required by either Party.

Except as set forth above, the terms of the Parties' 2017 – 2021 Collective Bargaining Agreement previously agreed upon will remain in effect.

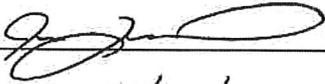
THE AMERICAN BOTTLING COMPANY

TEAMSTERS LOCAL UNION #1932

By 
Date: 11/30/2021

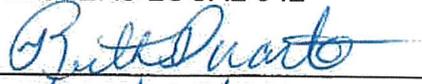
By 
Date: 11-23-21

TEAMSTERS LOCAL 495

By 

Date: 11/22/2021

TEAMSTERS LOCAL 542

By 

Date: 11/23/2021

**SIDE LETTER OF AGREEMENT
Truck Assignments**

**THE AMERICAN BOTTLING COMPANY
and
TEAMSTERS UNION LOCALS NO. 1932, 542 AND 495**

This Letter of Agreement is entered into by and between The American Bottling Company ("Employer") and the Teamsters Local Union No. 1932, 542 and 495 ("Unions").

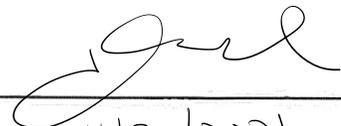
The parties agree to the following:

Employer will assign trucks based on seniority.

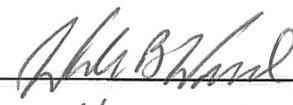
In case of conflict, the terms of this Side Letter will supersede the terms of any other agreement between the Parties. This Side Letter will become effective upon signing and no further ratification of this Agreement is required by either Party.

Except as set forth above, the terms of the Parties' 2021-2026 Collective Bargaining Agreement previously agreed upon will remain in effect.

THE AMERICAN BOTTLING COMPANY

By 
Date: 11/30/2021

TEAMSTERS LOCAL UNION #1932

By 
Date: 11-23-24

TEAMSTERS LOCAL 495

By 
Date: 11/22/2021

TEAMSTERS LOCAL 542

By 
Date: 11/23/21

**SIDE LETTER OF AGREEMENT
Display Stockers**

**THE AMERICAN BOTTLING COMPANY
and
TEAMSTERS UNION LOCALS NO. 1932, 542 AND 495**

This Letter of Agreement is entered into by and between The American Bottling Company ("Employer") and the Teamsters Local Union No. 1932, 542 and 495 ("Unions").

The parties agree to the following:

Display Stockers' scheduled days off will be assigned by seniority. The Employer maintains the right to schedule more Display Stockers on the weekends based on the needs of the business.

In case of conflict, the terms of this Side Letter will supersede the terms of any other agreement between the Parties. This Side Letter will become effective upon signing and no further ratification of this Agreement is required by either Party.

Except as set forth above, the terms of the Parties' 2021-2026 Collective Bargaining Agreement previously agreed upon will remain in effect.

THE AMERICAN BOTTLING COMPANY

By 

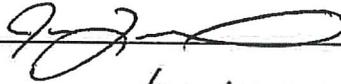
Date: 11/30/2021

TEAMSTERS LOCAL UNION #1932

By 

Date: 11-23-21

TEAMSTERS LOCAL 495

By 

Date: 11/22/2021

TEAMSTERS LOCAL 542

By 

Date: 11/23/21

MEMORANDUM OF AGREEMENT
Loader Incentive

This Memorandum sets forth the parties' agreement concerning the assignment of work to Loaders and individual incentive pay for Loaders who exceed the productivity and accuracy standards set forth herein.

It is expressly understood that, following changes in process, equipment/technology, or the warehouse layout, the Company has the right to reasonably modify the incentive standards. The Company must give the Union at least two (2) weeks' advance written notice of its intent to modify the incentive standards and, upon request, discuss the matter with the Union prior to implementing the modified incentive standards in an effort to reach mutual agreement. If the Company implements modified standards without mutual agreement from the Union, the Union shall have the right to challenge, through the grievance-arbitration procedure, the application of the modified standards.

Assignment of Loading Work

Available loading work will be assigned on a first-come, first-serve basis, one assignment at a time. When necessary, the Company may assign an order or orders needing more immediate attention before other orders, even if those other orders were received first.

If a Loader finishes his/her order and there are no remaining orders to be picked and no other work for him/her to do, the Loader may be released, even if other Loaders and employees have work remaining.

Productivity and Accuracy Standards for Incentive Pay

Loader productivity and accuracy will be tracked on a daily basis. However, the Company will use a Loader's weekly averages for incentive pay purposes. Loader productivity will be determined by dividing the total number of cases picked by the Loader by the total number of hours the Loader is clocked in (i.e., "clock to clock").

In order to receive the incentive pay, a Loader must maintain an accuracy level of at least 99.5% for the week.

Those who do so will receive incentive pay as follows:

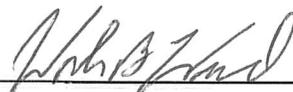
- 220 cases per hour, but less than 230 cases per hour - \$.75 per hour added to his base hourly wage rate for all hours worked that week up to 40 hours, and the higher rate will be used for purposes of computing overtime pay.
- 230 cases per hour, but less than 240 cases per hour - \$1.50 per hour added to his base hourly wage rate for all hours worked that week up to 40 hours, and the higher rate will be used for purposes of computing overtime pay.

- 240 cases per hour, but less than 250 cases per hour - \$2.25 per hour added to his base hourly wage rate for all hours worked that week up to 40 hours, and the higher rate will be used for purposes of computing overtime pay.
- 250 cases per hour or more - \$3.00 per hour added to his base hourly wage rate for all hours worked that week up to 40 hours, and the higher rate will be used for purposes of computing overtime pay.

THE AMERICAN BOTTLING COMPANY

By 
Date: 11/30/2021

TEAMSTERS LOCAL UNION #1932

By 
Date: 11-23-21

TEAMSTERS LOCAL 495

By 
Date: 11/22/2021

TEAMSTERS LOCAL 542

By 
Date: 11/23/21

MEMORANDUM OF AGREEMENT
Mileage Reimbursement

The current mileage reimbursement rate for Display Stockers is \$.505/mile. Effective October 1, 2014, the Company shall increase the mileage reimbursement rate to \$.525/mile. Effective October 1, 2016, the Company shall increase the mileage reimbursement rate to \$.545/mile.

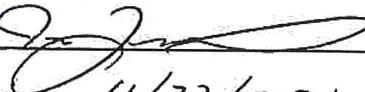
THE AMERICAN BOTTLING COMPANY

By 
Date: 11/30/2021

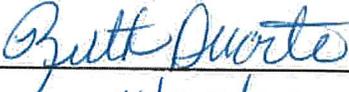
TEAMSTERS LOCAL UNION #1932

By 
Date: 11-23-21

TEAMSTERS LOCAL 495

By 
Date: 11/22/2021

TEAMSTERS LOCAL 542

By 
Date: 11/23/21

JOB CLASSIFICATION	Current	Year 1			Year 2			Year 3			Year 4			Year 5		
		Total New Rate	April	October												
Fountain Vending Mechanic	\$25.92	\$26.92	\$26.92		\$27.57	\$27.25	\$27.57	\$28.22	\$27.90	\$28.22	\$28.87	\$28.55	\$28.87	\$30.00	\$29.44	\$30.00
Class A Driver	\$24.90	\$26.50	\$26.50		\$27.85	\$27.18	\$27.85	\$28.55	\$28.20	\$28.55	\$29.25	\$28.90	\$29.25	\$30.00	\$29.63	\$30.00
Fountain Vending Delivery Driver	\$23.16	\$24.16	\$24.16		\$24.76	\$24.46	\$24.76	\$25.36	\$25.06	\$25.36	\$25.96	\$25.66	\$25.96	\$26.61	\$26.29	\$26.61
Forklift Operator	\$22.75	\$23.75	\$23.75		\$24.35	\$24.05	\$24.35	\$24.95	\$24.65	\$24.95	\$25.55	\$25.25	\$25.55	\$26.20	\$25.88	\$26.20
Loader*	\$18.85	\$20.45	\$19.65	\$20.45	\$21.85	\$21.15	\$21.85	\$22.40	\$22.13	\$22.40	\$22.95	\$22.68	\$22.95	\$23.50	\$23.23	\$23.50
Display Stocker	\$18.54	\$19.75	\$19.75		\$21.00	\$20.38	\$21.00	\$21.50	\$21.25	\$21.50	\$22.05	\$21.78	\$22.05	\$22.60	\$22.33	\$22.60
Full Service Attendant	\$17.60	\$18.25	\$18.25		\$18.65	\$18.45	\$18.65	\$19.05	\$18.85	\$19.05	\$19.45	\$19.25	\$19.45	\$19.85	\$19.65	\$19.85
Class B Driver	N/A	\$24.40	\$24.40		\$25.85	\$25.13	\$25.85	\$26.50	\$26.18	\$26.50	\$27.16	\$26.83	\$27.16	\$27.84	\$27.50	\$27.84
Class C (Non-CDL) Driver	\$20.65	\$21.05	\$21.05		\$21.45	\$21.25	\$21.45	\$21.85	\$21.65	\$21.85	\$22.25	\$22.05	\$22.25	\$22.70	\$22.48	\$22.70

Appendix A: Wages