

# AGREEMENT

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between

**PEPSI BEVERAGES COMPANY  
AURORA, ILLINOIS**

and

**TEAMSTERS, CHAUFFEURS, SALES DRIVERS AND HELPERS  
LOCAL NO. 673**

**Affiliated with International Brotherhood of Teamsters,  
Affiliated with Teamsters Joint Council No. 25**

**April 29, through April 28,**

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## SOFT DRINK DRIVERS AND HELPERS

This Memorandum Agreement, entered into this 29th day of April, 2012, by and between PEPSI BEVERAGES COMPANY (hereinafter called the "Employer") and their respective successors, administrators, executors and legal representatives and the TEAMSTERS, CHAUFFEURS, SALES DRIVERS AND HELPERS, LOCAL UNION NO. 673, affiliated with the International Brotherhood of Teamsters, affiliated with Teamsters Joint Council No. 25 (hereinafter called the "Union").

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**Comment:** No change same in both.

WHEREAS, it is the intent and purpose of this Agreement to promote and improve industrial relations between the Employer and its employees; aid toward the economical and profitable operation of the plant; make reasonable provisions for the safety and health of the employees; accomplish and maintain the highest efficiency and quality of work performance; provide methods for a prompt and peaceful adjustment of grievances; insure against any interruption of work, slowdown, or other interference with work performance; strengthen good will, mutual respect and cooperation; set forth the agreement covering rates of pay, hours of work, and other conditions of employment to be observed between the parties to this Agreement.

NOW, THEREFORE, the parties agree as follows:

### ARTICLE 1 - Unauthorized Strike

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**Comment:** No change same in both.

It is agreed that in all cases of an unauthorized strike, slowdown, walkout, sympathy strike, or any unauthorized cessation of work, that the Union shall not be liable for damage resulting from such unauthorized acts of its members where not authorized by the Union. While the Union shall undertake every reasonable means to induce such employees to return to their jobs during any such period of unauthorized stoppage of work mentioned above, it is specifically understood and agreed that the Employer during the first twenty-four (24) hour period of such unauthorized work stoppage, shall have the sole and complete right of discipline, short of discharge.

After the first twenty-four (24) hour period of such stoppage, however, the Employer shall have the right to immediately discharge any employee participating in any unauthorized strike, slowdown, walkout, sympathy strike, or any other unauthorized cessation of work and such employee shall not be entitled to or have any recourse to any other provision of this Agreement.

Notwithstanding any other language in this Agreement to the contrary, it shall not be a violation of this Agreement and it shall not be cause for disciplinary action or discharge if any employee or employees refuse to go through a primary picket line of any union. It is understood that the protection conferred by this section shall only apply if the company involved is not a parent, subsidiary and/or affiliate of Pepsi Beverages Company.

### ARTICLE 2 - Recognition

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**Comment:** Need to combine inside and outside. 2.1 needs to merge.

2.1 **General.** The Employer hereby recognizes the Union as the exclusive bargaining agent with respect to wages, hours and other conditions of employment for all Regular Route Driver Salesmen, Special Events Men, Express Drivers, Transport Drivers, Pre-sell Driver/Merchandisers, Full Service Drivers, Food Service Drivers, On-Premise Utility Drivers, Swingmen, Relief Driver Trainers and Merchandisers in the Employer's plants,

but excluding, however, all office, clerical, administrative and professional employees, process control employees, checkers and supervisory employees with authority to hire, discharge, discipline or change the status of an employee or effectively recommend such action, and all employees presently represented by other labor organizations.

- 2.2 **Individual Agreements**. The Employer will bargain with no other union with respect to this bargaining unit during the term of this Agreement and further agrees not to enter into any other agreements or contracts with its employees, individually or collectively, which in any way conflict with the terms and provisions of this Agreement.
- 2.3 This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event the entire operation is sold, leased, transferred, consolidated, merged or taken over by sale, transfer, lease, assignment, consolidation, merger, receivership or bankruptcy proceedings, such operation shall continue to be subject to the extent applicable to the terms and conditions of this Agreement for the life thereof.

### ARTICLE 3 - Conflict with Law

It is the intent of the parties to this Agreement that its provisions be in conformity with applicable federal and state law and regulations issued thereunder. If any provision of this Agreement is found to be in conflict with any such laws or regulations, such provisions shall be void and of no further force and effect but the remainder of the Agreement shall not be affected thereby. The parties shall meet promptly upon request of either party for the purpose of attempting to negotiate a lawful provision to replace any provision as voided.

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### ARTICLE 4 - Union Security and Checkoff

- 4.1 **Union Membership**. All present employees who are members of the Union on the effective date of the execution of this Agreement shall remain members of the Union as a condition of employment. All present employees who are not members of the Union and all employees who are hired hereafter shall become and remain members of the Union as a condition of employment on and after the 31st day following the beginning of their employment or on and after the 31st day following the effective date of this subsection or the date of this Agreement, whichever is the later. This provision shall be made and become effective under the provisions of the National Labor Relations Act, but not retroactively. The term "members of the Union" as used in this section shall be limited to the payment of initiation fees and membership dues uniformly required as a condition of acquiring or maintaining membership.
- 4.2 **Checkoff**. On the receipt of written authorization from each employee, the Employer agrees to deduct monthly Union dues from the pay of each employee on a monthly basis for a period of three (3) months in advance and remit same to Local 673 no later than the last day of the first month of each calendar quarter; namely, January, April, July and October. Such authorization once given shall be irrevocable for the term of the applicable contract between the Union and the Employer or for one (1) year, whichever is the lesser, and shall automatically renew itself for successive yearly or applicable contract periods thereafter, whichever is the lesser.

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Upon receipt of written authorization from each employee, the Employer agrees to deduct initiation fees, reinitiation fees, transfer fees, dues in arrears and uniform assessments, if any. Such deductions will be made once weekly and remitted to Local 673. Deductions shall be made weekly until the aggregate amount of the Union fees, dues arrearage and uniform assessments has been deducted. Additionally, during that time the Employer agrees to deduct from the pay of such members the regular amount of monthly dues on a monthly basis for a period of three (3) months in advance and remit same to Local 673 no later than the last day of the first month of each calendar quarter; namely, January, April, July and October. A refusal by the Employer to remit to the Union dues, fees and assessments which have already been deducted by the Employer, or a refusal by the Employer to deduct dues from the employee, shall constitute a breach of this contract, and the Union shall have the right to call a work stoppage providing that prior thereto the Union shall give the Employer ten (10) days notice, in writing, by certified mail, and said dues are not thereafter remitted.

Under the terms of this Article the Employer shall have no obligation to discharge any employee at the request of the Union, except for the nonpayment of regular dues and initiation fees normally required of all employees.

An employee who has failed to acquire, or thereafter, maintain, membership in the Union as herein provided, shall be terminated seventy-two (72) hours after the Employer has received written notice, certifying that membership has been, and is continuing to be, offered to such employee on the same basis as all other members and, further, that the employee has had written notice (copy to the Employer) and opportunity to make payment of all dues and initiation fees.

- 4.3 **Indemnity.** The Union shall indemnify and save the Employer harmless against any and all claims, demands, suits, or other forms of liability that shall arise out of, or by reason of, action taken or not taken by the Employer for the purpose of complying with any of the provisions of this Article.
- 4.4 **Drive.** 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 employees social security number (last four digits) 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.

## ARTICLE 5 - Wage Scale - Regular Route Driver Salesmen

- 5.1 **Minimum Weekly Guarantee.** Regular Route Driver Salesmen shall be guaranteed a minimum of \$150/\$130 for a five (5) consecutive day workweek Monday through

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**Comment:** Outside only do we remove Conv language.

Saturday, or \$30/\$26 per day worked. In the event Regular Route Driver Salesmen are required to work on an off day (Monday through Sunday) they shall be guaranteed \$30/\$26 or one-fifth (1/5th) of their weekly base pay plus commissions earned on that day, whichever is greater. In the event Regular Route Driver Salesmen shall not be available for and shall work less than five (5) days in any week, the guarantee for that period shall be the number of days worked times \$30/\$26 respectively. If a commission employee works on an off day to perform merchandising work in his accounts the employee shall receive base pay only.

In the event of a power failure and/or acts of God which interfere with work being provided on a day(s) during the workweek, the minimum weekly guarantee shall be reduced \$30/\$26 respectively or one-fifth (1/5th) of their weekly base pay plus commissions per each workday affected by any of the aforementioned events.

- 5.2 **Sunday and Holiday Operations.** There shall be no work scheduled for Regular Route Driver Salesmen on Sundays or on the Holidays except as otherwise provided in this Agreement.
- 5.3 **Two Truck Operations.** During the regular workweek (Monday through Sunday), a second truck may be used to deliver merchandise on a route if there is a need for extra merchandise. When a second truck is utilized, a Swingman or Merchandiser, if qualified, may drive the truck out to and from the route. He will be paid \$10 per day for such additional assignment. Under all circumstances the Route Driver Salesman and Swingman or Merchandiser will service all accounts together on one truck. Furthermore, one of the trucks must be parked while one truck is being operated. As in the past, each Route Driver Salesman and Swingman or Merchandiser, if assigned, will completely service his/ their assigned route on a daily and weekly basis. Any Driver and/or Swingman or Merchandiser who violates this Section is subject to discipline.
- 5.4 **Supplemental Compensation.** A Regular Route Driver Salesman who works over 50 hours during the workweek shall be paid ten dollars (\$10) for every hour he works over 50 hours in addition to his base pay and commissions.
- 5.5 **Overtime Scheduling.** If work is required on an off day (Monday through Sunday), the Employer will offer the work to the Route Driver Salesman in the affected group(s) of routes to be serviced in order of the route case volume scheduled to be delivered, the Route Driver Salesman in each group on the route with the greatest case volume being offered the work first. If no such Route Driver Salesman accepts the work, the Employer will offer the work to Swingmen. If no Swingman accepts the work, the Employer will offer the work to qualified employees who have signed the overtime list which the Employer posts each Thursday. The Employer will offer the work to employees on the list in order of seniority. If no employee on the list is available, the Employer will offer the work to other qualified employees. If no qualified employee accepts the work, the Employer may require the least senior employee(s) qualified to operate a route truck to perform the work.

## ARTICLE 6 - Route Adjustment

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Comment: Outside only

- 6.1 **General.** This article will not apply to route changes made pursuant to Article 9. The Employer shall have the right from time to time to allot to, change, extend or split up the territory of Route Driver Salesmen or Pre-sell Driver/Merchandisers employed or to be employed by it. In such event, the provisions of this Article shall apply. When the Employer decides to cut an existing route, the Employer shall give the Union one (1) week's notice of the intended cut. No Route Driver Salesman or Pre-sell Driver/Merchandisers shall have his assigned route cut if the Route Driver Salesman or Pre-sell Driver/Merchandisers is under a three (3) month guarantee period as a result of a previous cut of such route. It is understood that this Article applies only to Route Driver Salesmen who work in the conventional route distribution system and to Pre-sell Driver/Merchandisers who work in the pre-sell route distribution system.

**Contiguous Commission Routes.** In the future there will be no split routes wherein the accounts assigned to a route would not be within the allotted contiguous territory of a commission route. However, any present split routes need not be readjusted to conform to the contractual provisions relating to allotted contiguous territories.

- 6.2 **Guarantee.** When the Employer shall cut the route of any Route Driver Salesman or Pre-sell Driver/Merchandisers, or apportion any part of his route to any other route, the Route Driver Salesman or Pre-sell Driver/Merchandisers shall continue to receive, as a minimum, base pay and commissions equal to the average base pay and commissions paid on said route the last twenty (20) regular workdays previous to the cut of said route and shall continue to receive the same on any such route as an average over each twenty (20) consecutive regular workdays following the cut, for a period of three (3) months that said Route Driver Salesman or Pre-sell Driver/Merchandisers operates the route. It is understood that the plan of payment ceases three (3) months after said route has been cut.

Provided, that when a Route Driver Salesman or Pre-sell Driver/Merchandisers sells more over a twenty (20) consecutive regular workday period than he sold previous to the cut of his route, he shall receive commissions on all such sales and be allowed to fall back to his specified salary if his sales drop.

It is understood no guarantee applies for Route Driver Salesman and/or Pre-sell Driver/Merchandisers:

- (a) In cases where route adjustments result in simple addition to a route or changes which result in no decrease in commissions, as determined by a comparison generated on the accounts involved during the four (4) full weeks immediately preceding the change.
- (b) The route cut is requested by the Route Driver Salesman or Pre-sell Driver/Merchandisers in writing and a copy of such request is furnished to the Union. The cut shall not take effect until the Union is given an opportunity to examine the facts.

- (c) The route cut is requested by the customer and/or if the route is eliminated. An account is not "cut" from a route and no guarantee shall be paid if the account closes and/or if the nature of the account significantly changes (i.e., the account is converted from a "Mass Merchandiser" to a "SuperCenter").

- 6.3 **Route Elimination.** The Employer shall have the right to reduce, extend or discontinue any routes according to the requirements of said Employer's business, except that the Employer shall not discontinue any assigned route on which delivery during the four (4) preceding weeks shall amount to an average of 1,500 or more cases per week in said four (4) week period unless the Employer and the Union agree otherwise. (For purposes of route elimination, each Pre-Mix Tank and Transfer Tank shall be counted as four (4) cases.)

Open routes may be eliminated; the elimination of open routes shall not be used by the Employer as a means of frustrating the bidding procedure set forth in Article 7. Upon completion of the bidding procedures as set forth in Article 7 wherein a route still remains open, the Employer will either eliminate that route or offer to a Route Driver Salesman or Pre-sell Driver/Merchandisers assigned to a comparable type route within the distribution center, the opportunity to be reassigned to such open route. Upon completion of this procedure, the remaining open route may be eliminated.

- 6.4 **Route Driver Salesman and/or Pre-sell Driver/Merchandisers Displacement.** In the event of the discontinuance of an assigned route as above, the Route Driver Salesman or Pre-sell Driver/Merchandisers affected shall be given an opportunity to displace the least senior Route Driver Salesman or Pre-sell Driver/Merchandisers on a route with guarantees as set forth in Section 6.2 of this Article, provided he is capable of performing the displaced Route Driver Salesman's or Pre-sell Driver/Merchandisers' work and provided further that he has greater seniority. If no other work is available, that least senior Route Driver Salesman or Pre-sell Driver/Merchandisers shall be given the opportunity to displace the least senior Swingman, provided he has greater seniority. The Swingman so displaced will become a Merchandiser. His seniority among Merchandisers will then be determined by his seniority's relation to that of other Merchandisers.

## ARTICLE 6 - WEEKLY GUARANTEE

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**Comment:** Article 6 in the inside agreement is weekly guarantee. No change.

- 6.1. **Guarantee.** Any employee who is regularly scheduled and who reports for work and any employee who is notified to report and who does report for work during the regular workweek and continues to be available and willing to work each day of the regular workweek shall be guaranteed a workday and workweek of eight (8) hours per day for those employees scheduled to work five (5) eight (8) hour days; ten (10) hours per day for those employees scheduled to work four (4) ten (10) hour days; or twelve (12) hours per day for those employees scheduled to work three (3) twelve (12) hour days and thirty-six (36) hours per week for those employees scheduled to work three (3) twelve (12) hour days or forty (40) hours per week for those employees scheduled to work five (5) eight (8) hour days or four (4) ten (10) hour days at the appropriate rate for the job classification to which he may be assigned. This section shall not apply:



- (a) In the event of power failure, breakdown of utilities, breakdown of equipment, floods, storms, riots, strikes, fires, acts of God which interfere with work being provided, except that employees working on the shift during which such an event occurs shall be guaranteed work, or pay in lieu thereof, for the remainder of the eight (8) hour shift for those employees scheduled to work five (5) eight (8) hour days; ten (10) hour shift for those employees scheduled to work four (4) ten (10) hour days; or twelve (12) hour shift for those employees scheduled to work three (3) twelve (12) hour days. Employees assigned to the immediately following shift shall be notified not to report for work by telephone, at the telephone number appearing on their personnel record, at least two (2) hours prior to the starting time of their shift. If such notice to the telephone number of record is not made, such employees shall receive eight (8) hours' work or eight (8) hours' pay in lieu of work for those employees scheduled to work five (5) eight (8) hour days; ten (10) hours' pay in lieu of work for those employees scheduled to work four (4) ten (10) hour days; or twelve (12) hours' pay in lieu of work for those employees scheduled to work three (3) twelve (12) hour days. In the event any of the aforementioned events occur when a shift is not working, employees assigned to the first shift following the event will only be paid for time they work, if any.
  - (b) In any case in which an employee shall not be put to work, or kept at work, or shall be released from work after having been put to work by reason of discipline or suspension for just cause.
  - (c) In any case in which an employee has not been scheduled or notified to report for work but who reports for work without call on his own accord.
  - (d) In any case where an employee is absent so that notice not to report cannot be given him while at work, or through reasonable effort by the Employer.
  - (e) In any case where an employee fails to report for work after being scheduled to work.
  - (f) In the event that one of the seven (7) paid holidays occurs or falls during the normal workweek thus reducing the weekly guarantee to four (4) days or thirty-two (32) hours for those employees scheduled to work five (5) eight (8) hour days; three (3) days or thirty (30) hours for those employees scheduled to work four (4) ten (10) hour days; or two (2) days or twenty-four (24) hours for those employees scheduled to work three (3) twelve (12) hour days.
  - (g) In any case where an employee refuses to perform the work to which he assigned, provided he is capable of performing the work assigned.
  - (h) In any case where an employee is called back to work from a layoff of five (5) days or more, and is scheduled to report on a day other than his normal scheduled starting day; provided, however, that this exception shall be used only three (3) times for any one employee during any three (3) month period.
- 6.2. **Hours Not Worked.** Hours not worked, for which wage payment is made under the provisions of this Article, shall not be considered as time worked in determining daily, weekly or any other forms of overtime.

## ARTICLE 7 - Route Bidding

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When a vacancy for a Route Driver Salesman or Pre-sell Driver/Merchandiser occurs in a distribution center, the senior Route Driver Salesman or Pre-sell Driver/Merchandiser shall have the right to fill such vacancy. The procedure for filling such vacancy will be as follows:

- (1) The Employer will post the initial vacancy promptly for three (3) workdays and will fill the vacancy on the Monday following the close of bidding.
- (2) The successful bidder shall not have the opportunity to bid on another route or position for a twelve (12) month period following his assignment to the vacancy.
- (3) If another route or position becomes open and the senior Route Driver Salesman or Pre-sell Driver/Merchandiser is not eligible to bid on such route or position, the next senior Route Driver Salesman or Pre-sell Driver/Merchandiser shall have the right to fill the vacancy.
- (4) Any CDL position that the Company anticipates or that is actually open for four (4) or more weeks due to the existing bid holder being off (disability, or leave of absence) will be posted as a (temporary) bid within the swing (relief) pool with the understanding that the temporary bid holder must be qualified for the position and upon the return of the bid holder will be returned to his/her previous position and the (temporary) driver will return to his/her previous position.

All Classifications of work except the Anchor/Conventional positions shall be rebid at a minimum of once per calendar year, with the understanding that any positions currently not required to be bid by the organization will remain so except for the annual re-bid.

Should the senior Route Driver Salesman or Pre-sell Driver/Merchandiser pass up the chance to take an open route or position, the next senior Route Driver Salesman or Pre-sell Driver/Merchandiser shall exercise his preference, and so on until such vacancy is filled. Where the filling of the initial vacancy by the above procedure results in another vacancy for a Route Driver Salesman or Pre-sell Driver/Merchandiser, such vacancy shall also be filled pursuant to the above bidding procedure but thereafter the Employer shall have the right pursuant to Section 6.3 to fill or to eliminate the remaining vacancy. Assignment to the last resulting vacancy, if any, will be given first to Swingmen, and then to Merchandisers in accordance with their length of service as a Merchandiser.

A Merchandiser who has a CDL and is otherwise qualified to perform the duties of an Express Driver may bid to become a Swingman on the conventional system. An Express Driver who does not have Route Driver Salesman seniority may bid to become a Swingman on the conventional system.

Merchandiser work schedules (including geography) will be posted for bid by seniority. Work schedules will bid one time per year.

If the Merchandiser becomes a Route Driver Salesman he will be compensated as a Route Driver Salesman. If the Merchandiser subsequently becomes a Swingman after having been a Route Driver Salesman he will receive the rate of pay for the Swingman position.

If the Express Driver becomes a Route Driver Salesman he will be compensated as a Route Driver Salesman. If the Express Driver subsequently becomes a Swingman after having been a Route Driver Salesman he will receive the rate of pay for the Swingman position.

During each bidding period, if the senior eligible Route Driver Salesman or Pre-sell Driver/Merchandiser is absent, on vacation, or on a medical leave and desires to bid on such vacancy, he may submit a written bid. The Employer will assign such vacancy to such Route Driver Salesman or Pre-sell Driver/Merchandiser so long as the Route Driver Salesman or Pre-sell Driver/Merchandiser can perform as a Route Driver Salesman or Pre-sell Driver/Merchandiser within thirty (30) calendar days after the closing of the bidding period. In no event shall the guarantees set forth in Article 6 apply to the filling of vacancies.

When a vacancy in the Express Driver classification occurs, it will be posted for three workdays and filled by the following procedure. The selection is by seniority among those bidding within a classification with Route Driver Salesmen having first preference, then Pre-sell Driver/Merchandiser, Swingmen, and Merchandisers.

The successful bidder shall not have the opportunity to bid on another position for a twelve (12) month period following his assignment to the vacancy.

Where the filling of an Express Driver opening causes another opening, it also is filled by the above bidding procedure, but other resulting openings thereafter will be filled at the Company's discretion.

If Express Driver positions are unfilled after the bidding procedure is completed, the Employer may hire employees for this position from outside applicants.

After the completion of 12 months in the Express Driver Classification, a Route Salesman or Pre-sell Driver/Merchandiser may use his seniority (route sales plus sales delivery) to bid on open commission routes or positions.

**D-Bay.** If there are more Delivery Drivers than there are delivery schedules on any given day, the Delivery Driver will drop to the Swing Pool, and shall utilize his seniority to bid from the available work within the Swing Pool (Outside Contract positions).

## ARTICLE 7 - WAGES: PRODUCTION AND WAREHOUSE EMPLOYEES

- 7.1 **Wage Rates.** The following hourly rates of pay for each job classification shall become and remain in full force and effect for the term of this Agreement as of the dates specified:

Warehouse	4/29/12	4/29/13	4/29/14	4/29/15
Warehouse / General Plant	\$18.05	\$18.45	\$18.85	\$19.25
Lift Truck Operator	\$18.20	\$18.60	\$19.00	\$19.40
Truck Hiker	\$18.55	\$18.95	\$19.35	\$19.75

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Comment: From inside agreement.

<b>Temporary (Blue Card)</b>	<b>4/29/12</b>	<b>4/29/13</b>	<b>4/29/14</b>	<b>4/29/15</b>
Temporary (Blue Card)	\$13.15	\$13.55	\$13.95	\$14.35

A regular employee classified as a Lift Truck Operator, Truck Hiker or Warehouseman/General Plant who has previously held one or both of the other classifications may exercise his seniority to bid on a vacancy in the Lift Truck Operator, Truck Hiker or Warehouseman/General Plant classification he previously held.

New employees will be started at the following straight-time regular hourly rate of pay and will progress to the full rate of their respective job classification, as set forth above:

Start through 6 months	\$2.00 below rate
7 months through 12 months	\$1.50 below rate
13 months through 18 months	\$1.00 below rate
19 months through 24 months	\$0.50 below rate
Over 24 months	Rate of classification

Lead Person: When and if the Employer determines the need for any employee to act as a Lead Person in a department such employee shall receive a Lead Person premium of \$.50 per hour for each hour so assigned over and above the hourly rate for the highest classification he directs in the department.

7.2 **Transfer Rate.** An employee of the above who is temporarily assigned by the Employer to a job classification other than his regular job classification shall receive the rate of the temporary assignment or the rate of his regular job classification whichever is the higher for the time spent on the temporary assignment as follows:

- A minimum of 1 hour but less than 2 = 2 hours
- A minimum of 2 hours but less than 4.5 = 4.5 hours
- A minimum of 4.5 hours but less than 8 = 8 hours

All work performed on such temporary assignment in excess of eight (8) hours in any one workday for those employees scheduled to work five (5) eight (8) hour days; in excess of ten (10) hours in any one workday for those employees scheduled to work four (4) ten (10) hour days; in excess of twelve (12) hours in any one workday for those employees scheduled to work three (3) twelve (12) hour days shall be paid for at one and one-half (1 ½) times the higher rate of pay.

In the event an employee in the classifications listed in Section 7.1 is transferred in lieu of a layoff, he shall be paid the base rate of the job classification to which he is transferred. Such an employee who is permanently transferred and an employee who requests a transfer from one

job classification to another shall receive the base rate of the job classification to which he is transferred.

- 7.3 **Transfer- MEM to Warehouse Department.** There shall be no involuntary transfer of an employee from the MEM Department to the Warehouse Department.
- 7.4 **Shift Differential.** Employees assigned to and working on the afternoon shift shall receive a differential of 15 cents per hour. Employees assigned to and working on the night shift shall receive a differential of 20 cents per hour. Such shift differential shall be in addition to the rates of pay established in Article 7 and Article 8 and shall be included in the regular hourly rate for the purpose of computing overtime, holiday and vacation pay.

## ARTICLE 8 - Hours of Work

### ARTICLE 8 - MEM DEPARTMENT

The parties agree that effective July 19, 1992, the Employer will recognize the Union as the exclusive bargaining agent with respect to wages, hours, and other conditions of employment for all MEM Employees (General Labor, Shop Servicemen, and Field Service Technicians), but excluding all other employees. MEM employees will be covered by the terms of the Agreement covering Soft Drink Inside Workers with the following exceptions:

- 8.1 **Seniority.** Seniority will only apply on a job classification basis within MEM.

Seniority is defined as an employee's length of continuous service from his date of last employment in one of the classifications referred to in Section 2. In the case of multiple hiring on the same day, seniority shall be assigned alphabetically based upon the employee's surname.

- 8.2 **Classification and Rates.** MEM employees will be paid the following straight-time hourly rates:

MEM Department	4/29/12	4/29/13	4/29/14	4/29/15
General Labor	\$14.60	\$15.00	\$15.40	\$15.80
Shop Serviceman	\$17.85	\$18.25	\$18.65	\$19.05
Field Service Tech	\$20.65	\$21.05	\$21.45	\$21.85

After six (6) months of employment a General Labor employee will receive an additional \$.50 per hour. After twelve (12) months of employment a General labor employee will receive an additional \$.50 per hour. After eighteen (18) months of employment a General Labor employee will receive an additional

Beauvais, Andrea {PBC} 4/24/16 5:39 PM

**Comment:** Need to merge inside Article 5 Hours of Work and OT language with outside Article 8 Hours of Work. Could move wages to an appendix.

Beauvais, Andrea {PBC} 4/24/16 5:56 PM

**Comment:** Article 8 from Inside agreement.

\$.50 per hour. After twenty-four (24) months of employment a General Labor employee will receive an additional \$.50 per hour. After two (2) years of employment, a General Labor employee's name will be added to the bottom of the Shop Serviceman classification seniority list.

A leadman may be assigned, at the Company's discretion, in the Shop Serviceman and Field Service Technician classifications. An employee assigned to be a leadman will receive an additional \$.50 per hour. A leadman is defined as a Field Service Technician who in addition to his normal duties is qualified to train, assist and by management direction assign the work of bargaining unit employees.

An MEM department employee in the General Labor or Shop Serviceman classifications assigned to drive the cartage truck shall receive an additional \$ .35 effective April 30, 2006.

#### **MEM Refrigeration Pay**

MEM employees receiving Refrigeration Certification prior to August 23, 2012 will be grandfathered with the commensurate pay increase. All MEM employees seeking to obtain their Refrigeration Certification after August 23, 2012 will be subject to Management approval based on business needs. Approvals for Certifications will be based in Seniority order.

If a Shop Serviceman or a Field Service Technician has the State certification in refrigeration (type I or II) he shall receive an additional \$1.00 effective April 29, 2007.

#### **Auxiliary Crew**

Auxiliary crew is defined as a Field Service Technician who is assigned to work at "prestige" accounts/events. An account is considered a "prestige" account if the contract with the account requires a Field Service Technician on site for each event (e.g., Wrigley Field, United Center, Allstate Arena). Duties include, but are not limited to, repair, installation and replacement of dispensing equipment and coolers. When not required to be at a "prestige" account, auxiliary crew members will perform all normal field service repairman/installation/shop service duties.

When the Company determines that there is a vacancy in the Field Repairman Service Technician classification, the most senior qualified Shop Service Serviceman employee will be assigned to the opening.

A Shop Serviceman employee assigned to work alone in the field as a Field Service Technician shall be paid at the higher rate of pay while performing Field Service Technician duties. After the temporary job assignment, the employee will return to his regular rate of pay.

Overtime on an off day (Monday through Sunday) shall be assigned to the most senior qualified employee in the department who volunteers to perform the work. The Company will post a sign up sheet by noon Monday.

Employees who want to volunteer to work must sign the posting. If there are insufficient volunteers to perform the work, the least senior qualified employee in the department shall be assigned to perform the work.

- 8.3 **Hours of Work.** This Section is intended to define the normal hours of work. It shall not be construed as a guarantee of minimum or maximum hours of work per day or per week, or of days of work per week or of working schedules.

One and one-half (1-1/2) times the regular hourly rate shall be paid for all work performed in excess of forty (40) hours in any one workweek (Monday through Sunday). Two (2) times the regular hourly rate of pay shall be paid for all work performed on the second off day worked for those employees scheduled to work five (5) eight (8) hour days; third off day worked for those employees scheduled to work four (4) ten (10) hour days; or fourth off day worked for those employees scheduled to work three (3) twelve (12) hour days, provided the employee has worked all of the other days that week, in any workweek and any of the holidays enumerated.

The Employer shall have the right to schedule flexible workweeks (differing from the normal Monday through Friday workweek) to include Saturdays and Sundays as scheduled workdays for which employees will receive regular straight-time earnings. The regular workweek shall consist of any five (5) consecutive scheduled calendar days for those employees scheduled to work five (5) eight (8) hour days; any four (4) consecutive scheduled calendar days for those employees scheduled to work four (4) ten (10) hour days. The workday will consist of eight (8) consecutive hours of work for those employees scheduled to work five (5) eight (8) hour days; ten (10) consecutive hours of work for those employees scheduled to work four (4) ten (10) hour days, exclusive of lunch periods.

- 8.4 **Posting of Workweek.** The Employer will post changes in work schedules for the following week by 8:00AM Thursday of each week. Hourly employees will then choose work schedules in accordance with their seniority.
- 8.5 **Equipment.** MEM employees will be furnished the tools which are needed to perform their duties. Broken tools and those which are not functional because of normal wear are replaced by the Company. The employees are responsible for tools or equipment which are lost.
- 8.6 **Guarantee.** The weekly guarantee in Article 6 of the Inside Agreement shall apply to MEM employees.
- 8.7 **MEM Employees Transferred to Food Service.** MEM employees are defined as employees in the former vending machine service department which expired April 30, 1988. These employees maintain their current rate, overtime pay (over 8 and/or over 40), their workweek Monday through Friday, and previous shift starting times. These employees will not be required to obtain a commercial driver's license (CDL) unless they have a

CDL as of 5/1/92 or the law requires a CDL. If these employees have a CDL as of 5/1/92 they will be required to maintain the CDL.

- 8.8 The Company will make every effort to notify employees who have volunteered for weekend overtime with as much notice as possible prior to their overtime assignment. Such notice will include start time and location of the assignment.

The day immediately preceding or following an employee's workweek, exclusive of Sundays, shall constitute the employees overtime day, which shall be established at the annual bid and maintained for the bid period. Sunday overtime shall be made available to all MEM employees and shall be awarded in seniority order.

## ARTICLE 9 - Methods of Delivery

Beauvais, Andrea {PBC} 4/24/16 4:45 PM

Comment: Outside only

- 9.1 **Single-Man Routes.** The Employer reserves the right to convert any route to routes that will be operated with only a Regular Route Driver Salesman.
- 9.2 **Pepsi Express.** The Employer reserves the right to have an hourly delivery system known as Pepsi Express.
- 9.3 **Anchor Routes.** The Employer reserves the right to establish single man routes in which the Regular Route Driver Salesman uses mechanical equipment to assist in the unloading of the product. Such routes will be referred to as anchor routes.

A Regular Route Driver Salesman on an anchor route shall receive commission as follows:

Anchor Route	4/29/12	4/29/13	4/29/14	4/29/15
<b>Base per day:</b>	\$20.00	\$20.00	\$20.00	\$20.00
Lump Sum	\$750.00	\$750.00	\$750.00	\$750.00
<b>Commission:</b>				
Cans	\$.4046	\$.4046	\$.4046	\$.4046
Take Home	\$.6069	\$.6069	\$.6069	\$.6069
Single Serve	\$.7283	\$.7283	\$.7283	\$.7283
Special Tier (Rockstar)	\$1.4565	\$1.4565	\$1.4565	\$1.4565

A case is determined by how the Company sells its product to an account. Example: A six pack of 12 fluid ounce cans is sold to an account as 4, six packs. Therefore, 4, six packs equal a case. The number of fluid ounces in the case is equal to 4 multiplied by 6 multiplied by the number of fluid ounces per individual can ( $4 \times 6 = 24 \times 12$  fluid ounces = 288 fluid ounces). The commission rate to be paid for this case is \$.3475 at an anchor account and \$.4650 at all other accounts.



If a Regular Route Driver Salesman on an anchor route requests assistance and it is provided, the commission he receives will be reduced by .025 in the 0 - 250 fluid ounces category and by .05 in the 251 & above fluid ounces category. If the Employer provides assistance without such a request, the commission will not be reduced.

If a Regular Route Driver Salesman or a Pre-sell Driver/Merchandiser delivers product to an anchor account, he will receive his regular commission rate. If a Regular Route Driver Salesman on an anchor route delivers product to a conventional commission account or to a pre-sell/tel-sell account, he will receive the conventional commission rate or the pre-sell/tel-sell commission rate.

Any and all other provisions of this Agreement pertaining to Regular Route Driver Salesmen shall apply to Regular Route Driver Salesmen on an anchor route.

- 9.4 **Pre-sell/Tel-sell Delivery.** The Employer reserves the right to have a pre-sell/tel-sell delivery system. A Pre-sell Driver/Merchandiser will deliver product to the accounts and merchandise the accounts. In addition, the Company may use Swingmen, Merchandisers and management employees to perform merchandising in pre-sell/tel-sell accounts. Accounts will not be moved between a conventional route and the pre-sell/tel-sell delivery system on a day-to-day basis. The provisions of Article 6, Section 6.1, Contiguous Commission Routes provision, shall not apply.
- 9.5 **Direct Deliveries.** The Employer reserves the right to use Express Drivers to deliver product directly to non-merchandisable accounts, including but not limited to, third party accounts and club/warehouse accounts and to accounts on the Pepsi Express System within the Chicago Division franchise territory.
- 9.6 **Change in Distribution.** Should the Company, in its sole discretion, determine that a change in the method of distribution is desirable, the Company shall notify the Union thirty (30) days before such changes are to be made. Such changes shall give the Company the ability to implement a dynamic routing system (i.e., accounts assigned to a non-route-based distribution system.) The Company and the Union shall negotiate the wages and conditions of such changes subject to review under the grievance procedure.

## ARTICLE 10 - Transport Operations

Beauvais, Andrea {PBC} 4/24/16 4:46 PM  
Comment: Outside only

- 10.1 **Seniority.** If an employee is hired as a Transport Driver or is transferred from the production unit or from the sales unit to Transport Driver, his seniority as a Transport Driver will commence on the day he was hired or was so transferred, as the case may be, and will accumulate while he operates as a Transport Driver. In the case of transfers, the employee will not accumulate any further seniority in the unit from which he was transferred while he is operating as a Transport Driver. If, however, he is returned to the unit from which he was transferred, his former accumulated seniority will prevail but he will not have accumulated any further time in that unit during the time he worked as a Transport Driver.
- 10.2 **Reduction in Force.** In the event of a reduction in force affecting Transport Drivers the least senior Transport Driver (based on length of service as a Transport Driver) covered by this Agreement will be displaced first. If such Driver had been a Driver Salesman

prior to being transferred to a Transport Driver, he may exercise his former accumulated Driver Salesman seniority to displace the least senior Merchandiser, but only at the location where he last worked as a Driver Salesman and provided he has more seniority than the employee to be displaced. If such Driver had been in a job classification covered by the Inside Workers Agreement (production unit) prior to being transferred to a Transport Driver, he may exercise his former accumulated unit seniority to displace the least senior employee in the lowest job classification in the unit, but only at the location where he last worked and provided he has more seniority than the employee to be displaced. Said employee, however, may not use his classification seniority for bidding purposes.

If an employee is laid off due to lack of work, he or she shall be offered a Bargaining Unit position at any PBC Chicago area location covered by Locals 673 or 710 under the following circumstances:

1. There are openings at one or more of the applicable locations.
2. The employee is qualified for the opening.
3. The employee would be required to have a clean disciplinary record for the previous twelve (12) months prior to the new assignment.
4. The employee would not have seniority rights over the other employees at the new location but would retain their Company service date and vacation benefits (not to exceed what exists in the location CBA).
5. The employee would work under the terms and conditions of that location's CBA.

10.3 **Annual Location Posting.** Once each year, during the first week of November, the Employer shall post a list of Transport Driver location assignments. All Transport Drivers may, then, indicate their preference for location assignment. The Employer will make location assignments in accordance with the preferences of Transport Drivers by their seniority (length of service as a Transport Driver).

10.4 **Temporary Transfer.** This Article will not apply to employees who are transferred from the production unit or from the sales unit on a temporary basis [thirty (30) days or less].

10.5 **Vacations.** For vacation purposes, length of service with the Company will apply.

10.6 **Vacancies.** If the Company determines that there is a vacancy in the Transport Driver position it will post such vacancy for a period of three (3) working days. Employees covered by both the Soft Drink Inside Worker's Agreement and this Agreement who are qualified for the position may bid on the vacancy. The Company will award the position to the most qualified senior employee who bids on the position. If there is a question regarding which employee is the most qualified, the Company's State certified CDL trainer shall determine which employee is the most qualified for the position.

10.7 **Breakdowns.** In the event a Transport Drivers' vehicle breaks down and is rendered inoperative, he shall be paid at the rate of \$15.00 per hour, to be prorated from the time

he notifies the Employer until the time his vehicle is operational or he is returned to his facility and his workday is determined to be complete by the Employer.

## ARTICLE 11 - Special Events Employees

Beauvais, Andrea {PBC} 4/24/16 4:46 PM  
Comment: Outside only

- 11.1 **Job Definition.** Special Events employees are defined as those full-time employees who deliver and pick up special events equipment, including ice, product and other materials necessary for special events. These employees will also clean and maintain equipment in the plant and perform other duties in connection with special events and special events equipment as directed. Part-time employees usually employed during the summer months and occasional employees hired on a daily basis usually for Saturdays, Sundays and holidays shall not be included in the definition of Special Events Employees for purposes of application of the Collective Bargaining Agreement.
- 11.2 **Pay Rate.** Special Events Employees shall receive a daily straight-time rate of \$84.10. Such daily rate shall constitute straight-time compensation for all hours worked during any one (1) workweek.
- 11.3 **Overtime Computation.** For the purposes of computing overtime, the Special Events Employee's regular hourly rate shall be determined by dividing his total straight-time compensation for any one (1) scheduled workweek, by the number of hours worked by him in that workweek, up to and including forty (40) hours. If the Special Events Employee worked more than forty (40) hours in any one (1) scheduled workweek, he shall then be paid one and one-half (1-1/2) times his hourly rate for all hours worked in excess of forty (40) in the workweek.
- 11.4 **Exclusion.** The above provisions regarding daily rates and overtime rates shall be governing with respect to Special Events Employees who are hereby excluded from coverage of the provisions contained elsewhere in the Collective Bargaining Agreement on such subjects. The inclusion of Special Events Employees in the Recognition Clause of the Collective Bargaining Agreement is in no way intended to and shall not interfere with the right of the Employer to assign and utilize such men in accordance with its past practice.

## ARTICLE 12 - Vacations

Beauvais, Andrea {PBC} 4/24/16 5:43 PM  
Comment: Need to merge with inside Article 13. Vacation Pay and Vacation Selection sections are different in the inside agreement.

- 12.1 **One Week.** Each employee, who has continuous service of one (1) year but less than two (2) years as of December 31 shall be eligible for one (1) week's vacation with pay.
- 12.2 **Two Weeks.** Each employee, who has continuous service of two (2) years but less than five (5) years as of December 31 shall be eligible for two (2) weeks' vacation with pay.
- 12.3 **Three Weeks.** Each employee who has continuous service of five (5) years but less than ten (10) years as of December 31 shall be eligible for three (3) weeks' vacation with pay.

- 12.4 **Four Weeks.** Each employee who has continuous service of ten (10) years but less than twenty (20) years as of December 31 shall be eligible for four (4) weeks' vacation with pay.
- 12.5 **Five Weeks.** Each employee who has continuous service of twenty (20) years or more as of December 31 shall be eligible for five (5) weeks' vacation with pay. Employees hired on or after May 1, 1992 shall not be eligible to receive five (5) weeks of vacation.
- 12.6a **Vacation Pay.** The vacation pay for a commission employee and Transport Driver shall be 1/52nd of the employee's prior year's W-2 earnings for each week of vacation.
- 12.6b Vacation pay for all other employees shall be 40, 80, 120, 160 or 200 times the regular straight-time hourly rate, and vacation pay for Special Events Employees shall be 5, 10, 15, 20 or 25 times the employee's daily rate.
- 12.7 **Vacation Credit.** When an employee retires the employee shall receive accrued vacation at the rate of one-twelfth (1/12th) for each month in which the employee worked during the calendar year in which the employee retires.
- 12.8 **Vacation Scheduling.** Vacations shall be granted by the Employer at times most desired by the employees, and the Employer shall make every effort to give vacations between April 1st and November 1st. When more vacations are requested than can be granted for any period, preference will be given to the employees with the most seniority. The final right, however, of scheduling vacations is reserved to the Employer to ensure the efficient and continuous operations of the business.
- 12.9 **No Accumulation.** Vacations shall not be cumulative from one calendar year to the next and in no event shall more than five (5) weeks' vacation be granted in any one year. Employees may split their vacation with permission of the Employer provided such split vacation periods must be selected prior to March 1st and that the entire vacation must be taken in a single calendar year. Vacation eligibility lists shall be posted prior to November 1st of each calendar year and vacation dates shall be selected and assigned as of December 15th of each calendar year.
- 12.10 **Payment.** Payment of vacation pay shall be made in the week immediately preceding the vacation week or weeks.
- 12.11 **Holiday During Vacation.** Where a holiday and/or birthday falls during the employee's vacation, he shall receive his holiday and/or birthday pay as defined in Articles 13 and 14 below in addition to his vacation pay.
- 12.12 Employees who have been in the continuous service of the Company for less than a full year by December 31, shall be eligible to a portion of a week's vacation to be taken the following calendar year, prorated as follows:

Hire Date	Days of Vacation with Pay
January 1 – February 29	5
March 1 – April 30	4
May 1 – June 30	3
July 1 – August 31	2
September 1 – October 31	1
November 1 – December 31	0

## ARTICLE 13 - Holidays

Beauvais, Andrea {PBC} 4/24/16 5:01 PM

**Comment:** Same language as inside agreement no change.

- 13.1 **Designated Holidays.** The following days shall be considered holidays: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Holidays which fall on Sunday shall be observed on the following Monday. In addition, effective January 1, 2003, employees will be eligible for two (2) "personal" holidays. An employee must request a "personal" holiday, in writing, at least five (5) working days, but no more than thirty (30) calendar days, in advance. A "personal" holiday will be granted on a first come, first serve basis and provided it does not interfere with the operations of the business. In the event multiple employees request the same day in a twenty-four (24) hour period the "personal" holiday will be granted to the most senior employee. Response to the request will be made within three (3) working days from the employee's request and if approved cannot be cancelled. If the response to the request for a "personal" holiday is not made within three (3) working days from the employee's request and the employee works on the day requested, the employee will be paid two (2) times the employee's regular straight-time hourly rate for all hours worked that day in addition to the employee's "personal" holiday pay. "Personal" holidays will not incur any points under the attendance policy. The Employer will make every effort to honor the requests before the end of the year. Any unused "personal" holidays will be paid out at the end of the year.
- 13.2 **Commission Paid Employee and Transport Driver Pay.** Commission employees eligible for holiday pay shall receive, when the holidays enumerated in Section 13.1 are not scheduled days of work, holiday pay of \$75.00. Transport Drivers eligible for holiday pay and "personal" holiday pay shall receive, when holidays enumerated in Section 13.1 are not scheduled days of work, holiday pay of \$130.00. Commission employees eligible for "personal" holiday pay shall receive "personal" holiday pay of \$75.00.
- 13.3 **Hourly Paid Employee Pay.** Hourly paid employees eligible for holiday pay shall receive, when the holidays enumerated in 13.1 are not scheduled days of work, holiday pay of eight (8) times their regular straight-time hourly rate if scheduled to work a five (5), eight (8) hour day schedule; ten (10) times their regular straight-time hourly rate if scheduled to work a four (4), ten (10) hour day schedule.
- 13.4 **Hourly Worked Pay.** Hourly paid employees eligible for holiday pay who work on any of the holidays enumerated in Section 13.1 shall receive two (2) times their regular straight-time hourly rate of pay in addition to the holiday pay provided for in Section 13.4 above.
- 13.5 **Daily Rate Reduction.** In the event a paid holiday falls during the regular workweek, Monday through Sunday inclusive, commission employees shall receive four (4) days'

pay (base pay plus commission or, in the case of the Driver Salesman, not less than the weekly guarantee) less his daily rate for any day on which he was not available for work, in addition to the holiday pay as set forth above.

- 13.6 **Guarantee Reduction.** In the event a holiday falls during the hourly paid employee's scheduled workweek, Monday through Sunday, the forty (40) hour guaranteed workweek for hourly paid employees shall be reduced to thirty-two (32) hours or four (4) days. In the event any of the holidays enumerated in Section 13.1 shall occur outside the employee's scheduled workweek, such holiday pay shall not be included in the accumulated hours of work for that period.
- 13.7 **Eligibility.** To be eligible for holiday pay, all employees must:
- (a) have continuous service with the Employer of sixty (60) calendar days;
  - (b) work his scheduled workday immediately before and his scheduled workday immediately after a holiday named in Section 13.1.
- 13.8 **Medical Leave.** In cases of prolonged illness or accident, employees eligible for holiday pay shall receive holiday and/or birthday pay for any and all holidays and/or birthday occurring within the first two (2) month period of such absence. The maximum allowances available under this Section shall be two (2) months per calendar year.
- 13.9 **Holiday as Time Worked for Overtime Computation.** If a holiday falls on an employee's off day, holiday pay only shall be paid as provided above even though an eligible employee may have already worked forty (40) hours in the week in which the holiday falls. If a holiday falls on an employee's regularly scheduled work day for which an employee receives pay for the holiday though not worked, the holiday shall be counted as time worked for the purpose of computing weekly overtime in the same work week.

## ARTICLE 14 - Birthday Leave

- 14.1 **General.** Each commission employee may celebrate his birthday and receive \$75 when not working on said day, provided that he shall give the Employer five (5) working days' prior notice of his intention not to work. If he works on a scheduled workday which falls on his birthday, he shall receive birthday leave pay in addition to his regular earnings for said day.

Each eligible hourly paid employee may celebrate his birthday and receive the daily base wage rate when not working on said day, provided that he shall give the Employer five (5) working days' prior notice of his intention not to work. If he works on a scheduled workday which falls on his birthday, he shall receive birthday leave pay in addition to his regular earnings for said day.

Each eligible Transport Driver may celebrate his birthday and receive \$130.00 when not working on said day, provided that he shall give the Employer five (5) working days' prior notice of his intention not to work. If he works on a scheduled workday which falls on his

Beauvais, Andrea {PBC} 4/24/16 5:02 PM

**Comment:** Same language as Article 10 from the inside agreement. No change.

birthday, he shall receive birthday leave pay in addition to his regular earnings for said day.

Only employees with sixty (60) calendar days' service with the Employer shall be entitled to this benefit.

- 14.2 **Birthday Leave as Time Worked for Overtime Computation.** If the birthday leave falls on an employee's off day, birthday pay only shall be paid as provided above even though an eligible employee may have already worked forty (40) hours in the week in which the birthday falls. If the birthday leave falls on an employee's regularly scheduled work day for which an employee receives pay for the birthday though not worked, the birthday shall be counted as time worked for the purpose of computing weekly overtime in the same work week.

## ARTICLE 15 - Jury Pay

An employee with sixty (60) days of continuous service who is called to and reports for jury duty shall, upon the proof of time served and the compensation received therefor, be paid by the Employer, his base pay plus commissions where applicable for the number of regular workdays that he otherwise would have been scheduled to work. Hourly employees will receive eight (8) times their regular straight-time hourly rate if scheduled to work a five (5), eight (8) hour day schedule; ten (10) times their regular straight-time hourly rate if scheduled to work a four (4), ten (10) hour day schedule. Transport Drivers will receive the difference between jury pay and \$130. The Employer's obligation to pay for jury duty shall be limited to a maximum of fifteen (15) working days. The employee shall give reasonable advance notice to the Employer of his intended absence.

Beauvais, Andrea {PBC} 4/24/16 5:04 PM

**Comment:** Same language as Article 11 from the inside agreement. No change.

## ARTICLE 16 - Bereavement Pay

- 16.1 **Leave.** In the event of a death in the immediate family of an employee, the employee will receive three (3) days off with pay. In the case of a commission employee, the pay for each day shall be \$75, in the case of a Transport Driver, the pay for each day shall be \$130.00 and in the case of all other employees, the pay for each day shall be equal to the employees' daily base rate for each regular workday on which he would have worked but for his absence.
- 16.2 **Notice.** The employee shall give notice to the Employer of his absence for this purpose and the Employer may require proof of death and relationship. Immediate family as used in Sections 16.1 hereof means only the father, mother, brothers, sisters, spouse, current mother-in-law, current father-in-law and children and step-children of the employee.
- 16.3 **Eligibility.** Only employees with sixty (60) calendar days' service with the Employer shall be entitled to this benefit.

Beauvais, Andrea {PBC} 4/24/16 5:44 PM

**Comment:** Need to merge language with Article 12 from inside agreement. Paragraph one pertains to hourly in AI.

## ARTICLE 17 - Medical Leaves

A leave of absence of up to a maximum of eighteen (18) months will be granted to an employee who has an occupational or non-occupational injury, with the exception of cases arising under Article 20 and Article 32, section 32.3. The employee must promptly present valid medical evidence of his/her condition which supports the need for such leave. The Employer may periodically request the employee to provide medical verification of his/her status. When an employee has obtained leave for sickness or injury and desires to return to work, he shall furnish the Employer a certificate from his physician certifying that he is physically able to perform the duties of his job.

Beauvais, Andrea {PBC} 4/24/16 5:06 PM

**Comment:** No change same language in Article 14 from the inside agreement.

## ARTICLE 18 - Day's Work

It is further understood and agreed that all employees shall devote their entire time and service to the selling, delivering and/or merchandising of the products of the Employer, as required by their job duties within their job classification, exclusively within the allotted contiguous territory, and shall give constant and regular service as designated by the Employer to all customers within the allotted contiguous territory. The Employer may have employees do promotional pricing, such as carton stuffers, bottle hangers and price signs on promotional displays, but they may not be required to sticker or stamp regular pricing on soft drink packages unless it is for a price reduction, sales promotion or at the request of the customer; except package identification. Employees shall be allowed to return to the plant when their routes and/or runs are completely and properly serviced, and shall immediately return to the plant after servicing their last account. Employees shall call in after servicing their last account if required to do so by the Employer. Employees shall be given a one-half (½) hour unpaid lunch period per day.

Beauvais, Andrea {PBC} 4/24/16 5:44 PM

**Comment:** Outside agreement only.

Upon returning to the plant or warehouse, all drivers shall be responsible only to:

- (1) Inventory his truck and turn in his inventory sheet to the Company representative.
- (2) Make out his load order for the next scheduled workday, if required.
- (3) Check in his day's receipts.
- (4) Responsible for removing and reworking their breakage.
- (5) Sort and remove empty shells and pallets as required by management.

He shall have no further responsibility as to the unloading of his truck, or the loading for the next scheduled workday.

## ARTICLE 19 - Uniforms

If the Employer desires employees to wear uniforms, same shall be paid for by the Employer. Said uniforms shall be the property of the Employer and upon the termination of the services of the employee shall be returned to the Employer. Employees shall maintain their uniforms in a clean, neat and presentable condition and pay for the cleaning of same. All necessary repairs shall be paid for by the Employer. The Employer will pay all permanent employees \$50 each

Beauvais, Andrea {PBC} 4/24/16 6:07 PM

**Comment:** No change. Same language as Article 16 in the inside agreement. Article 27 "safety shoes" from the inside agreement discusses the \$50 allowance and says the same thing except specifies production crew, warehouse, and MEM.



year as an allowance for safety shoes. When such employee brings to the Employer his receipt for such new shoes, the Employer will grant said allowance.

Shorts will be permitted to be worn from April 1 through November 30.

## ARTICLE 20 - Physical Examinations

Beauvais, Andrea {PBC} 4/24/16 5:44 PM

**Comment:** No change same language as Article 24 in the inside agreement.

Each employee of the Employer shall submit to a physical examination as to health and physical ability at any time designated by the Employer, said examination to be made by a doctor selected by the Employer and the expense thereof to be borne by the Employer. If any employee should be found to be physically unfit to continue his employment, the Employer reserves the right to dispense with his services and the Employer shall notify the employee and the Union, in writing, by certified mail. In the event of a conflict between the Employer's decision and a determination of the employee's physician, the Union may, within fifteen (15) days after receiving written notice of the Employer's decision, elect that the employee be examined by a third doctor to be selected by the parties. The expenses of said examination by said third doctor shall be shared equally by the parties. The Employer may furnish the third doctor with a description of its physical standards and requirements for the job in question and a copy of such description shall be furnished to the Union. The determination of the third doctor as to whether or not the employee meets said physical standards and requirements for the job in question shall be final and binding.

The Employer has the right to implement a drug and alcohol abuse policy.

The employee shall not be allowed to be re-examined by a physician of his own choice where the examination is for the purpose of a drug test.

CDL physical examinations to be paid for by Employer.

## ARTICLE 21 - Grievance Procedure

Beauvais, Andrea {PBC} 4/24/16 5:44 PM

**Comment:** No change same language as Article 17 in inside agreement. Only difference is inside agreement has a Labor Management Committee consisting of 6 representatives.

21.1 **Entire Agreement.** This Agreement is the entire agreement between the parties and is the result of the extensive negotiations in which both parties had the right and the opportunity to submit proposals and to negotiate their proposals with the other party. Consequently, neither party is obligated to bargain during the term of this Agreement except as herein otherwise provided in Article 5, Section 5.2, Article 33 and except to bargain for a new agreement upon the expiration of this Agreement.

21.2 **Grievance Procedure.** All differences arising out of the interpretation or application of any provision of this Agreement except grievances involving Article 6, Section 6.3, shall be processed as follows, except for discipline and discharge grievances which shall be processed as provided in paragraph (d) below:

- (a) The grievance shall be presented within thirty (30) days from the date of the occurrence of the grievance or said grievance shall be deemed abandoned.
- (b) An employee having a grievance shall promptly report his grievance to his immediate supervisor who shall attempt to adjust the grievance within five (5)

working days. Upon failure of the supervisor to adjust the grievance, the employee may promptly submit his grievance in writing to the Employer with a copy to the duly constituted officials of the Union. Within ten (10) working days after the filing of the said written grievance, the Employer and the Union shall meet as a grievance committee and attempt to reach a settlement which shall be final and binding.

- (c) If the parties fail to meet or to reach a settlement within the aforesaid ten (10) working days, then the matter may be submitted to a Labor Management Committee consisting of four (4) representatives equally divided between the Employer and the Union. The Labor Management Committee will meet on the first Tuesday of each month to consider grievances submitted to it unless the parties agree otherwise. Furthermore, the meetings may be scheduled at other times in order to consider other grievances. Grievances submitted to the Labor Management Committee shall be resolved by a majority vote of those voting; provided, however, that the presence of not less than two (2) Employer representatives and two (2) representatives of the Union shall be required as a quorum for the transaction of business.

The resolution of a grievance by the Labor Management Committee shall be final and binding upon the parties and the employee(s) involved in the grievance. If the Labor Management Committee is deadlocked on the disposition of the grievance, then either party may elect to submit the grievance to arbitration by notice in writing to the other party within ten (10) days from the date of their written decision, or the right to arbitration shall be deemed to be abandoned. The Labor Management Committee will adopt such rules of procedure as it deems necessary and the parties involved shall produce before the Labor Management Committee such evidence as is pertinent to the grievance and disputes involving progressive discipline that do not involve lost time shall be adjudicated in accordance with the committee's rules and procedures.

- (d) **Discharge or Discipline Grievances.** No employee shall be discharged except for cause. All grievances relating solely to the discharge or discipline of an employee must be presented within five (5) working days after the occurrence or said grievance shall be deemed abandoned.

An employee having a grievance relating solely to his discharge or discipline shall promptly submit his grievance in writing to the Employer with copy to the duly constituted officials of the Union. If the Employer and the Union are unable to resolve the grievance, then the Employer or the Union may elect to refer the matter to the Labor Management Committee and such grievance shall be processed in accordance with subsection 21.2(c) above, or the right to submit the matter to the Labor Management Committee and arbitration shall be deemed abandoned.

- (e) **Selection of the Arbitrator.** In the event a grievance is referred to arbitration, representatives of the Employer and the Union shall meet to select the arbitrator. If the parties are unable to agree on an arbitrator within ten (10) working days after written notice of the referral to arbitration has

been served, then the parties shall request the Federal Mediation and Conciliation Service to submit a list of seven (7) arbitrators who are members of the National Academy of Arbitrators whose offices are in the Chicagoland area. For the first arbitration, the winner of a toss of a coin shall determine who shall strike the first name from the panel of arbitrators received from the Federal Mediation and Conciliation Service. (On subsequent arbitrations, the parties will alternate striking the first name.) If none of the Arbitrators on the list is acceptable, the Federal Mediation and Conciliation Service shall be asked to submit a second list. If none of the Arbitrators listed on the second list is acceptable, then the Federal Mediation and Conciliation Service shall be asked to submit a third list. The parties shall strike alternately with each party striking three (3) names, and the person whose name remains shall be the arbitrator. The arbitrator shall be notified of his selection by a letter from the Employer and the Union requesting that he set a time and place for a hearing subject to the availability of the Employer and the Union. The decision of the arbitrator shall be final and binding upon the employee(s), the Union and the Employer and no strike or lock out shall occur pending a final determination, except as hereinafter provided. The jurisdiction of the arbitrator shall be only in regard to the particular dispute before him and he shall have no power or authority to add to, subtract from, modify or change in any way the terms of this Agreement. The fees and expenses of the arbitrator shall be paid by the losing party. The cost of any transcript of the proceedings and the cost, if any, of the hearing room, shall be shared equally between the Employer involved and the Union. Each party shall pay its own costs of preparation and attorneys' fees.

The parties agree that prior to submitting a case to arbitration, either party can request the matter be referred to the FMCSA. In such cases the FMCSA will hear the case and issue a non-binding decision. Following this step, either party can still request the case goes to arbitration.

- (f) The Company will send the union a copy of all write-ups, suspensions and/or terminations within seventy-two (72) hours from the time the discipline was issued.

The Company will issue discipline within ten (10) working days of the date of the occurrence or at the conclusion of the Company's investigation to the reason for discipline.

- 21.3 **Union as Exclusive Representative.** The Union, in the redress of alleged violations by the Employer of this Agreement, shall be the exclusive representative of the interests of each employee covered by this Agreement and only the Executive Board of the Union or its designated representative shall have the right to assert against the Employer any claim, proceeding or action alleging a violation of this Agreement or claiming the right under this Agreement. No employee or former employee shall have any right under this Agreement in any claim, proceeding, action or otherwise on the basis or by reason of any claim that the Union or any Union officer or representative or the Executive Board has acted or failed to act relative to presentation, prosecution or settlement of any grievance or other matter as to which the Union or any Union officer or representative has authority or discretion to act or not to act under the terms of this Agreement.

- 21.4 **No strikes or Lockouts Except as Provided in Section 21.5.** Except as provided in Section 21.5, the parties agree that there shall be no strikes or lockouts during the term of this Agreement but instead all differences between the parties shall be settled promptly as provided in this Article.
- 21.5 **Right to Strike.** In the event the Employer violates the provisions of this Agreement relating to payment of the rates or scales of wages referred to in Articles 5, 8, or 9 or remittance of initiation fees and/or dues pursuant to Article 4, or the remittance of contributions under Article 29, Health & Welfare, or Article 30, Pension Plan, and thereafter refuses to correct or remedy these said violations within ten (10) days of receipt of written notice from the Union protesting the said violations, then the grievance procedure set forth herein shall have no application to such circumstances and the Union shall be permitted all legal and economic recourse, including the right to strike and to picket, until such violations are corrected, notwithstanding anything to the contrary in this Agreement.
- 21.6 **Retroactive Limitation.** In no event shall the settlement or resolution of any grievance be retroactive for more than thirty (30) days prior to the date the grievance was presented. All disciplinary letters and/or actions must be presented to the employee within fifteen (15) working days from the date the Company knew of the violation or the disciplinary letter and/or action shall be deemed abandoned. It is agreed that the fifteen (15) working days shall not begin until after the Company completes its investigation and determines that a violation has occurred. The Company agrees to complete its investigation within a reasonable period of time based on the facts of the case.

## ARTICLE 22 - Union Stewards

The Employer recognizes the right of the Union to designate job stewards and alternates from the employer's seniority list. The Employer will be notified in writing by an officer of the Union the name of the Steward (and alternate if named). The authority of job stewards and alternates so designated by the Union shall be limited to, and shall not exceed the following duties and activities:

1. The investigation and presentation of grievances with the Employer or designated Company Representative in accordance with the provisions of the Collective Bargaining Agreement.
2. The collection of dues when authorized by appropriate Local Union action.
3. The transmission of such messages and information which shall originate with and are authorized by the Local Union or its Officers, provided such messages and information have been:
  - a) Reduced to writing; or
  - b) If not reduced to writing and are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods or any other interference with the Employer's business.

Beauvais, Andrea {PBC} 4/24/16 5:18 PM

**Comment:** No Change same language as Article 18 from inside agreement.

- c) Stewards will be allowed time off work to attend regular monthly Union Meetings provided it does not interfere with the Company's operations. Days off will not be counted as absence. Company will be given a minimum of five (5) working days' notice of such absence. The Employer will be notified thirty (30) days in advance of Steward Training absence.

Job stewards and alternates have no authority to take strike action, or any other action of the Union. The Employer recognizes these limitations upon the authority of job stewards and their alternates, and shall not hold the Union liable for any unauthorized acts. The Employer, in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the shop steward has taken unauthorized strike action, slowdown or work stoppage in violation of this Agreement.

Stewards shall be permitted reasonable time to investigate, present and process grievances on the company property without loss of time or pay during his regular working hours: and where mutually agreed to by the Union And employer, off the property or other than during his regular schedule without loss of time or pay. Such time spent in handling grievances during the Steward's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the steward. When a steward attends a grievance hearing, he does not break his forty (40) hour guarantee.

The Union acknowledges that a steward's primary responsibility is to perform their regular job functions and that stewards duties are neither designed to interfere with their job duties nor to create overtime for the Steward.

Bargaining Unit Employees including shop stewards are legally entitled to union representation at any meeting which may lead to discipline. Such meetings or interviews shall not begin until the steward or designated bargaining unit member is present. An Employee who does not want a Union Steward or available bargaining unit member present at any meeting or interview where the employee has a right to Union representation must waive Union representation in writing. Upon the Union's request for a copy of such written refusal, the Employer shall promptly furnish it.

When requested by the Union or the Employee, there shall be a steward present. If a steward is unavailable, the Employee may designate a bargaining unit member who is available at the location at the time of the meeting to represent him/her.

## ARTICLE 23 - Payday

Beauvais, Andrea {PBC} 4/24/16 5:18 PM

**Comment:** No change Outside agreement only.

- 23.1 **Weekly Payday.** Payday shall be weekly. The employer will refund monthly to the Driver Salesmen the amounts necessarily spent by them for telephone calls in connection with the Employer's business.
- 23.2 For all regular full-time employees hired on or after April 28, 2002 the Company has the right to directly deposit the employee's compensation in a financial institution of the employee's choice. If the employee does not designate a financial institution within two (2) weeks of starting work, the Company has the right to designate one for the employee.

## ARTICLE 24 - Cash Sales and Charge Accounts

- 24.1 **Bad Checks.** In the case of bad checks chargeable to the employee, the Employer agrees to wait until the employee collects on the bad checks, leaves the employ of the Employer, or thirty (30) days, whichever is earlier, before charging the amount of the check against the employee. No redeposits are to be made on bad checks. The employee is required to overpay on his check in the amount of such checks the same day he collects thereon. The Employer will continue to assist the employee in collecting on bad checks.
- 24.2 **Authorized Checks.** Where the employee is authorized by the Employer to accept a check or checks in lieu of cash for merchandise delivered and sold, said employee shall not be held for the validity, bankability or genuineness of check or checks or for the signatures or endorsements thereon; provided, however, that he shall be responsible for any amount of money over and above the amount of invoice for the merchandise sold. The Employer will determine if any account is an authorized check account within three (3) weeks after a request for authorization is made in writing on forms to be furnished by the Employer. The Employer will mark its approval for account payment by check on the account sheet in the route book. The Employer will review its authorized check accounts not less than once per calendar quarter.
- 24.3 **Temporary Charges.** When the Employer authorizes temporary charges, he shall be responsible for same.
- 24.4 **Shortages/Overages.** All money shortages and overages and merchandise shortages shall be deducted and/or returned to the employee on no longer than a weekly basis with no carryover.
- 24.5 **Counterfeit Currency.** Outside Driver Employees or Driver Trainees who operate routes shall be held accountable for all counterfeit money or currency accepted and turned in by them. Such accountability shall end when a driver's receipts are verified by the Company cashier.

Beauvais, Andrea {PBC} 4/24/16 5:19 PM

**Comment:** No change Outside agreement only.

## ARTICLE 25 - Right of Visitation

An authorized representative of the Union may have access to the Employer's establishment and earnings record of covered employees directly involved in questions under discussion or investigation at all reasonable times, for the purpose of adjusting disputes, investigating working conditions, and ascertaining that the contract is being lived up to. An authorized representative of the Union agrees to follow the past practiced security rules of the Employer regarding visitors to its premises.

Beauvais, Andrea {PBC} 4/24/16 5:19 PM

**Comment:** No change same language as Article 26 in the inside agreement.

## ARTICLE 25 - Employer Interest

The members of the Union agree to further the interest of the Employer at all times possible.

Beauvais, Andrea {PBC} 4/24/16 6:04 PM

**Comment:** Language and Article in only the inside agreement.

## ARTICLE 26 - Time Off for Union Activities

The Employer agrees to grant the necessary time off, without discrimination or loss of seniority rights and without pay, to any employee designated by the Union to attend a labor convention or serve in any capacity or other official Union business; provided, however, that forty-eight (48) hours' written notice is given to the Employer by the Union specifying the length of time off.

Beauvais, Andrea {PBC} 4/24/16 5:20 PM

**Comment:** No change same language as Article 20 in the inside agreement.

## ARTICLE 27 - Equal Application of Agreement

Beauvais, Andrea {PBC} 4/24/16 5:47 PM

**Comment:** Article 19 in the inside agreement is different and has section about supervisors/managerial personnel working.

## ARTICLE 28 - Voluntary Severance - Economic Loss

Beauvais, Andrea {PBC} 4/24/16 5:47 PM

**Comment:** Language in Article 21 of the inside agreement is slightly different.

## ARTICLE 29 - Health & Welfare Fund

Beauvais, Andrea {PBC} 4/24/16 5:47 PM

**Comment:** No change same as article 22 in the inside agreement.

- 29.1 The Employer agrees to participate during the period of this contract in the Suburban Teamsters of Northern Illinois Welfare Fund.
- 29.2 The Employer agrees to pay into said Trusteed Plan as follows:

Effective	
5/01/11	\$286.08 per week per employee
2/01/13	Effective February 2013: \$295 per week per employee (based on plan cost of \$315)
1/01/14	Effective January 2014: \$305 per week per employee (based on plan cost of \$335)
1/01/15	Each Year Thereafter: Company will pay ½ of total increase or \$10 – Lesser of the two
Should the cost of the Plan be reduced in any given year for any reason, the Company and Employee shall pay the same % of the total cost as the prior year.	

No further contributions to such Plan shall be required. Payroll deduction payments by the employee will be made for any difference in benefit level contribution to the Plan and the Company payment for each employee. If the contribution amount to maintain the benefits is less than the Company's contribution stated above, the Company shall only contribute the lesser amount. The employee contribution shall be taken on a pre-tax basis in accordance with federal, state, and local tax guidelines.

No payments shall be required with respect to any temporary employee unless any such employee shall be continued in employment beyond the Saturday following Labor Day, and shall become a regular employee. The Employer shall become obligated to pay into the Health and Welfare Trust Fund (Pension Fund) the requisite monthly contributions as provided above for each such employee for each month from the first day he became a regular employee.

The obligation to make Health & Welfare contributions shall continue during periods when a new collective bargaining agreement is being negotiated unless there is a work stoppage or lockout.

- 29.3a All benefit coverages will cease if an employee is off work for any reason in excess of nine (9) months. In addition, the employee must continue to make any employee contributions for benefit coverage during any leave of absence. If the employee fails to make any employee contributions the Company shall cease the employee's benefit coverage.
- 29.3b The obligation to make contributions to the Plan for a regular full-time employee shall begin on the first day of work. Coverage shall begin consistent with the terms of the Plan.
- 29.4 Failure to pay contributions when due to the aforesaid Health & Welfare Fund shall constitute a breach of this contract and the Union shall have the right to call a work stoppage, providing that prior thereto the Union shall give the Employer ten (10) days' notice in writing by certified mail, and a delinquent Employer shall be liable directly to said employees for all benefits said employees would have received from the Health & Welfare Fund were it not for the Employer's delinquency, including costs and reasonable attorneys' fees to enforce payment thereof:

### ARTICLE 30 - Pension

PepsiCo employees will begin participation in the PepsiCo Hourly Employees Retirement Plan effective April 7, 2013.

See Letter of Understanding for details.

Beauvais, Andrea {PBC} 4/24/16 5:25 PM

**Comment:** No change same as Article 23 in the inside agreement.

### ARTICLE 31 - Compliance with Safety and Traffic Laws

- 31.1 **Licenses and Overloading.** No employee shall be responsible for the purchase or display of City or State license tags, plates or safety stickers on Company owned vehicles. Overloading of trucks shall be the sole responsibility of the Employer. When an employee is issued a summons or arrested because of faulty equipment, failure to display tags, licenses or safety stickers on Company owned vehicles, overloading or overweight and is thereby required to appear in court on behalf of his Employer, the daily wage guarantee applies. The Company may deduct from the employee's pay any fines incurred by the employee and paid by the Company.
- 31.2 **Employee Report.** It shall be the responsibility of each employee driving equipment to promptly report any faulty equipment. The employee is responsible to immediately report any change in his driving status.

Beauvais, Andrea {PBC} 4/24/16 5:25 PM

**Comment:** Outside agreement only. No change.



## ARTICLE 32 - Seniority

## ARTICLE 33 - Distribution System

The Employer shall use its best efforts to maintain its present method of distribution. However, the Employer may change to distributors in order to operate successfully. The Employer shall give the Union advance notice of such a change and if the Union disagrees, it may submit the issue to arbitration under the machinery set forth in Article 21 - Grievance Procedure - by making a written request for arbitration within fifteen (15) days after notice is given. Pending the award of the arbitrator, the change in issue shall not be placed in effect.

Beauvais, Andrea {PBC} 4/24/16 5:27 PM

**Comment:** Needs to be merged with Article 15 in the inside agreement.

Beauvais, Andrea {PBC} 4/24/16 5:29 PM

**Comment:** Outside agreement only.

## ARTICLE 34 - Severance Allowance

34.1 **Allowance.** In the event the Employer, in its sole discretion, permanently shuts down a plant or a portion thereof (such as dismantling and removing a production line without replacement, or going out of the vending service business), or sells or otherwise transfers its facilities to a successor employer, employees with one year or more of service who are permanently terminated as a direct result of such shutdown, sale or transfer, shall receive from the Employer (in the event of shutdown) or the successor employer (in the event of sale or transfer) a severance allowance in the amount set forth below for each year of continuous service, but not to exceed ten (10) years, unless the Employer or successor employer offers any such employee a job within a fifty mile radius of the Employer's present Aurora plant location, or the Employer or successor employer offers him a job at any location which he accepts:

Hourly Workers: Forty (40) hours times the employee's regular rate of pay.

Drivers: The weekly guarantee.

34.2 **Termination of Employment.** Acceptance of severance allowance shall terminate employment.

Beauvais, Andrea {PBC} 4/24/16 5:32 PM

**Comment:** Article 28 in the inside agreement is slightly different because it does not discuss Drivers. Otherwise it is the same.

## ARTICLE 35 - Management Rights

Except to the extent expressly abridged by a specific provision of this Agreement, the Employer reserves and retains solely and exclusively all of its inherent rights to manage the business. Without limiting the generality of the foregoing, the sole and exclusive rights of Management include, but are not confined to, the right to hire, to maintain order and efficiency, to establish rules, policies and programs, to counsel and discipline employees, to terminate an employee's employment, to determine the extent and nature of all equipment, to determine the general operations, working hours and locations of the business including the number of shifts, the maintenance and dispatch of delivery schedules, the quality and quantity of work and standards of workmanship and job performance, the assignment and transfer of employees and to lay off for lack of work.

The Employer agrees that in establishing reasonable rules, policies and programs, such rules, policies and programs will not conflict with the express terms of this Agreement. The Employer

Beauvais, Andrea {PBC} 4/24/16 5:32 PM

**Comment:** No change same language in Article 29 of the inside agreement.

will have the right from time-to-time to change, alter, and add to such rules which will be effective seven (7) days after the Employer has provided the Union with the proposed change. The Union will have the right to grieve and arbitrate the reasonableness of any new or promulgated rule or regulation.

It is agreed that in the exercise of its rights enumerated in this Article, the Employer shall not violate any provision of this Agreement. It is further agreed that the Employer's express contractual obligations and the application of any of the foregoing rights are subject to the grievance and arbitration procedure in Article 21.

The Company and Union recognize the Company utilizes two tracks for discipline: attendance (under the Company's attendance policy) and performance. Both parties acknowledge these tracks are separate and distinct and will not be combined in moving discipline forward.

## ARTICLE 36 - Transitional Duty Article

The Union acknowledges that the Company utilizes a Transitional Duty Policy for the purpose of managing employee on the job injuries. The Company acknowledges the Union's right to grieve the reasonableness of the Company's application of this policy.

The Company agrees that while they may not be able to honor an employee's regular shift for transitional duty, the Company will not change an employee's start time without five (5) working days' notice.

Additionally, should an employee on Transitional Duty be assigned to a bargaining unit position, the Company agrees that no such assignment will be made if qualified employees are on layoff. Further, the employee assigned to Transitional Duty shall be paid the appropriate rate based on the classification or their regular rate of pay whichever is higher.

Employees are encouraged to schedule related medical/therapy appointments outside of their scheduled Transitional Duty work hours. On those occasions where employees have medical/therapy appointments that commence two hours or less prior to the end of their Transitional Duty shift will not be required to return to work.

In cases where employees have medical/therapy appointments during their scheduled work hours, they will clock out and, if required to return to work for the remainder of their shift will be given the option of making up those hours missed provided the Company has work available.

Beauvais, Andrea {PBC} 4/24/16 5:33 PM

**Comment:** No change same language in Article 36 of the inside agreement.

## ARTICLE 37 - Term

This Agreement shall become effective the 29th day of April, 2012 and shall continue in full force and effect through April 28, 2016 and shall continue automatically on an annual basis there-after unless written notice is given by either party sixty (60) days prior to April 28, 2016 or April 28 of any subsequent year, as the case may be. The parties shall arrange negotiations as soon as conveniently possible.

IN WITNESS WHEREOF, the parties hereto have set their respective signatures this \_\_\_\_ day of \_\_\_\_\_, 2012.

Beauvais, Andrea {PBC} 4/24/16 5:34 PM

**Comment:** No change same language in Article 31 of the inside agreement.

PEPSI BEVERAGES COMPANY

TEAMSTERS, CHAUFFEURS, SALES  
DRIVERS AND HELPERS, LOCAL UNION  
NO. 673, Affiliated with the International  
Brotherhood of Teamsters Affiliated with  
Teamsters Joint Council No. 25

BY: \_\_\_\_\_  
Michael P. Gilligan  
Vice President – Labor Relations

BY: \_\_\_\_\_  
Name:  
Title:

## LETTER OF UNDERSTANDING - Technology

(Added during 2012 Negotiations)

Beauvais, Andrea {PBC} 4/24/16 5:35 PM

**Comment:** No change same LOU in the inside agreement.

In the event information which could lead to discipline or discharge is obtained through the use of GPS technology or "new" technology, the Company will conduct an investigation into the information to determine its validity, and make an appropriate decision at that point in time. Depending on the circumstances of an incident, the Company's investigation may include such things as time and attendance records, interviews with employees, managers, and / or customers, review of company records, etc. In any event, the company will not rely solely on the GPS record for discipline.

## LETTER OF UNDERSTANDING – PepsiCo Hourly Employees Retirement Plan

Beauvais, Andrea {PBC} 4/24/16 5:48 PM

**Comment:** No change same language in the inside agreement.

As of April 7, 2013, the Employer and the Union agree that the Employer will be withdrawing from the Suburban Teamsters of Northern Illinois Pension Fund Pension Plan.

Employees covered by the terms of this agreement will be divided into 3 groups, each with its own set of retirement benefits. The three groups are:

1. Group 1: Employees as of April 7, 2013 whose current benefit under the Suburban Teamsters of Northern Illinois Pension Fund includes at least 5 years of Vesting Service or Contributory Credit for the time that they were employed by the Employer.
2. Group 2: Employees as of April 7, 2013 whose current benefit under the Suburban Teamsters of Northern Illinois Pension Fund does not include at least 5 years of Vesting Service or Contributory Credit for the time that they were employed by the Employer.
3. Group 3: Employees hired or rehired after April 7, 2013.

The retirement benefits for each group of Employees are explained below. In order for any Employee to qualify for the benefits listed below they must meet the eligibility requirements of the respective benefit plans.

### Group 1

As of April 7, 2013, Group 1 Employees will begin to accrue a benefit under the Part VI of the PepsiCo Hourly Employees Retirement Plan "PHERP") as follows:

#### Pension Multiplier:

Effective April 7, 2013:	Fifty-five dollars (\$55.00)
Effective April 29, 2013:	Fifty-five dollars (\$55.00)
Effective April 29, 2014:	Fifty-five dollars (\$55.00)
Effective April 29, 2015:	Fifty-five dollars (\$55.00)

To be considered a Group 1 Employee, the Employee must provide the PHERP with a benefit statement from the Suburban Teamsters of Northern Illinois Pension Fund that shows the Employee's annual benefit accrual history and their Suburban Teamsters of Northern Illinois Pension Fund Normal and other forms of Retirement benefit as of April 7, 2013. Otherwise, these Employees will be treated as a Group 2 Employee who is not eligible for any past credited service (as defined below).

All Group 1 Employees will be eligible to make Employee contributions to the PepsiCo 401(k) Plan, but they will not be eligible for any Employer contributions under the PepsiCo 401(k) Plan.

Any Group 1 Employee who terminates and is subsequently rehired after a 1 year break in service will no longer be eligible for the benefits available to Group 1 Employees. Upon rehire,

the Employee will be considered to be a Group 3 employee and will receive the benefits outlined below.

## **Group 2**

As of April 7, 2013, Group 2 Employees will begin to accrue a benefit under the PHERP. The benefits that these Employees will accrue will mirror the benefits of the Group 1 employees with the following exceptions:

- If any Group 2 Employee forfeits their benefit under the Suburban Teamsters of Northern Illinois Pension Fund because they are not vested in that benefit as of April 7, 2013, the Employee will receive credited service for their period of employment with the Employer through April 7, 2013, subject to the break in service rules of the PHERP for any Employee that has not been continuously employed by the Employer since their date of hire

No past credited service will be provided to any Group 2 Employee unless the Employee provides the PHERP with a benefit statement from the Suburban Teamsters of Northern Illinois Pension Fund that shows that the Employee was not vested in their Suburban Teamsters of Northern Illinois Pension Fund benefit as of April 7, 2013.

All Group 2 Employees will be eligible to make Employee contributions to the PepsiCo 401(k) Plan, but they will not be eligible for any Employer contributions under the PepsiCo 401(k) Plan.

Any Group 2 Employee that terminates and is subsequently rehired after a 1 year break in service will no longer be eligible for the benefits available to Group 2 Employees. Upon rehire, the Employee will be considered to be a Group 3 employee and will receive the benefits outlined below.

## **Group 3**

Any Group 3 Employee hired after April 7, 2013 will not be eligible to participate in the legacy multiplier formula set forth in Part VI of the PHERP (for Group 1 and Group 2 employees), and no employee who was eligible for such multiplier formula on termination of employment and is rehired on or after April 7, 2013 after incurring a break in service (as defined in the PHERP) will be eligible to participate in Part VI of PHERP from and after the employee's date of rehire. These employees will be eligible to participate in the "Account Balance Program" under Part IV of the PHERP.

The Account Balance Program is a defined benefit program that provides participating employees with a retirement benefit in the form of an account balance that is increased by "pay credits" and "interest credits."

- Pay Credits –
  - For eligible active employees with less than ten (10) years of service with the Company: the account balance of these eligible employees will be credited with an amount equal to 4% of their eligible compensation

- For eligible active employees with ten (10) or more years of service with the Company: the account balance of these eligible employees will be credited with an amount equal to 5% of their eligible compensation
- Interest Credits – A participant's account balance will be increased by an annual interest credit based on the account balance at the end of the prior calendar year equal to the rate of interest on 30-year US Treasury bonds on the measurement date defined in the program document. The method of crediting interest may be amended from time to time.

All Group 3 Employees will be eligible to make Employee contributions to the PepsiCo 401(k) Plan, but they will not be eligible for any Employer contributions under the PepsiCo 401(k) Plan.

Eligibility to participate and benefits earned under the respective parts of the PHERP are subject to the terms and conditions of the applicable part(s), as may be amended from time to time. Participation in the 401(k) plan is subject to the standard terms and conditions of the plan.