

32.3 **Termination of Seniority.** Continuous service shall be broken and the employment relationship terminated when an employee:

Comment [FAL{127}: KI A11, KO A27, CI A15

- (a) Quits
- (b) Is discharged for cause.
- (c) Fails to give notice of intent to return to work within twenty-four (24) hours (unless the failure to give such notice was for a reasonable excuse) of a written notice of recall to work after a layoff and fails to report for work within seven (7) calendar days after receipt of a written notice of recall to work after a layoff. The written notice of recall to work after a layoff shall be given by the Employer by registered or certified mail or telegram and addressed to the employee at his last address appearing on the records of the Employer. The Employer's letter shall be considered as received if it is returned and marked "no forwarding address." Reasonable excuse shall be determined by the Employer and the Union based upon the evidence.
- (d) Is laid off:
 - i. for employees with less than two (2) years' continuous service, in excess of ninety (90) calendar days, and
 - ii. for employees with two (2) or more years' continuous service, in excess of one hundred eighty (180) calendar days.
- (e) Is off work for any reason in excess of eighteen (18) months, length of seniority or until the employee reaches maximum medical improvement (MMI), whichever is earlier. Any employee who returns to work for less than two (2) consecutive weeks will not be treated as having returned to work for purposes of this provision. This will not apply to an employee who sustains a different injury or illness.
- (f) Fails to return to work on schedule following a vacation or authorized leave of absence.
- (g) **In Chicago and Kankakee Outside.** If for any reason is absent from work for a period of three (3) working days without notifying the Employer, except for reasonable excuse and proof of absence. Reasonable excuse and proof of absence shall be determined by the Employer and the Union based upon the evidence.

(g)(h) **In Kankakee Inside.** if for any reason is absent from work for a period of two working days without notifying the Company.

Comment [FAL{128}: 11.7.7

32.4 **Chicago Merger of Distribution Centers.** In the event the Employer discontinues a distribution center or centers covered by this Agreement and merges such distribution center into an existing distribution center covered by this Agreement, new seniority lists shall be established based upon the respective seniority dates of all employees in the merged unit.

Chicago Outside. If an Employer moves routes from one distribution center to another, the Driver Salesman and the Helper shall be integrated into the seniority list at his new base of operations.

Chicago Inside. Employees who are laid off as a result of such merger shall be given the option of accepting layoff in accordance with this Article or of electing severance allowance in accordance with **Article 28**. If an employee elects layoff and is not recalled or offered other employment (as specified in **Article 28**) within ninety (90) days following the date of such layoff, he shall be paid severance allowance in accordance with **Article 28**.

Comment [FAL{129}]: 2x doesn't apply to KI 11.8, and it says we need to provide to union;

32.5 Seniority List. The Employer shall post a current seniority list a minimum of two (2) times per year (in May and November) which shall include the name, job classification and job classification seniority date. The seniority dates listed thereon shall be final and binding unless objected thereto within five (5) working days after it is posted. Upon request, a copy of such seniority list will be given to the Union.

32.6 Chicago Inside and Kankakee Outside Seniority Application. Seniority shall not apply to any particular type of work within a classification or to place of work, assigned machine, or assigned equipment within any department or plant. This Section shall not in any way deprive any employee of his seniority as defined in **Section 15.1** of this Article for Chicago Inside.

32-432.7 Chicago Inside Shift Preference. Employees will be given a preference of shifts in accordance with their seniority and ability to perform the work. In the event it is necessary to assign senior employees with needed skills and abilities to the afternoon or night shift, the least senior employee qualified to perform the work shall be assigned unless a senior employee desires the assignment. An employee so reassigned will be returned to his regular shift within thirty (30) days from the time that there are employees with less seniority on such regular shift who are qualified to perform the work. Employees by seniority may select in writing annually on November 1st, their shift preferences within their respective job classifications. Such shift preference will be effective January 1 of the following year.

The desires of senior employees as to starting times in effect in their classification on their shifts will be recognized by the Employer whenever practical.

32-532.8 Chicago Inside Transfer to/from Transport Driver. Employees who bid for a Transport Driver vacancy will be assigned in accordance with **Article 10** of the Soft Drink Sales and Distribution Workers' Agreement.

32-632.9 Chicago Inside Vacancies/Posting. Permanent job vacancies in the job classifications covered by this Agreement in the Production Department or the Warehouse Department shall be posted for a period of three (3) working days during which time employees in lower rated job classifications in the department where the vacancy occurs shall be eligible to bid thereon. Such posting shall contain the job classification, the wage rate for the position, and the usual starting time. Eligible employees desiring to bid on such jobs shall sign their names in the space provided on the bulletin board posting sheet. Where the ability to perform the job which includes physical fitness is relatively equal among the employees bidding for the job, preference in filling the position will be given to the qualified bidder on the basis of his departmental seniority. The Employer will not exercise its discretion as to the relative ability of the

employees bidding in an arbitrary and capricious manner and any complaint that the Employer has exercised its discretion in an arbitrary and capricious manner shall be subject to the Grievance and Arbitration Procedure. In the event no qualified employee bids for the job, the Employer may fill such vacancy or new position by assignment to a willing employee or by new hire. During the period required to post, bid, and award the position, the Employer may assign available personnel to fill the job. Where the filling of the vacancy or new position by the above procedure results in the creation of a vacancy in another job classification, such resulting vacancy shall likewise be posted for bid and awarded in accordance with the above procedures but any further vacancies in job classifications which might result therefrom may be filled by assignment to a willing employee or by new hire. The successful bidder shall not have an opportunity to bid on another position for a six (6) month period following his assignment to the vacancy. An employee who successfully bids on a vacancy will begin their new position within thirty (30) days or the employee will begin receiving the pay rate for the new position, if the pay rate is higher.

32-732.10 Chicago Inside Notice of Layoff. In the event of layoff of employees covered by this Agreement, the Employer shall give at least five (5) days advance notice thereof to the Union and, upon request, shall discuss the matter with the Union. Where it is the Employer's intention to permanently eliminate jobs covered by this Agreement, he shall so indicate at the time of notification to the Union.

32-832.11 Chicago Inside Reduction in Force. In the event of a permanent reduction in the working force, employees with the least plant seniority in the impacted department to be reduced shall be the first laid off.

If as a result of the reduction in force a vacancy arises, the vacant position will be offered and assigned by seniority, first to those employees within the department that are interested in bidding on such vacancy, and second to those interested employees outside of the department. Should no employee bid on the vacancy, the vacancy will be filled by forcing the most junior employee in the department from the bottom up. All subsequent vacancies that arise out of such movement will be subject to **Section 15.2**.

If an employee is laid off due to a permanent reduction in the workforce, he or she shall be offered a warehouse position within the other Pepsi locations currently under Local 72's jurisdiction according to their seniority and provided there are warehouse openings. Such employees will be given a sixty (60) day training period to qualify for the job, and if deemed qualified, he/she will be end-tailed on the warehouse seniority list. Warehouse openings will be made available for thirty (30) days from the effective date of layoff. Should no warehouse openings exist, the company will inform the employee of other opportunities within the Pepsi locations currently under local 72740's jurisdiction and allow them to apply for and be considered for those positions.

No new employee shall be hired within a department as long as senior employees within the department are on layoff status. Laid-off employees shall be recalled to their regular job classification in the reverse order of their layoff. Any employee who is laid off due to a reduction in the work force shall receive one (1) week's notice or one (1) week's pay in lieu thereof.

32-932.12 Chicago Inside Recall. Notice of recall will be made by the Employer in the most expeditious manner possible. Employees shall be responsible for keeping the Employer informed of their current address and telephone number at all times.

32.1032.13 **Kankakee Inside Reduction in Force and Recall.** In all cases where employees are laid off due to the reduction in working forces or called back from layoff due to the increases in working forces, and in the case of promotion, where ability to perform the job which includes physical fitness is equal, length of continuous service shall govern. In the event that it is necessary to layoff employees because of lack of work, the employee with the least seniority in the plant shall be laid off. Employees who have been laid off shall be recalled to work in the reverse order of their layoff.

32.1132.14 **Kankakee Outside Reduction in Force.** In the event of a decrease in the working force, employees with the least seniority in the job classification to be reduced shall be removed from the classification provided the remaining employees can perform all of the functions required in the job classification. An employee thus displaced shall be assigned to displace the least senior employee in a lower paid job classification within his department who has less departmental seniority than he, provided that he is able to perform the work as demonstrated by previous experience and physical fitness before being laid off. Employees who have been laid off shall be recalled to their classification in the reverse order of their layoff.

ARTICLE 33 – Chicago Delivery 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.

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 the jurisdiction of Local Union No. ~~7240727~~, 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.

ARTICLE 35 - Management Rights

Comment [FAL{131}]: CI A29, KI 24, KO 29
(paragraph regarding direct deposits from all of
these contracts captured in CO23 now)

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 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](#).

Kankakee Employees. The management of the plant and the direction of the working forces including the right to hire, promote, transfer, discharge employees for proper cause; layoff employees because of lack of work or for other legitimate reasons; assign employees to work; determine qualifications for work; maintain discipline and efficiency; schedule work, and control the use of all equipment and other property of the Company, are the exclusive functions of the management except as expressly provided for or limited by any of the provisions of this Agreement.

Comment [FAL{132}]: Pulled from KO 4.1
and KI 4.1 (company security article)

Kankakee Outside. The Employer has the right to require an employee to use their personal vehicle to perform work. If the Employer requires an employee to use his personal vehicle for work the employee will be compensated for mileage in accordance with IRS guidelines.

Comment [FAL{133}]: KO A29

Kankakee Outside CDL Training. Employees who are provided the necessary training by the Company to become qualified Commercial Drivers shall be required to repay the Company the cost of the training if they leave the employment of the Company within one (1) year of obtaining their CDL. The cost of the training will be deducted from the employee's last paycheck. All employees shall be required to sign an agreement to this effect prior to the beginning of the training.

Comment [FAL{134}]: KO A29

ARTICLE 36 - Transitional Duty for Chicago Employees

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.

ARTICLE 37 – Chicago Outside D-Bay Drivers

The Company will create territory zones for purposes of managing runs. The zones will be bid on an annual basis. All runs to be posted and bid daily. Drivers will chose runs within the bid zone based on seniority. The maximum allowable time for the daily bid process, from start to finish, shall be limited to twenty (20) minutes. After twenty (20) minutes, the Company may assign runs.

If there are more Delivery Drivers than there are delivery schedules on any given day, the junior 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).

Comment [FAL{135}]: KO A17, KI A14.

ARTICLE XX – KANKAKEE Workmen's Compensation and Social Security

It is mutually agreed by and between the parties hereto that the statutory provisions of the Illinois Workmen's Compensation Act and the Illinois Workmen's Occupational Diseases Act shall be a part of this Agreement and where the Company comes under the jurisdiction of either or all of these Acts, it will promptly comply with all provisions of these said Acts. Further, it is agreed between the parties that the statutory provisions of the Federal Social Security Act and the Federal Old Age Pension Act shall promptly be complied with, and cover all employees covered by this Agreement. The Company agrees to carry its liability insurance with a financially responsible group.

Comment [FAL{136}]: CI A25

ARTICLE XX– Chicago Inside Employer Interest

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

ARTICLE 38 - 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.

Kankakee Employees. If amendment of certain sections only is desired, notice shall be given of intention to amend such sections and of the amendments desired at least sixty (60) days prior to any expiration period. If notice is given to amend only, this Agreement, except paragraph 4.2, shall remain in full force and effect until superseded by a new agreement.

Comment [FAL{137}]: KO A31, KI A26

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

FOR THE COMPANY:

PEPSI BEVERAGES COMPANY

FOR THE UNION:

Auto Livery Chauffeurs, Embalmers, Funeral Directors, Ambulance Drivers and Helpers, Taxicab Drivers, Miscellaneous Garage Employees, Car Washers, Greasers, Polishers, and Wash Rack Attendants, Motion Picture, Theatrical, Exposition, Convention and Trade Show Employees, Pharmacists, Bus Drivers, Parking Lot Attendants and Hikers, Hotel Industry and Racetrack Industry Employees, Newspaper, Magazine, Periodical Salesmen, Drivers, Division Men, District Managers, Checkers, Vendors and Handlers, and Electronic Media Workers Chicago and Vicinity, Illinois Local No. 727 740727 Affiliated with the International Brotherhood of Teamsters.

BY: _____
Michael P. Gilligan
Vice President, Labor Relations

BY: _____
Name: _____
Secretary - Treasurer

BY: _____
Name: _____
President

Michael P. Gilligan

LETTER OF UNDERSTANDING – CHICAGO OUTSIDE NEW TECHNOLOGY

Added during 2012 Negotiations

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 – CHICAGO PENSION

As of April 4, 2013, the Employer and the Union agree that the Employer will be withdrawing from the Soft Drink Industry Employer-Local Union No. 740727 Pension Fund Soft Drink Industry Employer-Local Union No. 740727 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:

Group 1: Employees as of April 4, 2013 whose current benefit under the Soft Drink Industry Employer-Local Union No. 740727 Pension Fund includes at least 5 years of Vesting Service or Contributory Credit for the time that they were employed by the Employer.

Group 2: Employees as of April 4, 2013 whose current benefit under the Soft Drink Industry Employer-Local Union No. 740727 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.

Group 3: Employees hired or rehired after April 4, 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 4, 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 4, 2013: Thirty-nine dollars (\$39.00)

Effective April 29, 2013: Thirty-nine dollars (\$39.00)

Effective April 29, 2014: Thirty-nine dollars (\$39.00)

Effective April 29, 2015: Thirty-nine dollars (\$39.00)

To be considered a Group 1 Employee, the Employee must provide the PHERP with a benefit statement from the Soft Drink Industry Employer-Local Union No. 740727 Pension Fund that shows the Employee's annual benefit accrual history and their Soft Drink Industry Employer-Local Union No. 740727 Pension Fund Normal and other forms of Retirement benefit as of April 4, 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 4, 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 Soft Drink Industry Employer-Local Union No. 749727 Pension Fund because they are not vested in that benefit as of April 4, 2013, the Employee will receive credited service for their period of employment with the Employer through April 4, 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 Soft Drink Industry Employer-Local Union No. 749727 Pension Fund that shows that the Employee was not vested in their Soft Drink Industry Employer-Local Union No. 749727 Pension Fund benefit as of April 4, 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 4, 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 4, 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.

Chicago Memorandum of Understanding - "Blue-Card"

Employees

This Memorandum of Understanding is entered into by and between Pepsi Beverages Company (hereinafter called the "Employer") and the HIGHWAY DRIVERS, DOCKMEN, SPOTTERS, RAMPMEN, MEAT PACKING HOUSE AND ALLIED PRODUCTS DRIVERS AND HELPERS, OFFICE WORKERS AND MISCELLANEOUS EMPLOYEES LOCAL UNION ~~740~~727, affiliated with the International Brotherhood of Teamsters (hereinafter called the "Union").

WHEREAS, the Employer and the Union are parties to a collective bargaining agreement on behalf of the "Soft Drink Inside and Outside Workers" employed by the Employer, the term of which is effective from April 29, 2012 – April 28, 2016; and

WHEREAS, the Employer "recognizes the Union as the exclusive bargaining agent with respect to wages, hours and other conditions of employment for all production, warehouse, and MEM employees 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" (Article 2 Recognition, Section 2.1 General); and

WHEREAS, the Employer employs temporary day-to-day employees, referred to by the Employer as "Blue-Card" employees, who perform the same work as that performed by the above recognized classifications; and

WHEREAS, the Employer and the Union have met and discussed the matter of the obligation of the Employer to recognize such "Blue-Card" employees as bargaining unit employees;

NOW, THEREFORE, the parties hereby understand and agree to the following:

Pepsi Beverages Company shall be permitted to hire temporary day-to-day "Blue-Card" employees in accordance with the provision set forth below.

1. The Employer hereby recognizes the Union as the sole and exclusive bargaining agent for all "Blue-Card" employees.
2. "Blue-Card" employees are temporary day-to-day employees performing bargaining unit work and shall be covered under the section of the agreement dealing with union recognition.
3. The number of "Blue-Card" employees shall not exceed 15% of the number of regular full-time employees at each location covered by the collective bargaining agreement.
4. "Blue-Card" employees shall not be eligible for paid leave or other fringe benefits applicable to regular full-time employees and the Employer shall not be obligated to make any payments for any and/or provide such benefits.

5. "Blue-Card" employees shall not accrue seniority while so employed as "Blue-Card" employees. However, the Employer agrees that a "Blue-Card" employee will be selected to fill regular full-time vacancies if available when needed provided they meet all qualifications required of new applicants. "Blue-Card" employees reclassified as regular employees shall accrue seniority from the date they are classified as regular employees.

6. "Blue-Card" employees will be paid as follows:

4/29/12	4/29/13	4/29/14	4/29/15
\$13.15	\$13.55	\$13.95	\$14.35

7. The Employer will identify "Blue-Card" employees on the monthly union dues report.
8. The Employer will identify "temporary" employees, as defined in Article 15.6 (Inside CBA) / Article 32.1 (Outside CBA) on the monthly union dues report.
9. "Blue-Card" employees shall become and remain members of the Union as a condition of employment on or after the 31st day following the beginning of their employment. This provision shall be made and become effective as of such time as it may be made and become effective under the provisions of the National Labor Relations Act, but not retroactively.

The term "member" shall be limited to the payment of the initiation fee and membership dues uniformly required as a condition of acquiring or retaining membership and shall be a financial obligation only. Nothing in this agreement shall require the actual joining or formal membership in the Union.

10. "Blue-Card" employees will be subject to the same physical, mental or other examination requirements as regular employees.
11. All "Blue-Card" employees performing bargaining unit work shall be considered temporary day-to-day employees and may complete a TEMPORARY OR PART TIME EMPLOYEE CHECKOFF AUTHORIZATION AND ASSIGNMENT (Form No. 802T). This form is only required to be completed once at the Employer by the temporary day-to-day employee who is offered work with the Employer, regardless of the frequency or infrequency of work provided.

On the receipt of written authorization from each "Blue-Card" employee, after 30 days of employment have been completed, the Employer agrees to deduct from the pay of that employee an amount equal to \$2.00 for each day worked, for a maximum of 12 working days in any calendar month, and remit same to the Union on the same report on which it remits the dues and fees of its regular employees. In any month, where the amount remitted is greater than that month's dues amount, the excess remitted beyond the monthly dues obligations, up to and including the current month, will be applied to initiation fee, reinitiation fee or transfer fee obligations.

12. If it is judicially determined that the payment of dues by "Blue-Card" employees is improper and/or unlawful the Employer will be permitted to cease the dues checkoff and "Blue-Card" employees will no longer be required to pay any dues to the Union as condition of employment. Despite such cessation of the dues checkoff, the

Employer will be permitted to employ "Blue-Card" employees. The Employer and the Union will meet to discuss the payment of dues or fees by "Blue-Card" employees to determine if a proper and/or lawful provision can be agreed upon.

13. 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 purpose of complying with any provision of this agreement.
14. This agreement will be effective from April 29, 2012 – April 28, 2016.

LETTER OF UNDERSTANDING – WAREHOUSE RE-PACK POSITIONS

35th Street Only (Inside Agreement)
(Added during 2012 Negotiations)

The Company will staff an additional re-pack position(s) in the warehouse, as business needs dictate as determined by the Company. The position will be considered entry level and will be paid \$15.00/hr. subject to any negotiated increases but not subject to the new employee wage progression according to the wage rate schedule in Article 7. The Company shall have the right to supplement this new position and the work associated with it utilizing warehouse "Blue Card" employees first and then Merchandiser "Blue Card" employees second to fulfill the necessary number of workers for the re-pack work, and only thereafter may assign the Merchandiser classification to such work.

Merchandisers will not be the primary job classification required to complete rework accountabilities (i.e. breakage, OOD, damaged) within the facility but may, as business needs dictate, as determined by the Company be assigned re-pack work. In such instances, they shall be compensated at the lift truck operator warehouse rate of pay with a two hour minimum paid at such rate. The Company maintains the ability to assign warehouse employees (including the re-pack position(s)) job duties as needed.

For sixth and seventh day overtime purposes, overtime will be offered first to those within the classification by seniority, then to the warehouse by seniority and then to "Blue Cards".

Kankakee COMPANY DRUG AND ALCOHOL ABUSE POLICY

I. POLICY

The Union and the Company agree that employees who are involved in the use, consumption, possession, sale, distribution or transfer of any alcohol or drugs during working hours or while on Company property shall be subject to immediate discharge. This policy does not in any way alter or abrogate the Company's right to discharge employees engaged in such misconduct.

The parties also agree that employees shall not report to work or work: (1) with a prohibited amount of alcohol or drugs or their metabolites in their system; (2) under the influence of alcohol or drugs or their metabolites; or (3) under any condition which may impair their ability to safely and efficiently perform assigned job duties or which may otherwise adversely affect the Company's business or reputation.

For purposes of the policy, the term "drugs" includes any and all controlled substances, such as but not limited to amphetamines, barbiturates, benzodiazepines, cannabinoids, cocaine, methadone, methaqualone, opiates, phencyclidine and propoxyphene, as well as "designer" drugs and synthesized substances with similar effects. The term "drugs" also includes prescription and over-the-counter medications which have not been legally obtained, are not being used for prescribed purposes and/or are not being taken according to prescribed dosages.

For purposes of this policy, an employee is considered to have reported to work (1) with a prohibited amount of alcohol or drugs or their metabolites in their system; (2) under the influence of alcohol or drugs or their metabolites; or (3) under any condition which may impair his or her ability to safely and efficiently perform assigned job duties or which may otherwise adversely affect the Company's business or reputation if he or she has in his or her system an amount of alcohol or drugs or their metabolites that exceeds the threshold levels set forth in Appendix A.

For purposes of this policy and as a condition of continued employment, any employees who are convicted under any criminal drug statute for violations occurring in the workplace must notify the Company of such conviction no later than five (5) days after such conviction.

II. TESTING PROCEDURES

- A. All employees involved in an accident, where there is an injury requiring professional medical attention or which causes property damage appearing reasonably at the time of the accident to be approximately \$1000 or greater will be transported to a local hospital or physician for treatment. The employee will also be required to submit to a urine, breath and/or blood test or any other similar testing method to determine if alcohol or drugs or their metabolites are in the employee's system.

Any employee inflicting or causing an injury requiring professional medical attention to another employee during work time or on Company property will be required to accompany the injured employee to a local hospital or physician and to submit to a urine, breath and/or blood test or other similar testing methods to determine if alcohol or drugs or their metabolites are in the employee's system.

- C. If management has a reasonable cause to believe that an employee has a prohibited amount of alcohol or drugs or their metabolites in his or her system, or has exhibited symptoms of recent use of alcohol or drugs, said employee will be transported to a local hospital and will be required to submit to urine, breath and/or blood tests or any other similar testing method to determine if alcohol or drugs or their metabolites are in the employee's system.
- D. Prior to employment, all conditionally accepted applicants will be given urine and/or blood tests for the presence of alcohol or drugs or their metabolites in their system.
- E. No employee will suffer loss of wages while undergoing such tests unless the test results are positive. All costs involving transportation to and from the hospital and all costs of examination and tests will be paid by the Company, except those transportation costs incurred by conditionally accepted applicants and those returning from layoff.
- F. All tests for drugs and/or controlled substances will be undertaken at a laboratory selected by the Company. All specimens will be collected and transported to the laboratory in accordance with the laboratory's established chain of custody procedures. Any initial positive drug test screens will be confirmed by Gas Chromatography/Mass Spectrometry (CG/MS). All tests for alcohol will be undertaken using the methodology and chain of custody procedure available at the medical center or laboratory which is selected by the Company to test such samples.
- G. For purposes of this policy, an individual whose test results equal or exceed the threshold levels set forth in Appendix A shall be considered in direct violation of this policy.
- H. If any of the conditions of subparts A through C above have been met, the employee must be sent home from work for the day, following the testing procedures. If any of the conditions of subparts A through C above have been met and the lab analysis report shows that the above-mentioned tests prove positive for any employee, such employee will be subject to disciplinary action up to and including termination of employment as described in Subpart VI. Conditionally accepted applicants who test positive will not be offered employment.

III. CONSENT

Prior to being required to submit to any testing procedure described in this policy, the employee must sign a voluntary consent form provided by the Company, attached as Appendix B.

IV. FAILURE TO COOPERATE

An employee's refusal to submit to such tests for alcohol or drugs or their metabolites will be considered a refusal of a direct work order and failure to cooperate in an investigation, and subject the employee to discharge.

V. SEARCHES

An employee's person or personal vehicle or other personal property, while on Company property, may be searched by management if management has reason to believe that a violation of this policy has been committed. Employee lockers, desks and Company owned tool boxes remain at all times the property of the Company and the Company reserves the right to conduct searches of any such Company property at any time. Any such search shall be

conducted in the presence of the employee and a Union Committeeman, if one is available at the plant. A refusal to submit to such a search by management will be considered insubordination and will be considered just cause for immediate discharge.

VI. CONSEQUENCES OF DRUG TESTING/POSITIVE FOR DRUGS

An employee who tests positive for alcohol or drugs or their metabolites under Subpart II of this policy will be subject to discharge.

VII. REHABILITATION

This policy in no way alters the Company's provision for employees voluntarily to submit to a drug or alcohol rehabilitation program. It remains the Company's desire and intent to encourage any employee with an alcohol or drug dependence problem to seek professional assistance before the problem leads to an incident requiring disciplinary action. Reimbursement for this treatment will be in accordance with current Company policy. Employees who voluntarily submit to a rehabilitation program may be placed on a medical leave of absence under the terms of the parties' labor contract. Employees who have not violated this policy may submit themselves for treatment during their employment without being subject to discharge under this policy. Where a violation of this policy has occurred, an employee's request to submit to a drug or alcohol rehabilitation program shall not serve to waive the application of disciplinary action under this or any other Company disciplinary policy or work rule.

VIII. GOVERNMENTAL MODIFICATIONS

Any federal or state decision, regulation or statute that modifies this policy in any way shall be incorporated into the policy.

If the Department of Transportation (DOT) regulations are more stringent than the Company Policy, the DOT regulations shall apply to all DOT regulated employees. If the DOT regulations are less stringent than the Company Policy, the Company Policy shall apply.

Modified Standard Union Drug and Alcohol Abuse Policy

APPENDIX A

<u>DRUG</u>	<u>THRESHOLD LEVEL</u>
Amphetamines	1000 ng/ml
Barbiturates	300 ng/ml
Benzodiazepines	300 ng/ml
Cannabinoids	100 ng/ml
Cocaine	300 ng/ml
Methadone	300 ng/ml
Methaqualone	300 ng/ml
Opiates	300 ng/ml
Phencyclidine (PCP)	25 ng/ml
Propoxyphene	300 ng/ml

<u>ALCOHOL</u>	<u>THRESHOLD LEVEL</u>
	A threshold level of .04 any time during working hours or while on Company property.

APPENDIX B - VOLUNTARY CONSENT AND RELEASE

I, _____, hereby consent to (1) the collection of blood, urine
or _____
(print name)
breath specimens from me; (2) the testing of such specimens for alcohol or drugs or
their metabolites; and (3) the release of test results and other relevant medical
information by (names of facilities which draw and test specimens) to (name of
company) management. I also release (name of company and testing/drawing facilities)
and their agents, employees and officers from any and all liability they might otherwise
have for conducting such testing and disclosing such test results without my permission.

I have, within the last 30 days, taken the following medication:

Name of Drug	Condition For Which Taken	Prescribing Physician

Consent Given:	
<u>Date:</u>	

Consent Refused:	
<u>Date:</u>	

TENTATIVE AGREEMENTS

1. *Accept changes to cover:*

AGREEMENT

Chicago

Soft Drink ~~Sales and Distribution~~ Workers
Chicago & Kankakee Facilities
Inside & Outside Employees

Between

PEPSI BEVERAGES COMPANY

And

~~HIGHWAY DRIVERS, DOCKMEN, SPOTTERS, RAMPMEN,
MEAT PACKING HOUSE AND ALLIED PRODUCTS DRIVERS
AND HELPERS, OFFICE WORKERS AND MISCELLANEOUS
EMPLOYEES LOCAL UNION 710 Affiliated with the
International Brotherhood of Teamsters~~

Teamsters Local 72710

affiliated with the International Brotherhood of
Teamsters

April 29, ~~2012~~ XXXX through April 28,
~~2016~~ XXXX

2. Accept changes to opening paragraph:

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 Auto Livery Chauffeurs, Embalmers, Funeral Directors, Ambulance Drivers and Helpers, Taxicab Drivers, Miscellaneous Garage Employees, Car Washers, Greasers, Polishers, and Wash Rack Attendants, Motion Picture, Theatrical, Exposition, Convention and Trade Show Employees, Pharmacists, Bus Drivers, Parking Lot Attendants and Hikers, Hotel Industry and Racetrack Industry Employees, Newspaper, Magazine, Periodical Salesmen, Drivers, Division Men, District Managers, Checkers, Vendors and Handlers, and Electronic Media Workers Chicago and Vicinity, Illinois Local No. 727 anthe ~~HIGHWAY DRIVERS, DOCKMEN, SPOTTERS, RAMPMEN, MEAT PACKING HOUSE AND ALLIED PRODUCTS DRIVERS AND HELPERS, OFFICE WORKERS AND MISCELLANEOUS EMPLOYEES LOCAL UNION 710~~, affiliated with the International Brotherhood of Teamsters (hereinafter called the "Union").

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:

3. Accept Union Article 3

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.

4. Accept proposal to move wage rates into an Appendix, economics to be discussed later

5. Accept proposal to make guarantees into a separate Article, Company will have a counter proposal with specific language

6. Accept Union Article 23 – Uniforms

ARTICLE 23 - 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 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 except for production employees.

7. Accept Union Article 25 – Union Stewards

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.
 - 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.

8. *Accept Union Article 33 – Visitation*

ARTICLE 33 - 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 security rules of the Employer regarding visitors to its premises.