

**AGREEMENT**

**BETWEEN**

**NBC MERCHANTS, INC for its Distribution Center**

**AT**

**EVANSVILLE, IN.**

**AND**

**The CHICAGO & MIDWEST REGIONAL JOINT BOARD and its  
affiliated LOCAL NO. 399 of WORKERS UNITED**

**EFFECTIVE: JUNE 1, 2023**

**THROUGH: MAY 31, 2026**

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## **AGREEMENT**

AGREEMENT made and entered into as of the 1st day of June **2023** by and between NBC MERCHANTS, INC for its Distribution Center in Evansville, Indiana, (hereinafter referred to as the "Employer") and the CHICAGO AND MIDWEST REGIONAL JOINT BOARD on behalf of itself and its affiliated LOCAL NO. 399 of WORKERS UNITED (hereinafter referred to as the "Union")

WHEREAS, the Union represents a majority of the employees in the unit hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises of the parties set forth, the parties hereto agree as follows:

### **ARTICLE 1 - RECOGNITION**

The Employer recognizes the Union as the sole and exclusive collective bargaining agent and representative of the regular full-time and regular part-time Distribution employees employed in the Distribution Center only at Evansville, Indiana, excluding all janitorial, office clerical, Distribution Center Supervisors and Managers and Assistant Distribution Center Managers, professional, confidential guards and watchmen, for the purposes of collective bargaining with respect to matters of wages, hours, and other terms and conditions of employment.

### **ARTICLE 2 - SCOPE OF AGREEMENT**

This contract shall apply to workers employed by the Employer in the Distribution Center located in Evansville, Indiana: (exclusive of retail stores of the Employer)

### **ARTICLE 3 - HIRING OF EMPLOYEES**

The Employer shall have the sole and exclusive right to select and hire its employees. Within forty-eight (48) hours from the time of hiring an employee covered by this Agreement, the Employer shall send a written notice to the Union, on an appropriate form supplied by the Union, stating name, address, salary, starting date, and job function of such new employee.

### **ARTICLE 4 - UNION SECURITY**

It is a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing and those who are not members on the execution date or the effective date of this Agreement, whichever is later, shall, on the thirty-first (31) calendar day following the execution date or the effective date of this Agreement, whichever is later, become and remain members in good standing of the Union.

If Indiana's right-to-work law is repealed during the term of this Agreement, Article 4 of the previous Agreement shall be reinstated as Article 4 of this Agreement.

## **ARTICLE 5 - TRIAL PERIOD**

A trial period of ninety (90) calendar days is hereby fixed for new employees covered by this Agreement. During the first thirty (30) calendar day period, the Employer may discharge such new employees without cause, without notice to the Union, and without the consent of the Union. Between the thirtieth (30th) and ninetieth (90th) days, the Employer will notify the Union of discharges and said discharges will be subject to grievance, but not to arbitration. Thereafter, the new employees shall be covered under the provisions of the Collective Bargaining Agreement. The Employer shall exempt new employees from daily transfers within or between departments during their first sixty (60) days.

## **ARTICLE 6 - TEMPORARY EMPLOYEES**

1. The Employer, at its discretion, and upon notification to the Union, may employ temporary employees, who shall not be required to become members of the Union. Such temporary employees may be hired each calendar year. In no event shall the employment of such temporary employees exceed one hundred (100) cumulative working days in any calendar year, if so, then such employees shall thereafter be deemed covered by the terms of the Agreement, and their date of hire shall be retroactive to the date one hundred (100) regular work days prior to the completion of one hundred working days. The Employer shall provide the Union with a monthly listing of all temporary employees' names and hire dates.

Should any agency temporary employee be converted to regular employee status within the one hundred (100) day temporary employee employment period, then such employee's cumulative time worked for the Employer shall be credited towards time served towards completion of the trial period. All time worked as an agency temporary employee shall not be counted towards seniority rights or accrual of benefit eligibility under this Agreement. For those agency employees converted to regular employee status, their seniority date for all purposes under this Agreement shall be the first date of their conversion to regular employee status.

2. The Employer agrees to notify such temporary employees of their temporary status, and to receive written acknowledgment of it from such temporary employees. If such written acknowledgement is not obtained, it will be presumed that the employees shall be covered by this Agreement after the regular trial period as herein provided.
3. Before the Employer hires temporary employees, as herein provided, the Employer shall first offer employment to the employees on layoff at the time, in accordance with Article 15 of this Agreement.
4. In the event transfers are made by management, they shall be made in the following order: First transferred will be Temporary Employees, then followed by Fulltime and Part time Employees on the basis of Seniority.

## ARTICLE 7 - PAYMENT ON APPEARANCE FOR WORK

An employee employed for 90 days or more who is scheduled to work and who reports to work shall receive one-half day's pay at the applicable base rate of pay with the following exceptions: Facility closing notices that are announced by the Employer the Emergency Notification System (ENS); the closing of the distribution center due to unforeseen or unpredicted safety situations that may occur, through ENS announcements, i.e., situations that could endanger the life or limb of employees; or, state of emergency conditions prevailing in Vanderburgh County.

## ARTICLE 8 - WAGES

1. Newly hired employees upon completion of thirty (30) calendar days shall receive a twenty-five (25) cent per hour wage increase.

2. **General Wage Increase** June 1, 2023:

(a) All employees Hired prior to June 1, 2023, who make less than the starting wage, shall be paid the starting wage as the first-year wage increase.

(b) All employees hired prior to June 1, 2023, who do not receive an increase due to the starting wage increase shall receive a wage adjustment of no less than fifty (.50) cents per hour as their first-year wage increase;

(c) All employees with 10 or more years of seniority on June 1, 2023, will receive a wage increase in addition to (b) as their first-year wage increase.

10-14 years	\$0.25
15-19 years	\$0.50
20 years or more	\$0.75

No Associate hired prior to June 1, 2023, will receive less than a total of \$1.25 an hour increase as their first year wage increase.

II. June 1, 2024: \$0.50 increase to hourly base wage

III. June 1, 2025: \$0.50 increase to hourly base wage

3. **Incentive Eligible Associates (excludes Accuracy Control and Union Analysts)**

All employees covered by This Agreement will be eligible to earn incentives based on the applicable performance of 99.5% or better and meeting the worker training requirements as defined in the Production Standards.

<b>Incentive Chart 2023-2026</b>	
<b>Performance</b>	<b>Incentive</b>
<b>&lt; 85%</b>	\$ -
<b>85-99.49%</b>	\$ -
<b>99.5-104.49%</b>	\$ 1.50
<b>104.5-109.49%</b>	\$ 1.55
<b>109.5-114.49%</b>	\$ 1.60
<b>114.5-119.49%</b>	\$ 1.65
<b>119.5-124.49%</b>	\$ 1.70
<b>124.5-129.49%</b>	\$ 1.75
<b>129.5-134.49</b>	\$ 1.80
<b>&gt;135%**</b>	\$ 1.85

Any non-incentive eligible employee who moves to an incentive eligible position during the life of this Agreement shall lose all increases paid as “non-incentive eligible” and receive the equivalent “incentive eligible” increase corresponding to those years of the Agreement.

Vice versa, and incentive eligible employee who moves to a non-incentive position during the life of this Agreement gains the equivalent increase from their base pay raise to the non-incentive pay increase corresponding to those years of the Agreement. These measures would apply to any base increases provided under previous incentive-based contractual agreements.

4. Effective June 1, 2023, employees regularly employed in shipping will receive a premium wage one dollar and fifty cent (\$1.50) per hour. The premium rate will be retained by them until such time as they are permanently reassigned to another department. Employees assigned to shipping will receive the premium for the hours worked in shipping-while so assigned.

5. Effective June 1, 2023, employees regularly employed in Layup will receive a premium wage of one dollar and fifty cent (\$1.50) per hour. The premium rate will be retained by them until such time as they are permanently reassigned to another department. Employees assigned to Layup will receive the premium for the hours worked in Layup while so assigned.

6. Effective June 1, 2023, employees regularly employed in Receiving will receive a premium wage of one dollar and fifty cent (\$1.50) per hour. The premium rate will be retained by them until such time as they are permanently reassigned to another department. Employees assigned to Receiving will receive the premium for the hours worked in Receiving while so assigned.

7. Any employee covered by this Agreement working on the C shift shall receive an hourly shift straight-time wage differential of one dollar and fifty cent (1.50) per hour. The wage differential for the B shift shall be one dollar and fifty cents (\$1.50) per hour.

## **ARTICLE 9 - HOLIDAYS**

1. During the term of this Agreement, all workers employed more than thirty (30) calendar days and covered hereunder, shall be entitled to receive a day's pay at the employee's rate

of pay, except as noted hereunder, for each of the following holidays, regardless of the day of the week the holiday falls: The annual calendar, based on shift worked, is below. New hires will be eligible after thirty (30) days to receive holidays remaining after date of hire, based on the Holiday Schedule for their respective shift. Holidays converted to Personal Days prior to date of hire will not be included.

2023

<b>A &amp; C Shifts: 10-Hour Holidays</b>	<b>B Shift: 12-Hour Holidays</b>
Independence Day	Christmas Eve
Thanksgiving Day Labor Day	New Year's Eve
Christmas Day	Personal Day (3)
Personal Day (3)	

Diversity Day

\*Juneteenth

\*Veteran's Day

2024

<b>A &amp; C Shifts: 10-Hour Holidays</b>	<b>B Shift: 12-Hour Holidays</b>
New Year's Day	Easter
Martin Luther King Day	Personal Day (10)
Memorial Day	
Independence Day	
Labor Day	
Thanksgiving Day	
Christmas Eve	

Christmas Day	
New Year's Eve	
Personal Day (2)	

Diversity Day

\*Juneteenth

\*Veteran's Day

2025

<b>A &amp; C Shifts: 10-Hour Holidays</b>	<b>B Shift: 12-Hour Holidays</b>
New Year's Day	Easter
Martin Luther King Day	Independence Day
Memorial Day	Personal Day (9)
Labor Day	
Thanksgiving Day	
Christmas Eve	
Christmas Day	
New Year's Eve	
Personal Day (3)	

Diversity Day

\*Juneteenth

\*Veteran's Day

<b>A &amp; C Shifts: 10-Hour Holidays</b>	<b>B Shift: 12-Hour Holidays</b>
New Year's Day	Easter
Martin Luther King Day	Personal Day (5)
Memorial Day	
Personal Day (3)	

Diversity Day

\*Juneteenth

\*Veteran's Day

\*Effective June 1, 2023, and moving forward, associates will be granted two (2) Diversity Days per calendar year which may be used for (Juneteenth, and Veteran's Day). Diversity Days are subject to two (2) weeks advance notice. There will be no restriction as to the number of employees by department if appropriate notice is given. If not used for Juneteenth or Veteran's Day, each Diversity Day may be used as a Personal Day, subject to advance notice and management approval.

2. The parties intend that the maximum number of holidays each year under this Agreement shall not be increased in the event the state legislates an additional holiday or holidays which must be observed by the Employer during the life of this Agreement. The Employer shall, at its sole discretion, substitute one (1) or more of the above holidays as the State holiday, so that the maximum number of holidays under the Agreement is not affected by such State action.
3. If the work is performed on a regular work day or a Saturday and a legal holiday is celebrated on such day, employees shall receive one (1) day's holiday pay plus time and one-half (1-1/2) for the number of hours worked. If work is performed on a Monday, which is the day of celebration of a legal holiday which fell on the proceeding Sunday, employees shall receive one (1) full day's pay plus time and one-half (1-1/2) for the number of hours worked.
4. Employees must work their full regularly scheduled day before the holiday and their full regularly scheduled day after the holiday in order to receive holiday pay. In the event an employee is tardy by no more than one (1) hour on the day before and after the holiday, the employee will not lose the holiday pay. In the event of multiple successive holidays, an

employee covered by this Agreement shall lose a maximum of one paid holiday if absent before or after the holiday. This is conditioned on the Employer's approving the absence upon the employee's return to work. Such approval will not unreasonably be withheld.

5. The day on which a Personal Day may be taken is subject to Employer approval, and the request for a Personal Day must be made at least twenty-four (24) hours in advance.
6. For eight (8) hour shifts, the fifteen (15) contractual holidays equates to a total of one-hundred twenty (120) holiday hours.

For ten (10) hours shift, the thirteen (13) contractual holidays equates to one-hundred thirty (130) holiday hours.

For twelve (12) hours shift, the eleven (11) contractual holidays equates to one-hundred thirty-two (132) holiday hours.

7. The Company shall follow a process that allows for the maximum number of associates to be granted off in each department, by shift, during the calendar year. Associates who schedule a full week of Personal Days shall not be included in the maximum number granted off. The company shall pay out any remaining personal days not taken during the calendar year on the first pay period of the following calendar year.

## **ARTICLE 10 - VACATIONS**

1. The vacation period shall be between January 1 and December 31 of each year. Vacations with pay will be granted each year to covered employees who will have the required length of employment, as follows:
  - a. Employees, upon completion of one (1) year of active service will, on their anniversary date of employment, be eligible for two (2) weeks of vacation.
  - b. Employees, upon completion of five (5) years of active service will, on their anniversary date of employment, be eligible for three (3) weeks of vacation.
  - c. Employees, upon completion of ten (10) years of active service will, on their anniversary date of employment, be eligible for four (4) weeks of vacation.
  - d. Employees, upon completion of twenty (20) years of active service will, on their anniversary date of employment, be eligible for five (5) weeks of vacation.
2. Upon consent of an individual worker and the Employer, vacation pay under a. and b. above may be given in lieu of vacation twelve weeks early. Two or more vacation weeks may, when earned, be taken together based on seniority and Employer approval, which shall not be unreasonably denied. Employees may when earned schedule up to four (4) weeks in one (1) or more day increments when requested at least twenty-four (24) hours in advance subject to employer approval. The vacation scheduling procedure shall begin by February 15<sup>th</sup> each year at the latest.
3. Whenever a holiday falls within an employee's vacation period, and either occurs on a day in

the employee's regularly scheduled work week or is a guaranteed legal holiday, the employee shall be granted an extra day of vacation, subject to availability, or an extra day's pay, at the option of the Employer.

4. Eligibility for vacation time shall not accrue during leaves of absence (except for industrial accident leaves) of more than sixty (60) continuous days.
5. Workers who have completed one year of employment may schedule their vacation up to twelve (12) weeks before their anniversary date. In the event an employee is unable to schedule their vacation within their anniversary year, they shall be allowed to schedule up to five (5) days for associates on the A and C shifts or up to four (4) days for associates on the B shift of paid vacation up to six (6) weeks past their anniversary date. Circumstances beyond the associate's control, will be dealt with on a case by case basis.
6. Vacation pay shall be based on the employee's normal work week or workday at his/her regular straight time hourly rate of pay, with the appropriate number of vacation hours applied, as defined by the number of hours in the workday or work week. Each day of vacation equals twelve (12) hours, and a full week of vacation equals thirty-six (36) hours for twelve (12) hour shifts and ten (10) hours, including individually scheduled days for ten (10) hour shifts.

<b>12 Hour Shifts</b>	<b>10 Hour Shifts</b>
2 Weeks=72 Hours	2 Weeks=80 Hours
3 Weeks=108 Hours	3 Weeks=120 Hours
4 Weeks=144 Hours	4 Weeks=160 Hours
5 Weeks=180 Hours	5 Weeks=200 Hours

## **ARTICLE 11 - SICK LEAVE**

1. Regularly scheduled employees, after two (2) months employment, and covered by the agreement, shall be entitled to one (1) day (eight (8) hours or ten (10) hours or twelve (12) hours) sick leave at their rate of pay for each two months of employment during the first (1) year of employment, up to a maximum of six (6) days (forty-eight (48) hours) for an eight (8) hour associate, up to a maximum of five (5) days (fifty (50) hours) for a ten (10) hour associate and up to a maximum of four (4) days (forty-eight (48) hours) for a twelve (12) hour associate. Employees hired in November or December shall not accrue days and will receive the full maximum (48 or 50 hours) on the following January 1. Thereafter, on January 1 employees will receive six (6) paid sick days, forty-eight (48) hours for eight (8) hour associates, five (5) days, fifty (50) hours for a ten (10) hour associate and four (4) days, forty-eight (48) for a twelve (12) hour associate.
2. Regularly scheduled employees continuously employed for more than one (1) year shall be allowed not more than six (6) days (forty-eight (48) hours) or Five (5) days (fifty (50)

hours) of leave for bona fide sickness in each year of employment, at employee's regular rate of pay. The four (4), five (5) or six (6) days shall be available each January 1<sup>st</sup>.

3. Unused sick leave may be accumulated to a maximum of seventeen (17) days (one hundred seventy (170) hours) for ten (10) hour shifts or fourteen (14) days (one hundred sixty-eight (168) hours) for the eight (8) or twelve (12) hours shifts. Unused carry over sick days may be used at the employee's option; however, when STD is applied for, unused sick days are paid first. Employees using carryover sick days must notify the Employer within one workday after using the carryover sick day.
4. Each December 1 employees may cash in as many as three (3) days and their left-over odd hours of their available sick days/hours and be paid for them before Christmas.
5. Employees need only to call in to report an absence of three (3) or more consecutive days. The call must be received prior to the end of his/her respective shift on the third day of absence. A call is further required every third day of absence thereafter. Sick time can be used in full day or half-day increments.

#### **Shift Change Conversion Table**

<b>A/C</b>	<b>to</b>	<b>B shift</b>
5 (50 hours)		4 (48 hours)
4.5 (45 hours)		4 (48 hours)
4 (40 hours)		4 (48 hours)
3.5 (35 hours)		3 (36 hours)
3 (30 hours)		3 (36 hours)
2.5 (25 hours)		2.5 (30 hours)
2 (20 hours)		2 (24 hours)
1.5 (15 hours)		1.5 (18 hours)
1 (10 hours)		1 (12 hours)
½ (5 hours)		½ (6 hours)
0 (0 hours)		0 (0 hours)

<b>B</b>	<b>to</b>	<b>A/C shift</b>
4 (48 hours)		5 (50 hours)
3.5 (42 hours)		4.5 (45 hours)
3 (36 hours)		4 (40 hours)
2.5 (30 hours)		3 (30 hours)
2 (24 hours)		3 (30 hours)
1.5 (18 hours)		2 (20 hours)
1 (12 hours)		2 (20 hours)
½ (6 hours)		½ (5 hours)
0 (0 hours)		0 (0 hours)

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#### **ARTICLE 12 - AUTHORITY TO ACT FOR THE UNION**

1. It is understood and agreed that only the following are authorized to act as agents of the

Union in the administration of this Agreement, and in dealing with and determining any questions which may arise there under or in the relations between the Employer and the Union:

Manager

Representative (to be designated by name, in writing, to the Employer)

However, the right is reserved to the Union to substitute a different agent or agents or add new agents at any time during the life of this Agreement by serving upon the Employer notice, in writing, of such change or addition of agents of the Union.

2. No one shall be deemed an agent of the Union unless designated as such by the Union, in writing. Neither the shop steward nor any shop committee shall be deemed or construed to be an agent of the Union unless designated in writing as such an agent.

## **ARTICLE 13 - HOURS OF WORK**

1-A. The days of work shall be from Monday to Friday inclusive, and the hours of work shall fall within the hours of 6:00 a.m. to 6:00 p.m. daily for the first shift, 3:00 p.m. to 3:00 a.m. for the second shift and 9:00 p.m. to 9:00 am. For the third shift inclusive of at least thirty (30) minutes for lunch. Said hours may be varied by the Employer so that work will start one (1) hour earlier to fit the needs of the Employer. The work schedule and shifts shall not be varied in any one (1) week.

1-B. The days of work shall be from Monday to Thursday inclusive, and the hours of work shall fall within the hours of 5:00 a.m. to 7:00 p.m. daily for the 'A' shift, 5:00 p.m. to 7:00 a.m. for the 'C' shift, and 4:00 A.M. to 7:00 P.M. (Friday through Sunday) for the 'B' shift inclusive of at least thirty (30) minutes for lunch. Said hours may be varied by the Employer so that work will start one (1) hour earlier to fit the needs of the Employer. The work schedule and shifts shall not be varied in any one (1) week.

Focus Groups will be created to research and determine shift structures that benefit the majority of the associates on the A and C shifts. Once a shift structure has been determined, and in consultation with the Labor Management Committee, the Employer shall have the right to implement the new shift structure. The Employer shall provide to the Union, in writing, a sixty (60) day notice in advance of their intention to implement. If the Employer and Union have a dispute, it will be brought to Article 19, Arbitration.

2. The Employer shall have the right to implement additional alternative regular scheduled work weeks that may include regular scheduled weekend work. The Employer shall provide to the Union, in writing, a sixty (60) day notice in advance of their intention to implement any additional alternative regular scheduled work weeks. The Company and the Union agree to negotiate over the terms and conditions of the new shift(s) and the effects of such changes on the terms and conditions of employment of bargaining unit employees. If the Employer and the Union reach impasse, the issues in dispute, except for the Employer's right to implement alternative regularly scheduled work weeks, will be brought to Article 19,

Arbitration. If an alternative scheduled shift is established, it will be staffed by volunteers first, by seniority, then by newly hired employees hired specifically for the new shift schedule.

3. In the course of a workday the Employer shall designate a fifteen (15) minute period for rest and/or refreshment, which shall be during the first (1) half of the work day, and provided the employee is scheduled to work their scheduled shift. Associates on A and C shift will receive a fifteen (15) minute period of rest in the last half of their workday.

Associates on B Shift will receive a fifteen (15) minute period of rest in the first half of their workday and a twenty (20) minute period of rest in the last half of their workday.

4. A twenty (20) minute break will be given on Saturday when work is scheduled for six (6) hours.
5. The regular scheduled work week for the warehouse may consist of:

Eight (8) hours per day, forty (40) hours per week, five consecutive days

Ten (10) hours per day, forty (40) hours per week, four consecutive days

Twelve (12) hours per day, thirty-six (36) hours per week, three consecutive days

## **ARTICLE 14 - OVERTIME PAY**

1. During the life of this Agreement, employees shall be paid as follows:
  - a. **For the eight (8) hour five (5) day a week schedule**, employees shall be paid at the rate of time and one-half (1-1/2) for over forty (40) hours in a regular scheduled week. Full scheduled week shall include scheduled days off but not no-fault. Said rate shall include any earned incentive pay. Contractual Holidays worked shall be paid at the rate of time and one-half (1-1/2) the employees regular straight time rate of pay with earned incentive. Employees shall be paid double time (2x) the employees regular straight time rate of pay for all work performed over forty-eight (48) hours in a regular scheduled worked week.
  - b. **For the ten (10) hour four (4) day a week schedule**, employees shall be paid at the rate of time and one-half (1-1/2) for over forty (40) hours in a regular scheduled week. Full scheduled week shall include scheduled days off but not no-fault. Said rate shall include any earned incentive pay. Contractual Holidays worked shall be paid at the rate of time and one-half (1-1/2) the employees regular straight time rate of pay with earned incentive. Employees shall be paid double time (2x) the employees regular straight time rate of pay for all work performed over fifty (50) hours in a regular scheduled worked week.
  - c. **For the twelve (12) hour three (3) day a week schedule**, employees shall be paid at the

rate of time and one-half (1-1/2) for over thirty-six (36) hours in a regular scheduled week. Full scheduled week shall include scheduled days off but not no-fault. Said rate shall include any earned incentive pay. Contractual Holidays worked shall be paid at the rate of time and one-half (1-1/2) the employees regular straight time rate of pay with earned incentive. Employees shall be paid double time (2x) the employees regular straight time rate of pay for all work performed over forty-eight (48) hours in a regular scheduled worked week.

2. The following will be utilized when A and C shift signs for weekend overtime shifts and when B shift signs for weekday shifts.
  - A. Associates will sign for 1<sup>st</sup>, 3<sup>rd</sup>, or 4<sup>th</sup> column; Home Department, Building Wide except Shipping or Building Wide including Shipping.
  - B. Overtime will be assigned by shift, with associates signing for OT on their normal shift, having primary seniority, followed by that shifts' 3/4<sup>th</sup> column seniority.
  - C. The off-shift signees will be assigned by 3<sup>rd</sup>/4<sup>th</sup> column only. Associates must make themselves available for overtime on their own shift before being eligible for an off-shift overtime assignment.
3. Voluntary Overtime: Daily overtime shall be offered to employees first by seniority within a department, next by area, then facility wide (excluding Shipping) then facility-wide (including Shipping). Probationary and temporary employees will be required to sign in the 3<sup>rd</sup>/4<sup>th</sup> column only on the O.T. sign-up sheet. Overtime shall be offered to all full-time employees on a shift before being offered to temporary employees on the same shift. Off shift overtime hours will be offered to union associates on the other shifts before any temporaries are assigned to work overtime. Anyone volunteering 3<sup>rd</sup> column to fill production needs, outside of their position, shall not be held accountable to meet 100% standards which could affect their rate, or be disciplined for failing to meet requirements, as long as they are 80% efficient.
4. Mandatory Overtime: In the event that the voluntary method fails to produce needed workers, the Employer may mandate overtime by inverse seniority within a department, area, and then facility-wide by shift. The Employer may only exercise the mandatory overtime option for any part of the facility, or facility-wide, sixteen (16x) times per calendar year by squad, department, and shift. Squads will be rotated. In each instance that the Employer exercises the mandatory overtime option, it will give written notification to the Local Union President and the appropriate shift Chief Steward or Lead Steward.

Employees will be notified personally by their immediate supervisor via postings in designated areas no later than 12 noon on Thursday for A shift, 10p.m. on Thursday for the C shift and 12 noon on Sunday for B shift. The employee must be present at work when the notice is given. Failure to provide such notice will excuse an employee from the overtime.

Employees will be excused from mandatory overtime when they have notified their supervisor, in advance of the scheduling of such overtime, of a prearranged doctor's appointment for them or a covered dependent should such appointment interfere with scheduled mandatory overtime shift. In order for such excuse to be valid, the employee may be required to present evidence of attendance at the appointment following the doctor's visit.

Additionally, employees that can submit verification from their regular daycare provider that they could not provide care for the employee's dependent child or parent, for all or part of the scheduled mandatory overtime shall be excused. Employees may be required to submit to the Company, and to keep updated, the name of their regular day care/care provider.

5. Union officers and stewards released from work for regularly scheduled meetings directly related to their Union duties within the Evansville facility (for example; steward meetings or trainings, or membership and; Executive Board meetings) shall have those hours counted as hours worked for the computation of overtime pay.

Stewards, officers, or members who are released from work for organizing, political campaigns, charitable work, or other duties outside their normal local Union duties shall not have those hours counted as hours worked for the purposes of the computation of overtime pay.

## **ARTICLE 15 - SENIORITY AND LAYOFFS**

All rehiring and layoffs shall be done in accordance with seniority, i.e., the last employee hired shall be the first employee laid off, and the last employee laid off shall be the first employee rehired. Notice of layoff shall be made available by the Employer during the day of such layoff. Upon layoff of a shift, employees with seniority may be granted the option to bump lower seniority employees on a remaining shift. Once such option is offered and refused, there shall be no further option for a period of one (1) year. After twelve (12) months, the employee will lose their seniority rights.

### **TEMPORARY LAYOFF**

In the event of a temporary reduction in time, five (5) working days or less, and after the Company has made a reasonable effort to find available work for affected employees, the layoff shall be on a departmental basis. If after five (5) days employees who currently are on a layoff may be granted the option to bump lower seniority employees remaining in the Distribution center.

### **VOLUNTARY TIME OFF-VTO/PTO**

The Union recognizes the Employer's need to manage its workforce staffing levels. The Employer shall be entitled to offer unpaid Voluntary Time Off or Paid Time Off (if applicable) to Employees by department daily. Unpaid Voluntary Time Off or Paid Time Off (if applicable) shall be granted in order of seniority within the department in which it is offered. On any regularly scheduled workday that the Employer needs to reduce the number of Employees within a department at the start of the shift, the Employer will first offer unpaid Voluntary Time Off or Paid Time Off (if applicable) to Employees within that department. Thus, if the Employer

offers unpaid Voluntary Time Off or Paid Time Off (if applicable) for a specific number of Employees within a department, and more Employees request the unpaid Voluntary Time Off or Paid Time Off (if applicable) than is required, the Employer shall grant unpaid Voluntary Time Off or Paid Time Off (if applicable) to the most senior Employees within that department, until all unpaid Voluntary Time Off or Paid Time Off (if applicable) needs are reached.

## **SUPER SENIORITY**

For the purposes of seniority, stewards shall have super seniority within the home department they represent. In the event of a crew-down, layoff, or department transfer, stewards will be the last to be moved.

In the event of a layoff within the facility, Chief stewards shall have plant super seniority and shall be the last laid off on the shift they represent.

## **ARTICLE 16 - NO STRIKE PROVISION**

1. The Union agrees that it will not call, authorize, or ratify a strike or stoppage during the life of this Agreement, except for the Employer's failure to submit to arbitration or to comply with the decision of an arbitrator.

Should an unauthorized strike or stoppage of work by covered employees occur, the Union obligates itself, within twenty-four (24) hours after receipt of notice thereof from the Employer, solely to endeavor in good faith to bring about the return to their work of the covered employees who have stopped work. Upon failure of such employees to return to work within the said twenty-four (24) hours, the Employer may at its option, consider that all or any of the employees have abandoned their employment. Should the employer reemploy any such employee, it shall reemploy all of them, and shall treat all alike and shall not discriminate among them.

2. Compliance by the Union in good faith with this provision shall be deemed full compliance with the Union's obligations hereunder.
3. As an alternative to submitting the matter to arbitration, pursuant to Article 19 hereof, the Employer shall also have the option of terminating this Agreement upon failure of the Union to comply with this Article.

## **ARTICLE 17 - NO LOCK-OUT PROVISION**

1. The Employer agrees that it will not order, authorize, or ratify a lockout during the life of this Agreement. Should the Employer cause a lockout or should there result a lockout for any other reason, notice thereof shall be given by the Union to the Employer. Thereupon, the Employer obligates itself, within twenty four (24) hours after receipt of such notice, solely to endeavor in good faith to have the lock-out terminated and to cause the reemployment of the employees.
2. Upon the failure of the Employer to do so within twenty-four (24) hours, the Union, upon

failure to reach an agreement with the Employer, shall have the option of terminating this Agreement with respect to the Employer, or of submitting the matter to arbitration pursuant to Arbitration, Article 19 herein.

## **ARTICLE 18 - GRIEVANCE PROCEDURE**

1. The parties recognize that the prompt adjustment of grievances is desirable, therefore should any difference arise as to the interpretation, application, performance, or operation of any of the terms of this Agreement, it shall be raised within a reasonable time and settled according to the procedure set forth below.
2. Stewards will be permitted to contact Associates for purposes of Union business when such contacts are deemed necessary by the Steward. A Steward will be notified within thirty (30) minutes that an associate has a potential grievance which the Associate wishes to discuss with the Steward.

Stewards will secure permission from their own Supervisors before leaving their section and will also notify the Supervisors in the department that they are visiting before they contact the Associate. If the departure of the Steward would cause serious interference with operations the Supervisor will make arrangement for the Steward to leave his/her job as promptly as possible. Once released the Steward's contact with the Associate will not be interfered with.

3. For the purpose of the Article, Union business is defined to mean: Investigation of a problem concerning pay or wages, hours of employment, or any other condition of employment.
4. **Grievance Step #1**  
Within five (5) working days of the time the employee has knowledge or reasonably should have had knowledge of the events giving rise to the grievance, the employee may register the grievance with his shop steward. The grievance shall be in writing and be taken up and discussed by the Steward, Associate, Area Operations Manager, and immediate Supervisor within five working days. After discussion, Management will give their position on the grievance in writing to the Grievant and the Steward within five (5) working days. If the first step answer is not satisfactory, then within five (5) working days of receipt of the answer, the grievance will be reduced to writing and copies given to the Assistant General Manager and Human Resources. In order to reach resolutions to complaints or grievances at the earliest possible step of the grievance procedure, the Company and the Union agree that resolutions reached at the first step shall not be precedent setting. Such agreements however shall not be in direct conflict with the current agreement. The Company shall pay the Associate and steward in attendance at the step 1 meeting.
5. **Grievance Step #2**  
If a satisfactory resolution is not reached in Step #1, a meeting will be scheduled with the Chief Steward, Steward, Associate, and Assistant General Manager. The meeting will be held within five (5) working days of receipt of the written grievance. Management will give their written answer to the grievance, within five (5) working days, to the Chief Steward. The Company shall pay the Associate, Chief Steward and steward in attendance at the step 2 meeting.

6. **Grievance Step #3**  
If a satisfactory resolution has not been reached in Step #2, within five (5) working days the grievance shall be scheduled for a Step #3 meeting. The Employer shall respond in writing to the Business agent within five (5) working days from the date of said meeting to each grievance scheduled. The Company shall pay the Associate, Chief Steward and steward in attendance at the step 3 meeting.
7. The union at any time may file a grievance that is general in character which may be signed by the Chief Steward or Business Agent and shall be taken up at Step 3.
8. The indicated time limits within the grievance procedure will prevail unless there is agreement between the parties to the contrary.
9. Management's reply to a grievance at any step will be considered final, and the grievance closed, if not timely advanced to the next step. If the Company fails to answer a grievance within the time limits, the grievance's requested remedy shall be granted. Grievance settlements under either of these conditions would be on a non-precedent setting basis.
10. The effective date of any adjustment resulting from the settlement of any grievance shall not exceed thirty (30) working days preceding the date of the filing of the grievance.

## **ARTICLE 19 - ARBITRATION**

1. Any request for arbitration shall be made within thirty (30) days after the Employer's answer at Step #3 of the grievance procedure. If no request for arbitration is made by either the Union or the Employer during such thirty (30) day period, both parties' shall be deemed to have waived their right to make such request and the grievance shall thereupon be closed for all purposes.
2. Unresolved grievances must be submitted to an arbitrator designated by both parties. If the parties are unable to jointly designate an arbitrator, the arbitrator shall be selected from a panel of seven (7) arbitrators provided by the Federal Mediation and Conciliation Service (FMCS). The parties may utilize up to two (2) Arbitration panels in their selection process. Either party may request a second panel and the requesting party shall pay the cost for such panel. The cost of a second panel that is jointly requested shall be shared equally. The arbitrator shall not have the power to add to or subtract from, or otherwise modify any of the terms of the Agreement. The arbitrator shall render a written decision within thirty (30) days of the conclusion of the hearing, explaining the basis of his/her award. The decision or award of the arbitrator shall be final, binding, and conclusive upon the parties and enforceable in a court of competent jurisdiction. The cost of arbitration shall be shared equally by both parties.
3. Except as expressly provided to the contrary in this Agreement, it is the intention and agreement of the parties that the procedure established in this Agreement for the adjustment of disputes shall be the exclusive means for the determination of all disputes, complaints, or grievances specified herein, including arbitrability, expressly including all strikes, stoppages, lock-outs, and any and all claims, demands, or acts arising there from. As long as this Agreement has not been terminated in accordance with its terms, neither party shall institute any proceedings in a court of law or equity other than to compel arbitration, as provided in this Agreement, or to enforce an award to an arbitrator. This provision shall be a complete defense to any action instituted contrary to this Agreement.

On or before the ninetieth (90) day from the Union's notice of pending arbitration, the Union will request a pre-arbitration resolution meeting with the Company. Failure to request such

meeting will remove any financial obligation for the cost of the arbitration from the Company and the Company will not be responsible for any arbitration award beyond said ninetieth (90) day.

## **ARTICLE 20 - CHECK OFF**

1. The Employer, where legally so authorized by an individual employee in writing, agrees to deduct the membership dues, assessments, and initiation fees weekly from the wages or salary of such employee and remit the same to the Union, not less than once a month, by the fourteenth (14) day of the following month.
2. Sums so deducted by the Employer shall be held in trust by the Employer for the benefit of the Union.

## **ARTICLE 21 - PENSION BENEFITS and EMPLOYER 401K**

1. The National Plan of the Textile Worker's Pension Fund and the Retirement Fund of the ILGWU have been merged into one fund.

The Employer shall contribute to the Fund on or before the tenth of each month an amount per employee covered by this collective bargaining agreement:. As specified below, plus the minimum contribution amounts agreed upon by the Employer and required by the Fund's Rehabilitation Plan during the life of the Agreement.

Effective June 1, 2017 - \$0.76

2. The Employer shall submit monthly, a list showing the names and Social Security numbers of all employees except for temporary employees who are compensated by the Employer during the period covered the number of hours compensated for, and the resulting contributions due.
3. Covered employees who meet the eligibility requirements of the Plan are eligible to participate in the Employer's 401(K) plan.

## **ARTICLE 22 - HEALTH & WELFARE BENEFITS**

### **A. OPTION 400-BLUE CROSS-BLUE SHIELD (BC-BS) PLAN**

1. The Option 400 plan will close to new enrollees after 2017 Open Enrollment. If Associates are already enrolled, coverage will simply continue at the new weekly rates.

For the term of this Agreement, the Employer shall keep in effect its insurance Option 400 BC-BS Plan to provide benefits for hospital, surgical, disability, x-ray and other benefits, as described in the insurance Option 400 BC-BS Plan Summary Description, for all eligible

employees who have been employed for at least sixty (60) calendar days and are covered by the Agreement. The Summary Plan Description is made part of this Agreement by reference. Employees who elect either single coverage or family coverage under Option 400 BC-BS shall contribute weekly, on a pre-tax basis, the following amounts toward the coverage elected:

	<u>Single</u>	<u>Family</u>
Effective August 1, 2023	\$35.90	\$87.00
Effective June 1, 2024	\$37.70	\$92.00
Effective June 1, 2025	\$39.55	\$96.00

2. Single coverage provided by Option 400 BC-BS Plan shall include only the Union member. Family coverage includes the member, spouse, child, or children through the age as required by federal law. The aforementioned Plan shall include coverage for hospitalization, major medical, and coverage for emergency services provided in-hospital emergency room for both accident and sudden onset illness, and cash disability benefits.

#### B. ANTHEM BLUE PREFERRED (HMO)

For the life of this Agreement, the Employer shall make available as an option, Anthem Blue Preferred (HMO) medical coverage as set forth in the Blue Preferred (HMO) Benefits and Summary Plan description. The Summary Plan description is made part of this Agreement by reference. Employees must meet the same eligibility requirements applicable to Option 400 BC-BS Plan and, there shall be a weekly employee contribution, on a pre-tax basis as follows:

	<u>Single</u>	<u>Family</u>
Effective August 1, 2023	\$64.05	\$151.20
Effective June 1, 2024	\$67.25	\$158.75
Effective June 1, 2025	\$70.60	\$166.70

#### C. CONSUMER'S CHOICE (PPO) –HSA Compatible

For the life of this Agreement, the Employer shall make available as an option, Consumer's Choice (PPO) medical coverage as set forth in the Consumer's Choice (PPO) Benefits and Summary Plan description. The Summary Plan description is made part of this Agreement by reference. Employees must meet the same eligibility requirements applicable to Option 400 BC-BS Plan and, there shall be a weekly employee contribution, on a pre-tax basis as follows:

	<u>Single</u>	<u>Family</u>
Effective August 1, 2023	\$14.50	\$47.00
Effective June 1, 2024	\$16.00	\$50.00
Effective June 1, 2025	\$17.50	\$53.00

## Health Savings Account (HSA):

- The HSA is only available to associates who are enrolled in the Consumer's Choice medical plan, and who are not enrolled in any other health plan, including Medicare. TJX will automatically establish an HSA for all Associates enrolled in the Consumer's Choice Plan and will make a lump sum contribution of \$300/single coverage and \$600/family coverage. The employer contribution will be made upon initial enrollment and at then each January while the Associate is enrolled in the Consumer's Choice Plan.

NOTE: All coverage for Health and Welfare benefits described under Article 22 are governed by Summary Plan Documents. The summary plan description of this benefit is hereby incorporated by reference. This benefit shall not be otherwise changed or reduced during the term of the Agreement.

## D. LIFE INSURANCE

Life Insurance in term life form will be provided, to all employees after 60 days of employment, by the Employer during the term of this Agreement, at no cost to the employee, at the rate of one (1) times annual straight-time wages.

NOTE: All coverage for Health and Welfare benefits described under Article 22 are governed by Summary Plan Documents. The summary plan description of this benefit is hereby incorporated by reference. This benefit shall not be otherwise changed or reduced during the term of the Agreement.

## E. EYE CARE

### Vision Reimbursement Program-Blue Cross/Blue Shield

~~4-~~ All employees covered by this Agreement, and having at least six (6) months of service with the Employer shall, upon completion of six (6) months service, be allowed up to a total of one hundred and twenty Five (\$125) toward the purchase of corrective eyeglasses or eye examination by the Employer only once during the life of this Agreement.

### Vision Insurance Plan-EyeMed

~~2-~~ A vision care discount program through EYE MED at a weekly membership fee that is subject to insurance carrier changes in contract life of this Agreement. This program provides special discounts at Participating Providers for eyeglass frames, lenses and eye examinations.

NOTE: All coverage for Health and Welfare benefits described under Article 22 are governed by Summary Plan Documents. The summary plan description of this benefit is hereby

incorporated by reference. This benefit shall not be otherwise changed or reduced during the term of the Agreement.

#### F. DENTAL COVERAGE

All employees are eligible to participate in Dental coverage. Dental coverage is effective 60 days of employment. The dental coverage maximum yearly benefit will be one thousand five hundred dollars (\$1,700), and will require an employee contribution on a pre-tax basis,

	<u>Single</u>	<u>Family</u>
Effective August 1, 2023	\$4.55	\$13.55
Effective June 1, 2024	\$4.55	\$13.55
Effective June 1, 2025	\$4.55	\$13.55

NOTE: All coverage for Health and Welfare benefits described under Article 22 are governed by Summary Plan Documents. The summary plan description of this benefit is hereby incorporated by reference. This benefit shall not be otherwise changed or reduced during the term of the Agreement.

#### G. SHORT TERM DISABILITY (STD)

All Employees are eligible to receive STD benefits at no cost to themselves, up to 60% of their weekly paycheck. This includes employees who decline coverage under Option 400 BC-BS Plan, the Anthem Blue Preferred (HMO) or the Consumer's Choice Plan.

Employees who are paid STD for any week shall be required to pay the employee's portion of their health insurance premium for that week. Payments will be deducted from the STD check for that week on a pre-tax basis. Employees who are on a medical leave of absence and don't receive STD for any week shall not be required to pay the employee portion of their health insurance premium. The Company will continue to pay their portion of the premium.

NOTE: All coverage for Health and Welfare benefits described under Article 22 are governed by Summary Plan Documents. The summary plan description of this benefit is hereby incorporated by reference. This benefit shall not be otherwise changed or reduced during the term of the Agreement.

#### H. LONG TERM DISABILITY (LTD)

- LTD provides associates with 60% of pay if disabled longer than six months. Associates may be eligible to collect LTD until age 65, provided they are continuously medically disabled due to an injury or illness (if disabled after age 60, duration of benefits may vary )
- Associate rates dependent upon age and salary and subject to carrier rates and overall

plan provisions.

NOTE: All coverage for Health and Welfare benefits described under Article 22 are governed by Summary Plan Documents. The summary plan description of this benefit is hereby incorporated by reference. This benefit shall not be otherwise changed or reduced during the term of the Agreement.

## **ARTICLE 23 - LEAVE OF ABSENCE**

1. Any leave of absence to be granted an employee by the Employer for the reasons provided and defined in the Family and Medical Leave Act but for no other matters may be taken intermittently and up to twelve (12) work weeks in a twelve (12) month period. Available sick time will be charged for all intermittent FMLA absences. Any remaining sick hours created from intermittent FMLA absences, which do not equal to a full-day or half-day increment under the sick leave Article 11, shall be utilized in one-hour increments or cashed out at year end.
2. Requests for leaves of absence for valid personal matters shall not be granted for less than five (5) working days nor more than thirty (30) calendar days, except that at the discretion of the Employer it may be renewed for an additional period of thirty days. All such requests shall be in writing by the employee with approval in writing by the Employer, and such approval shall not unreasonably be denied.
3. If leave is requested due to the illness of the employee or a family member (spouse, parent, or child) the employer may require proof of necessity.
4. Employees who have been out on a Short Term Disability Leave of Absence and return for ten (10) working days or less and go out again for a same or similar condition will be considered on a continuation of the first leave.
5. An employee who is seriously ill and cannot return to work after exhausting STD and personal leave benefits, will be allowed, subject to review and approval, which approval shall not be unreasonably withheld, an extra four (4) months without pay or benefits (except for the availability of COBRA) to return to work if able.
6. Any employee who is unavailable for work for twelve (12) months of a rolling 12 month year will be considered unavailable for work and therefore their employment will be terminated.

### **7. Short term leave: (2 weeks or less)**

The employer agrees to grant reasonable time off without loss of seniority and without pay to all officials and stewards designated by the Union to attend trainings, conferences, conventions or to serve in any reasonable capacity on other official union business, provided a minimum of 48 hours advance written notice is given to the employer by the Union. Time spent by employees on union business for the aforementioned purposes shall be considered time worked and accredited when computing vacations, overtime, and holidays. Upon the

employee's return to the company, the employee shall be returned to his/her regular standing on the seniority list and shall be returned to his/her previous job.

**8. Long term leave:**

An employee will be granted a leave of absence for up to thirty (30) days and may be extended another thirty (30) days of a maximum of ninety (90) days, without loss of seniority and without pay, to attend to off-site union business, provided advance written notice is given to the employer. The leave may be extended for up to one year by mutual agreement. Upon his/her return to the company, he/she shall be returned to his/her regular standing on the seniority list and shall be returned to his/her previous job or its substantial equivalent provided he/she has sufficient seniority.

No more than three (3) employees may be on Union long term leave of absence at any one time.

**ARTICLE 24 - DISCHARGE/DISCIPLINE OF EMPLOYEES**

1. No employee covered by this Agreement shall be discharged or disciplined except for just cause, except that summary discharge may result for acts which include but are not limited to: intoxication, gross misconduct, insubordination, possession, sale of illegal substances or alcohol or objects such as firearms or other weapons, theft, harassment, and for unreported, unexcused absences of three (3) consecutive scheduled work days. The Employer shall notify the Union, in writing, within twenty-four (24) hours of all cases of discharge of covered employees.
2. Except for provisions as set forth in Paragraph 1, no employee shall be discharged after completion of the thirty (30) calendar day probationary period without the application of disciplinary steps as set forth below:
  - a) Performance and Conduct:

First offense	Formal Coaching and Counseling
Second offense	Written Warning
Third offense	Second Written Warning
Fourth offense	Final Written Warning
Fifth offense	Discharge
3. Just cause for the application of disciplinary steps shall include demonstrable cases of job errors, incompetency, or violation of rules and published regulations other than those which may result in summary discharge.
4. Should a dispute or difference arise as to whether or not the discharge was for just cause, the matter shall be submitted to arbitration as provided herein. If the arbitrator finds that the employee was discharged without just cause, he may order reinstatement, and may require the payment of back pay in such amount as, in his judgment, the circumstances warrant.
5. Disciplinary warnings will be reduced by one step for each six (6) months of active, warning free employment.

6. Disciplinary warnings for work performance scores will be tracked separately from other types of discipline.

## **ARTICLE 25 -UNION PRIVILEGES**

1. The Union shall have the right to certify to the Employer, employees to be designated as shop stewards and such other employees to be designated as members of the shop committee.
2. Except for circumstance beyond the control of the Union, it shall provide the Company with forty-eight (48) hours' notice of the need for designated members to be released for union business.
3. The Union shall have the right to designate multi-lingual members who may be designated on a case-by-case basis, to be the Union's translation support for a meeting where a steward is present, including in an area other than their own. In cases where no multi-lingual members are available, the Company reserves the right to use their own translation services and will not delay conversation with the associate(s).
4. The Local Union 399 will be provided a Union table, for the distribution and presentation of Union literature, and small group discussions regarding Union business.
5. Meetings regarding Union business conducted by either Local Union officers or International Union representatives, shall be held in the cafeteria, the attached patio area, or the parking lot, with groups of employees only during break times, lunch times, or in between shifts. It is understood that such meetings shall not be during employee work time without the approval of the appropriate management representative.
6. Distribution of Union literature will be conducted in the cafeteria, but not in the hallway in front of the cafeteria entrance. Outside of the facility, distribution of literature will be conducted anywhere in the parking lot, at the far ends of the ramp walkways leading to the porch, and in front of the porch steps. No distribution will be conducted on the steps of the porch. Union members should not impair access or egress to the front entrance.
7. The Company agrees to provide one bulletin board in each common area/cafeteria space for purpose of Union Communication.

## **ARTICLE 26 - RIGHT OF VISITATION**

Official representatives of the Union shall be permitted free access to the establishment where its members are employed, for the purpose of observing if the conditions of this Agreement are maintained, and for any other reasonable purpose arising out of the operation of this Agreement, provided there is no interference with the business of the Employer.

## **ARTICLE 27 – STRIKES OF WORKERS UNITED AFFILIATES**

It shall not be considered a breach of this Agreement on the part of the Union or any individual Union member, if any member of the Union refuses to enter upon the premises of the Employer against whom the Union or an affiliate of WORKERS UNITED is conducting a bona fide strike, either of their own volition or by direction of the Union. The word "premises" is

herein defined as limited to the area actually and immediately occupied by said Employer.

## **ARTICLE 28 – EXAMINATION OF RECORDS**

The Union shall have the right at all reasonable times and upon reasonable notice to the Employer to investigate only such books and records of the Employer as are necessary in order to ascertain whether the provisions of this Agreement are being fully complied with. The Employer shall have the right to have its representative accompany the Business Agent or Chief Steward upon such investigation. An arbitrator shall have the right, upon his own motion, to institute any such investigation.

## **ARTICLE 29 – SUBSIDIARY OR AFFILIATED FIRMS OR CORPORATIONS**

Subsidiary or affiliated firms or corporations of the Employer shall, for the purpose of this Agreement, be deemed bound by all of the terms of this Agreement to the extent that they are employers of workers covered hereunder. The arbitrator shall have the power to determine whether an alleged subsidiary or affiliate is, in fact, such subsidiary or affiliate.

## **ARTICLE 30 – NO DISCRIMINATION**

There shall be no discrimination in hiring or in terms and conditions of employment, because of race, creed, color, national origin, religion, sex, sexual preference, ancestry, age or disability.

## **ARTICLE 31 – MANAGEMENT PREROGATIVES**

Except as otherwise provided in this Agreement, it is understood and agreed that the Employer is entitled to all rights, privileges and prerogatives of management.

## **ARTICLE 32 – BEREAVEMENT LEAVE**

In the event of the death of a loved one (parents, [including great grandparents, stepparent and foster parent], grandparents of employee, sisters, brothers, spouse, domestic partner, children, grandchildren, stepchildren or in-laws of the employee), employees covered by this Agreement will receive full pay for four (4) days of mourning (A & C shift) and three (3) days of mourning for B shift, not including Saturday or Sunday (unless they are part of the employee's regular shift), as well as the day of notification, if at work when notice is received. This time must be taken, no longer than 30 days after the funeral.

The funeral of a departed member of the bargaining unit may be attended, without loss of pay during working hours, by up to no more than three (3) employee representatives. Designated attendees will be from different departments within the facility.

## **ARTICLE 33 – NO FAULT ATTENDANCE**

There shall be a No Fault Attendance policy in effect under which employees may be absent as set forth below:

1. Effective July 1, 2023, for A and C shift employees, 150 hours of no fault will be accrued annually. 80 one hours segments between January 1 and June 30<sup>th</sup> and 70 one hours segments between July 1 and December 31 in each year of the Agreement may be taken without stating a reason or being required to present a doctor's note.
2. Effective July 1, 2023, for B shift employees, 120 hours of no fault will be accrued annually. 66 one hour segments between January 1 and June 30 and 54 one hour segments between July 1 and December 31 in each year of the Agreement may be taken without stating a reason or being required to present a doctor's note.
3. Effective July 1, 2023, any A and C shift associates who were hired after June 1, 2011 will be entitled to 100 hours of No Fault annually. 50 one hour segments between January 1 and June 30 and 50 one hour segments between July 1 and December 31 in each year of the Agreement may be taken without stating a reason or being required to present a doctor's note.
4. Effective July 1, 2023, any B shift associates who were hired after June 1, 2011 will be entitled to 96 hours of No Fault annually. 48 one hour segments between January 1 and June 30 and 48 one hour segments between July 1 and December 31 in each year of the Agreement may be taken without stating a reason or being required to present a doctor's note.
5. One time per calendar year an employee absence of two consecutive scheduled days on their regular assigned shift will be considered a 2 for 1. An employee must make application in writing for the 2 for 1 before exhausting his/her last bank of hours that would cover their last scheduled day. Failure to do so shall result in the counting of each day of absence separately rather than as one absence.
6. One of the one hour segments will be applied to any employee who is late reporting to work by up to one hour. An employee who is late by one to two hours will lose two one hour segments and so on until all one hour segments are used up. The same method of applying No Fault time will be used for leaving work before the end of a shift.
7. Approved medical leaves, personal, military as well as VTO (requested by Employer), Union business, paid benefit days and appearance in court other than as a defendant in a criminal case will be excluded from the No Fault Attendance program.
8. An absence will be charged for any time out of the facility not covered in paragraph-4 7 above.
9. Unused hours from the January through June period may be carried over to the July through December period.
10. Each January 1, thereafter an employee shall start with a clean slate, i.e. Zero (0) absences.
11. Any absence of three (3) consecutive days, without the employee calling in, shall be deemed a voluntary resignation.
12. Employment termination will occur when available NO FAULT time is not sufficient to cover an absence(s).

13. Calendar notification regarding an associate's NO FAULT ATTENDANCE will be provided solely on a quarterly basis and within a reasonable time after: January 1<sup>st</sup>, March 31<sup>st</sup>, June 30<sup>th</sup>, and September 30<sup>th</sup>. The January 1<sup>st</sup> calendar will include information from the 4<sup>th</sup> quarter of the previous year.

## **ARTICLE 34 – JOB POSTING AND BIDDING**

1. Notices announcing bid job openings or vacancies will be posted for not more than seven (7) working days and will state positions available, number of openings by position, and the shift(s) on which the openings exist. Sealed bid boxes will be used to receive names of employees interested in the bid and a shop steward must be present at the opening of the bid box.
2. Assignments to bid jobs will be made within the bidding procedures. The employee bidding with the most seniority shall be granted the opportunity to train in the bid job, except for obvious conditions which would impede the employee's ability to perform that job. The decision regarding the employee's ability should be agreed to by the Union. Should the seniority of two or more employees bidding on a job be the same, the bid shall be awarded by random selection, i.e. lottery.
3. An employee in training for a bid job should be given a full twenty four (24) working day training period on 10 hour shifts and twenty (20) working day training period on twelve (12) hour shifts unless the Employer and Union mutually agree that, for obvious reasons, the training should be terminated. For the purpose of this process only, a training day shall consist of a minimum of five (5) hours on a 10 hour shift and six (6) hours on 12 hour shifts in all bids except BULK, for which a training day shall consist of 10 hours on a 10 hour shift and twelve (12) hours on a (12) hour shift. The Employer shall exempt trainees from transfers within or between departments during their training period except in the case of a departmental shutdown. Employee will not suffer a loss of wages during the training process.
4. If assignment to a bid job is not made permanent, that is, an employee voluntarily does not complete the training period provided for in paragraph 3 above, the employee shall be returned to his/her former position within twelve (12) working days of training. Thereafter, management will determine what positions are available in the building and place the employee. If at any time during the twenty-four (24) or twenty (20) working day training period the employee is disqualified or involuntarily removed from training the employee will return to his/her former position. It is understood that training in the Bulk departments shall consist of training on 2 or more pieces of equipment during the twelve (12) working day period.
5. Employees who win a bid position and successfully complete their trial period shall receive a wage increase effective on the first (1<sup>st</sup>) day of work following the completion of the trial period as follows: Certification is not a requirement for the wage increase.
  - a. Employees in the following positions will receive the following per hour bid pay:

Accuracy Control	\$0.50
Bulk	\$1.50

Once having been assigned the position bid for, the employee may not seek another

bid position for a period of at least twelve months, unless the employer disqualifies the employee during the training period. An employee may revert at any time to general warehouse position.

6. An employee who fails to maintain the standards of the bid job may be returned, within one (1) year, to a non-bid job. Said employee shall lose the amount of increase received for the bid job.
7. An employee who is involuntarily changed to a non-bid job after one year in the bid job will keep the wage increase received for the bid job.
8. Any employee who voluntarily relinquishes his/her bid position shall lose the amount of increase received for the bid job. Once an employee voluntarily relinquishes a bid, they may not bid on that same bid for six (6) months.
9. An employee retrogressed from a bid position for any reason, other than disqualification, will be recalled to that bid position before any new bids may be awarded for that position. The recall period for an employee retrogressed from a bid position will be limited to a 12/month period.

## **ARTICLE 35 – HEALTH AND SAFETY**

There shall be a joint Health and Safety Committee.

1. The Joint Health and Safety Committee shall include a total number of 14 bargaining unit employees with at least one Joint Health and Safety Committee member for each shift. The bargaining unit members on the committee shall be named by the union. Both chair and secretarial positions will rotate per meeting. The committee shall meet for 1 hour each month at an agreed upon time that accommodates all shift employees.
2. The joint committee shall be notified of accidents arising out of and in the course of employment so that they may investigate. Further, the committee may investigate worker complaints about potential hazards. Accidents will be investigated jointly by a management representative, a union member of the joint committee and a union steward.
3. If a worker believes that his or her work presents an immediate danger, a union member of the joint committee and the facility manager shall be informed so that the reported condition can be reviewed.
4. Reasonable time spent investigating safety problems will be paid for by the Employer at the employee's regular straight time hourly wage.
5. In addition to notice to the joint committee, the chief steward on each shift will be notified of all industrial accidents.
6. Employees have the right to seek medical attention for an on-the-job injury by going to the industrial nurse. The Company will provide care and treatment for all work related injuries per the Indiana Workers Compensation Law.
7. The Employer shall provide safety training of employees by permitting all employees to participate in one paid hour per year of safety training in the shop during working

time.

8. Two fire drills shall be held in each year of this Agreement in which employees are to leave the building into safety areas, as recommended by the local fire department. Employees must return to work immediately upon conclusion of the fire drills. Additionally, one tornado drill will be held prior to the tornado season.

## **ARTICLE 36 – JURY DUTY**

A covered employee who receives notice for jury duty shall immediately present a copy of such notice to management. Employees who have completed their trial period, who are required to report for jury duty or serve on a jury on any scheduled work day shall be paid the difference between the sum received for jury duty and the employee's regular daily pay. The employee must present to management a receipt from the court showing the amount received for jury service. The maximum period of jury duty pay is thirty (30) days in any calendar year.

## **ARTICLE 37 – MILITARY RESERVE EQUALIZATION PAY**

After the completion of the trial period covered employees who are members of the National Guard, or Military Reserve, will receive their regular weekly wage, less the amount paid by the military, not to exceed three weeks, when required to participate in military training. Said employees must present a copy of their military training orders to the Employer prior to leaving for training and a copy of all military pay vouchers upon return to work.

## **ARTICLE 38 – TRANSFER POLICIES**

### **Section I – DEPARTMENT/SHIFT TRANSFER POLICY**

1. A transfer request form, in duplicate, must be filled out for each department or shift transfer request. A copy of each transfer request will be provided to the Union. Location of transfer must be designated by small department or shift. Transfers will be processed weekly.
2. Associates must have been employed for a minimum of six (6) months.
3. There must be an opening in the department or shift for which the transfer is requested.
4. The current department or shift must be able to transfer that associate without affecting production or the transfer will be delayed. However transfer shall not be unreasonably delayed.
5. When there are more requests than openings, seniority will determine the selection.
6. There shall be no trial period. Transferred associates must remain in the new department for a period of six (6) months and on the new shift for six (6) months, unless awarded a bid or a premium position.
7. Management will determine the number of transfers that will be allowed from each department and to each department and shift to shift.
8. Associates displaced due to permanent departmental or shift reductions will have first

preference to transfer.

9. Openings created by transferred associates will be back filled on a one time basis, when and if deemed necessary by management.
10. Employees may submit no more than one transfer form, limiting them to a choice of two departments or one shift.
11. A weekly notice shall be posted listing transfers made.
12. If an employee decides to cancel his/her request, he/she must write "cancelled" across the face of his/her copy and deposit that copy in the box before it is opened. Failure to do so means that the transfer must be accepted.
13. All transfer requests will be automatically cancelled after six (6) months.
14. Associates will not be eligible for transfer if they are on a Final Warning.

## **ARTICLE 39 – PART TIME EMPLOYEES**

As indicated in Article 1 (Recognition) of the current Agreement between NBC Merchants Inc. and the Chicago & Midwest Regional Joint Board, the latter shall represent all regular part time general warehouse employees hired at the Evansville Distribution Center.

- A. Part time employees cannot be utilized when full time employees are on lay-off, excluding VTO.
- B. Part-time employees will be paid at the applicable starting wage.
- C. Part-time employees shall be scheduled no less than eight (8) hours per week and will be scheduled no more than thirty (30) hours per week.
- D. Part-time employees cannot hold a bid job, however, they can hold temporary vacancy positions.
- E. Part-time employees will be offered overtime after all regular full-time employees are offered overtime and the company still has a need for more employees to work the defined overtime.
- F. Part-time employees will be paid overtime for hours in excess of forty (40) hours and/or over ten (10) hours on a ten (10) hour shift and twelve (12) hours on a twelve (12) hour shift.
- G. The number of bargaining unit part-time employees will be limited to fifteen percent (15%) of the total number of bargaining unit full-time employees.
- H. Part-time employees shall be subject to the same No Fault Attendance policy as full time employees prorated according to the number of hours in their regular schedule for full time employees.
- I. Part-time employees shall receive a paid break, if the break falls within their scheduled hours.
- J. Part-time employees shall not be entitled to medical benefits listed in Article 22.
- K. Paid Time Off: unless stated below all other contractual language applies.
  - a. Holidays: Part-time employees shall receive paid holidays prorated according to the number of hours in their regular schedule compared to the number of hours in

the schedule for full-time employees if the holiday falls on a scheduled work day for the part-time employee.

- b. Vacation: Part-time employees shall receive paid vacation prorated according to number of hours in their regular schedule compared to the number of hours in the schedule for full-time employees.
- c. Sick Days: Part-time employees shall be entitled to paid sick days prorated according to the number of hours in their regular schedule compared to the number of hours in the schedule for full-time employees.
- d. Jury Duty and Bereavement: Part-time employees shall receive bereavement and jury duty pay, prorated according to the number of hours in their regular schedule compared to the number of hours in their regular schedule for full-time employee bereavement.

As part of the new hire orientation process, regular part-time employees will be offered a form agreeing to the stipulations in this Article, as well as the standard card authorizing the withholding of dues. Copies of both these documents will be provided to the Chicago and Midwest Regional Joint Board

#### **ARTICLE 40 – INVALIDITY OF PART OF AGREEMENT**

It is understood and agreed that, if any provision of this Agreement or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Agreement, or the application of such provision to other persons or circumstances, shall not be affected thereby, but shall separately and severally continue in full force and effect. With respect to any provision held invalid, the parties shall meet for the purpose of agreeing upon a substitute provision.

## SIDE LETTER OF UNDERSTANDING

This Side Letter of Agreement between NBC Merchants, Inc., for its Distribution Center in Evansville, Indiana (herein after referred to as the "Employer", and the Chicago and Midwest Regional Joint Board on behalf of itself and its affiliated Local No. 399 of WORKERS UNITED, (herein after referred to as the "Union"), provides as follows:

Effective with the June 1, 2023 Agreement between the Employer and the Union, and for the term of said Agreement:

Any employee who requests a change in schedule to reduce working hours from full-time to part-time will be provided a part-time work schedule at the start of the current full-time shift, or no more than 1 hour from the start of a shift. Current part-time employees will remain on their current part-time schedule for the life of this Agreement.

This Side Letter of Agreement between NBC Merchants, Inc., for its Distribution Center in Evansville, Indiana (herein after referred to as the "Employer", and the Chicago and Midwest Regional Joint Board on behalf of itself and its affiliated Local No. 399 of WORKERS UNITED, (herein after referred to as the "Union"), provides as follows:

Effective with the June 1, 2023 Agreement between the Employer and the Union, and for the term of said Agreement:

**Clerical Guidelines:**

- Duties shall be rotated on a regular basis among employees in a department
- Employees can volunteer for clerical duties and will be considered for such duties
- Employees will not be forced to assume clerical duties
- Employees performing clerical duties shall spend at least 50% of their compensated work hours performing productive work in any month
- Employees must adhere to the company's code of conduct

**Clericals Cannot:**

- Pass out paychecks
- Take attendance
- Post or notify of overtime work
- Recommend discipline
- Have access to any employee records (their own or others)
- Handle VTO/PTO solicitation
- Be given OPH/PFP credit for other employee's production
- Perform employee 15 or 30 day evaluation checklist

## SUPPLEMENTAL LETTER OF AGREEMENT

The following letter shall serve as an addendum to the Agreement between NBC merchants, Inc. and WORKERS UNITED and its Local 399 in Evansville, IN.

The Employer and the Union agree that there is a mutual interest in maintaining a safe and drug free work-place for all TJ Maxx employees. Substance abuse jeopardizes the safety of all employees and is illegal behavior. For these reasons, the following policy has been implemented to address substance abuse issues within the Distribution Center. This policy is not intended to punish those with a substance abuse problem. Rather, it is intended to protect the safety and well-being of TJ Maxx employees and to offer avenues of address for those with substance abuse issues. Termination of Employment will occur as a last resort.

The Employer and the Union agree that drug/alcohol testing is appropriate and necessary following 1) "at fault" accidents resulting in any OSHA recordable personal injury, or property damage, and 2) in all situations where there is reasonable suspicion, as defined below, to believe an employee is under the influence of drugs or alcohol while at work. The following terms shall outline the process and procedures for drug/alcohol testing in the Distribution Center:

- 1 All testing facilities, procedures, and cutoff levels will conform to Department of Transportation/Department of Health & Human Services (DOT/DHHS) standards.
- 2 The Accident Investigation Review Committee shall determine the "at fault" or "negligent" nature of all accidents. Testing shall occur within 24 hours of an "at fault" determination of the Accident Investigation Committee. The Company may require employees, under this provision only, to submit to a preliminary "in house" administered test. For employees who test negative on this test, no further testing will be required. Employees who test positive will be required to submit to a test at a facility as described in 1) above. The results of this preliminary test may not be used in any other way against an employee either under this policy, or in any other proceedings, and will not be considered a determinative positive test result.
- 3 Company paid "in house" medical personnel are prohibited from having any input into any decision or determination as to which employees are subject to testing requirements under this policy, or to any other provision of this policy, with the exception of the administration of preliminary "in house" tests as provided in 2) above.
- 4 Any refusal to test shall be treated as a positive test result. Failure of the employee make themselves available for a test within the required time frames shall be treated as a positive test result, and will be subject to the same provisions as employees testing positive from a test administered in a facility as defined in 1) above.
- 5 Any employee testing positive at a facility as defined in 1) above, shall have a second test performed on the second sample they provided at the time of their first test. The second test must be performed at a different facility that qualifies under 1) to confirm the first positive result. The employee will not be considered to have had a determinative positive result under this policy

- 6 Unless both tests are positive. Any employee, who is suspended from work while awaiting the result of a test, will be made whole if the result is negative.
- 7 Any Employee testing positive shall have the option of enrolling in a chemical dependency, or rehabilitation program that the Company will make available through the Employer sponsored health plan.
- 8 If enrolled in such health plan, the associate may utilize coverage to the extent available under the plan. Failure to apply to and to document such application in such a program within one week of a positive test result shall result in immediate termination of employment. The employee must begin the program at the time the Administrator of the program designates.
- 9 Any employed who, prior to a disciplinary situation, voluntarily admits to having a substance abuse problem may request and be granted a medical leave of absence upon documented enrollment in a rehabilitation program.
- 10 Upon successful, documented completion of rehabilitation and after re-testing negatively, the employee shall be reinstated to their last position held. Such employees shall be subjected to unscheduled testing, up to a maximum of six tests, for a period of one year. Testing positive after an unscheduled test will lead to immediate discharge.
- 11 Opportunity for treatment and rehabilitation shall only be afforded on a single occasion to any individual employee.
- 12 For the purposes of reasonable cause testing, production management personnel and Union representatives shall be designated for each shift by the respective parties, and shall complete a training and certification training program that the parties shall mutually agree upon, that certifies their successful training in observation of the behaviors and indicators for persons under the influence of drugs or alcohol. Such evaluations shall be performed using an agreed upon check list of such behaviors, and should an employee demonstrate multiple behavior on the checklist, they will be subject to a test at a facility as defined in 1) above. Certified Union personnel shall be present as observers only when employees are evaluated by certified management personnel to determine reasonable cause for testing.
- 13 For the purposes of this policy, an employee will be deemed in violation if the blood alcohol exceeds DOT regulations.
- 14 To deter drug/alcohol abuse, TJ Maxx will implement a drug-free awareness program to educate employees of the dangers of drug abuse in the workplace. This would include resources available for counseling and rehabilitation, as well as the Company's drug testing policy and consequences for employee involvement with illegal drugs.
- 15 The accident review committee shall be composed of the Maintenance Department Manager, the supervisor, and the AOM of the department in which the accident occurred.

- 16 All Management and Union representatives who are involved in any way with the administration of this policy must adhere to a strict standard of respecting the complete confidentiality of employee information in the performance of their duties herein.
- 17 The Company and the Union agree that prior to implementation of this policy to reach agreement on the advisability of allowing employees the option of having blood tests or breathalyzer tests instead of urinalysis tests performed under this policy, but such agreement shall not be in conflict with the DOT/DHHS standards referenced in 1) above.
- 18 This policy will not become effective until August 1, 2005.

ACCEPTED AND AGREED

## SIDE LETTER OF AGREEMENT

This Side Letter of Agreement between NBC Merchants, Inc., for its Distribution Center in Evansville, Indiana ("Employer"), and the Midwest Regional Joint Board on behalf of itself and its affiliated Local No. 399 of the WORKERS UNITED ("Union"), provides as follows:

Effective with the June 1, 2002, Agreement between the Employer and the Union, and for the term of said Agreement;

### TEMPORARY VACANCIES for Classified Positions Only (Bulk AC/Receiving/ Receiving Clerk)

When it becomes necessary to fill a temporary vacancy, the following procedure will apply:

1. Upgrade on the shift by seniority.
2. Overtime will be used in conformance with overtime distribution section of this procedure.

In this procedure, upgrading on the shift by seniority means the most senior qualified employee. If there are no employees on the shift without a voluntary step down, the junior qualified employee on the shift may be upgraded.

An employee who has voluntarily stepped down with respect to such vacancy will not be upgraded to fill a temporary vacancy unless he/she is the junior qualified employee on the shift.

### OVERTIME DISTRIBUTION

Overtime shall be offered to employees by seniority in the following sequence:

1. For the purpose of this procedure this shall mean:
  - a. Within Department: Incumbents who are regularly performing the job will be given first preference for overtime.
  - b. Next, employees who are in the job as the result of filling a temporary vacancy will receive preference for overtime.
  - c. Next, the senior employee on the Temporary Vacancy List will receive preference for overtime.
  - d. Next by Area: The Big Department, if applicable.
  - e. Facility Wide: All departments.
2. All current procedures with regard to posting, sign-ups, scheduling and notification of overtime remain in effect.
3. Notwithstanding language in this procedure to the contrary, all other provisions of the agreement relating to overtime shall apply.

### TEMPORARY ASSIGNMENTS

Temporary assignments because of work requirements and/or temporary vacancies may be regarded as training opportunities whereby the Company may train employees who have signed up and been selected to fill temporary vacancies.

ACCEPTED AND AGREED

## SIDE LETTER OF AGREEMENT

This Side Letter of Agreement between NBC Merchants, Inc., for its Distribution Center in Evansville, Indiana ("Employer"), and the Midwest Regional Joint Board on behalf of itself and its affiliated Local No. 399 of WORKERS UNITED, provides as follows:

Effective with the June 1, 2002, Agreement between the Employer and the Union, and for the term of said Agreement;

### TEMPORARY TRANSFERS

Effective immediately, as per our agreement, we will use seniority as the criteria to determine the employee(s) to transfer out of a department on a temporary basis.

#### 1) Procedure

- a) If we move an employee from his/her home department to perform work that is located in another department, first we will ask for volunteers, then:
  - i) Give preference to the most senior volunteer.
  - ii) If there are no volunteers, use established procedure of assigning the most junior employee.

- b) Temporary employees will be transferred before full-time and part time employees.

#### 2) Exceptions

- a) If work is staged in an area that is not considered within the boundaries of a department, that work may be performed by employees who are randomly assigned. This work is considered an extension of the department.
- b) If an employee error is discovered and that work has been located to another department, we may assign the employee who made the error to repair the work. Otherwise, the temporary transfer language will apply.

#### 3) Recall to Department

- a) Employees that volunteer to be transferred out of their permanent department will be the last called back to their department in inverse seniority order.
- b) Employees forced from their regular department will be the first called back in seniority order.

ACCEPTED AND AGREED

## SIDE LETTER OF AGREEMENT

This Side Letter of Agreement between NBC Merchants, Inc., for its Distribution Center in Evansville, Indiana ("Employer"), and the Chicago Midwest Regional Joint Board on behalf of itself and its affiliated Local No. 399 of WORKERS UNITED, provides as follows:

In the event an employee punches out early or late from lunch less than five (5) minutes, the employee will not lose the holiday pay.

## ACCEPTED AND AGREED

## SIDE LETTER ON WAGE ADJUSTMENTS

Effective June 1, 2023, the starting base rate of pay will be \$19.00.

All associates with greater than 30 days of employment as of June 1, 2023, will receive an increase to no less than \$19.25.

## **Production Standards**

### **1. Discontinuance of production standards**

Once production standards have been established, they may not be changed except in accordance with the following provision. If the Company, permanently or temporarily for any reason whatsoever, decides to discontinue any or all production standards, the union shall be afforded at least 60 days written notice specifying the reasons for the discontinuance if such notice can be reasonably provided. If such discontinuance would result in any bargaining unit member forfeiting any incentive pay, the Union and the Company will commence bargaining an incentive buy-out provided the affected workers' earnings would be red circled until the negotiations are completed.

### **2. Changes in production rate**

Any method, equipment layout or safety changes will cause the standards and methods to be reviewed and this review will be communicated to the ~~Union~~ Chicago and Midwest Regional Joint Board and the Joint Engineered Standards Focus Committee (comprised of Management and Union members). The Company will provide a detailed elemental breakdown with normal times for each element for the proposed and current rate for the job, highlighting by means of a separate analysis or comparison chart exactly what methods, conditions or specifications have changed and providing all supporting documentation for these changes. If the Union successfully challenges the rate, the affected workers will receive retroactive pay back to the date the rate was changed. The Union and the Company will discuss a reasonable training period for employees affected by such changes. During the training time, affected employees would receive their previous 6-week's average earned incentive rate.

### **3. Union and worker access to information about production, quality and production standards**

Individual employees shall be provided with preferred work method (or standard operating procedure) instruction communicated in the 2 predominant languages spoken in the building (English and Spanish). Job aides, such as indirect time logs and attribute sheets, will include translations in those 2 predominant languages. A current copy of the preferred work method and all applicable job aides will be contained in a binder located in each department. Workers shall also receive a copy of their production reports which shall include any and all downtime, standard goal times for any job they have performed and all other information necessary to verify that their weekly efficiency or incentive payments have been correctly calculated as soon as possible but no later than 24 hours from the request.

### **4. Access of union engineers to facility**

The union shall be able to bring, with advance notice, its own engineer experts to the facility. Besides having access to all OSHA—required information and information

related to any method changes, and including receiving copies of all written policies for downtime and/or indirect time the union engineers shall have the right to observe, conduct time studies, interview workers, supervisors and managers as long as they do not unduly disrupt production. In addition, the union reserves the right to bring its own engineer into the facility, with advance notice, in the event of a challenged standard or a new or discontinued standard.

5. Production standards to reference best practices

The Company and the union agree it is in everyone's best interest to develop production standards which reference the best practices, OSHA regulations and ergonomic design principles. These principles shall be incorporated in elemental breakdowns, job write-ups, job codes, and preferred methods. None of these shall require a worker to violate an established health and safety standard. The Joint Engineered Standards (ES) Focus Committee will monitor and review engineered standards, best practices, and to ensure rates and standards are fair. The Joint ES Focus Committee will consist of the Union Analysts, the Union President, a chief steward, rotated every 4 months, and the designated member guest from an area that is discussed who is invited to the meeting by the Union and representatives appointed by the Company.

6. Downtime and off-standard conditions

Instructions will be provided to each employee in the 2 predominant languages (English and Spanish) spoken in the building. The local union will also receive a copy of these instructions. When an employee experiences downtime of 5 consecutive minutes or more, that downtime will be reported on their indirect log. They will also sign their indirect log and turn it in to their Supervisor at the end of their shift. In the event that an indirect log is misplaced, indirect logs may be completed and submitted by the end of the employee's next workday after being notified that the time was not entered. The supervisor will sign off on the indirect log. If the indirect time is not approved by the supervisor, or modifications to the original log were made by the supervisor, the employee must also sign off on the changes to the log. The employee will be given a copy of the log and will have the opportunity to submit a grievance at Step One.

Assignments, or portions of assignments, that cannot be completed on method shall be recorded as indirect time. All other orders are worked on direct time, except for those who are ineligible for incentive based pay.

7. Procedure for challenging production standards

Before the Union can challenge any individual standard established pursuant to this section, there must be a fair trial of thirty (30) calendar days. During such time, the contractual grievance time limits are suspended. If after the fair trial, the Union believes the rate is unfair, the Company will provide all documentation concerning how the standards are developed and all daily production reports of all documentation

concerning how the standards were developed and all daily production reports of all workers who have worked under the standard during the fair trial period, as well as any similar documentation under pre-existing but related standards. The Joint Engineered Standards Focus Committee will have 10 days to review the information and make a recommendation. If resolved by the committee, the challenge period, the employee will be paid incentive based on their six week average prior to the change to the standard. If unresolved after Step 3 of the grievance procedure, a final resolution will be reached at the agreed upon pre-Arbitration step.

8. Incentive pay systems

Wherever operationally feasible, the incentive plan will be individually based. There are, however, some areas where incentive pay will be based upon group performance. In addition, there are some jobs that will not be included in the Incentive Pay System. The incentive will be paid weekly, based upon each employee's weekly performance while they are measured in the pay period. Base pay will not be affected by an individual's performance. The company has the right to assign workers to alternative work for which they are qualified in accordance to the CBA. The employee will be paid according to regular incentive standards unless he/she has not met the training thresholds, in which case they will be paid at their 6 week average. The company will maintain those conditions upon which the standards are based so that employees may achieve reasonably stable incentive earnings over time. Detailed weekly incentive earnings reports showing the weekly calculation along with other supporting data shall be sent to the union.

9. Worker Training

- a) All employees who will be working under standards, including temporary employees, will receive appropriate training in work methods, safe lifting and how production standards work in any area in which they are assigned to work.
- b) The union and the company will work to establish a coach trainer in all areas to assist in an employee's training. Also, the union and the Company agree that whenever possible only experienced employees performing at 100% or above for 6 weeks with appropriate communications and training skills will be allowed to train. Coach trainers will be chosen by the Company in consultation with the union. Coach trainers will be paid at 135% whenever they train other employees. This rate will not be calculated into their 6 week average.
- c) Newly hired employees in training will not move to the incentive system until they either opt out of training after achieving 100% performance to Standard for one week or five weeks of service, whichever comes first. Opting out of training is not revocable and must be done at the employee's request. They will be paid their base rate until shifting to the incentive program.

- d) Current employees who are in training for a new job function will not move to the new incentive pay until they reach the following in a twelve (12) month period:
- Receiving, Layup and Jewelry Manifesting: 80 hours of training
  - Processing: 40 hours of training
  - Packing, Shipping, Cross Dock, Puller: 20 hours of training
  - Processing to Bulk: Training on ES will be completed in the certification process (240 hours)

Employees will be paid their 6 week average or base rate of pay and applicable bid pay (whichever is higher) until shifting to the incentive system in the new department. Employees may, at their discretion, opt out of rate protected training time paid at the previous week's earned average for the opportunity to immediately earn incentive pay.

- e) Employees who are qualified and/or trained for a particular job function but have not performed the job function for at least 90 days will be afforded the opportunity to work their initial order in the transferred area on indirect time during which they will be paid their previous 6 week's earned average. In areas that do not process orders, those same employees will be afforded two hours of indirect time in the transferred area.

#### 10. Group incentives

The Union and the Company agrees there are areas that do not lend themselves to individual performance standards. In those areas or instances where individual performance is not measurable, work performance is measured as a team with each individual team member sharing credit for all work performed by the team. In those areas employees will receive weekly incentive pay based upon the week's average percentage to the standard achieved by the group. Should, at some future point, areas working under group standards be converted to individual standards, the Union and Company shall discuss the terms and conditions prior to implementing individual incentives.

#### 11. Paid time off

Pay for all paid time off will include the base wages plus incentive, calculated on the employee's average performance for the six weeks prior to when the paid time off is taken.

#### 12. Overtime

Overtime will be based on the employee's hourly wage including the weekly incentive.

#### 13. Payment of incentive for indirect time

Incentive pay for employees who are measured under Engineered Standards but have only indirect time for a pay period will be based on the employee's average performance for the prior six weeks.

14. Union Analyst & Pay premium

The Evansville DC will employ the services of Union Analysts which will assist in monitoring the accuracy of the DC's Engineered Standards and Incentive Pay Program. The Union Analysts will be an "indirect" position and not eligible for incentive pay. Union Analysts will be jointly selected and agreed upon by the Union and Company. Union Analysts activities and priorities will be guided by the Union Analyst Job Description and will be expected to learn and understand the entire process from methods to elemental standard and KVI's. The Union Analysts will work with the Industrial Engineer.

Union Analysts will be paid \$2.00 per hour as a premium, while they hold that position.

The Company agrees to three (3) Union Analysts.

15. Access to Documentation

The Union Analyst will be granted access to Documentation necessary to be efficient in their job, such as Indirect Logs for purposes of investigating any discrepancies. These documents shall be presented within a reasonable time.

**ARTICLE 41 –EXPIRATION AND RENEWAL**

This Agreement shall be in effect June 1, 2023 thru May 31, 2026.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the date heretofore set forth by their duly authorized representatives.

FOR THE EMPLOYER:

FOR THE UNION:

NBC Merchants, Inc.

LOCAL 399, WORKERS UNITED, SEIU  
CHICAGO MIDWEST REGIONAL JOINT BOARD

By: Stacey E. Cavito By: Douglas Warren