

**AGREEMENT**

**Between**

**SVC MANUFACTURING, INC.**

**A wholly-owned subsidiary of  
Stokely Van-Camp, Inc.**

**Indianapolis, Indiana**

**and**

**UNITED STEEL, PAPER AND FORESTRY, RUBBER MANUFACTURING, ENERGY,  
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION**

**On Behalf of**

**Local Union No. 1999**

**EFFECTIVE:**

**June 4, 2007 - June 6, 2010**

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## **AGREEMENT**

THIS AGREEMENT made and entered into this fourth day of June, 2007 by and between SVC Manufacturing, INC. a wholly-owned subsidiary of Stokely Van-Camp, INC. Indianapolis, Indiana or its successor, hereinafter referred to as the “Company” and the UNITED STEEL, PAPER AND FORESTRY, RUBBER MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, hereinafter referred to as the “Union,” on behalf of Local Union No. 1999.

### **ARTICLE I - PURPOSE AND INTENT OF THE PARTIES**

- 1.1 a) The purpose of the Company and the Union in entering into this Labor Agreement is to set forth their agreement on rates of pay, hours of work, and other conditions of employment so as to promote harmony and cooperation between them and to ensure the most efficient operation of the Company’s plant.
- b) The Company and the Union encourage friendly, cooperative relationships between their respective representatives at all levels of responsibility and with and between all employees. The parties realize that the achievement of this goal depends on day-to-day operations and administration of this Agreement based on understanding of and regard for the respective rights and responsibilities of both the Company and the Union and with a sincere concern for the interests and well-being of the business and all employees.
- c) This Agreement cancels and supersedes all prior Agreements between the Company and the Union including any letter of interpretation, verbal understanding, and/or past practices, which might be in conflict with the present Agreement.

### **ARTICLE II - RECOGNITION**

- 2.1 The Company recognizes the Union as the sole collective bargaining agency as to rates of pay, wages, hours of employment and all other conditions of employment, of the employees covered by this Agreement; namely, all hourly-paid production, maintenance, and warehouse employees in it’s Indianapolis operations, but excludes recognition of the Union for salaried employees, office and clerical employees, professional employees, watchmen, sales employees, and all other supervisory employees as defined in the National Labor Relations Act as amended.

### **ARTICLE III - UNION SECURITY**

- 3.1.1 The Company agrees that as a condition of continued employment, all present and future employees covered by this Agreement shall become and remain members of the Union in good standing, no later than either the thirty-first (31st) calendar day following the beginning of their employment, or the thirty-first (31st) calendar day following the effective date of this Agreement, whichever is the later.

- 3.1.2 Should the above provision be unenforceable for any reason, then, to the extent permitted by law, each employee who would be required to acquire or maintain membership in the Union if the provision in 3.1 above could lawfully be enforced and who fails voluntarily to acquire or maintain membership in the Union, shall be required, as a condition of employment, beginning on the 30<sup>th</sup> day following the beginning of such employment or the effective date, whichever is later, to pay the Union each month a service charge as a contribution towards the Union's collective bargaining representative expense. The amount of the service charge, including an initiation fee if applicable, shall be as designated by the Union's International Secretary-Treasurer.

#### **ARTICLE IV - CHECK-OFF**

- 4.1 During the term of this Agreement, the Company will continue to check-off monthly dues, assessments, and initiation fees and remit same to the Union for each employee in accordance with the constitution of the union and on the basis of and for the term of individually signed voluntary Check-Off Authorization cards heretofore and hereafter submitted to the Company. The Company agrees to distribute authorization cards to new hires during their orientation period.
- 4.2 Union dues will be deducted on a weekly basis. All sums to be deducted shall be remitted to the International Treasurer of the United Steelworkers of America not later than one (1) calendar week from the last day of the month in which the deductions were made. The Company shall submit to the Financial Secretary of the Local Union, and the Unit President, a monthly record of those employees from whose earnings deductions have been made together with the amount of such deductions.

#### **ARTICLE V - MANAGEMENT RIGHTS**

- 5.1 The management of the plant and the direction of the working forces including the right to hire, suspend, or discharge for just cause, or transfer, enlarge or combine, divide, decrease, or rearrange departments, and the right to relieve employees from duty because of lack of work or other legitimate reasons, designate the type of product to be manufactured, where it will be manufactured, production schedules and methods, processes and means of manufacturing are vested exclusively in the Company; provided this will not be used for the purpose of discrimination against any member of the Union or be contrary to any other provision of this Agreement.

#### **ARTICLE VI - NONDISCRIMINATION**

- 6.1 The Company and the Union agree that the provisions of this Agreement shall be applied to all employees without regard to race, color, sex, age religious creed, marital status, sexual orientation, gender identity, national origin, military service during the Veteran status, disability as defined by the American Disability Act, and with regard to all applicable Federal and/or State Laws.
- 6.2 When the masculine or feminine gender is used in any job title or in any provisions of this Agreement, it is used solely for the purpose of illustration and is not, in any way,

intended to designate the sex of the employee eligible for the position or the benefits provided by this Agreement.

- 6.3 There shall be no discrimination, interference, restraint, or coercion by the Company or any of its agents against any employee and/or Union representative because of membership in the Union.

## **ARTICLE VII - GRIEVANCE PROCEDURE**

- 7.1 Should any difference arise between the Company and the employees covered by this Agreement pertaining to the application or interpretation of the terms and conditions of this Agreement, it shall be settled in accordance with the following procedure:

**STEP 1:** Any grievance arising between an employee or employees and the Company may first be taken up by the employee or employees affected with the immediate Supervisor, or if the employee elects, he may request the presence of his Steward. If a satisfactory settlement is not reached within two (2) working days, the grievance shall be reduced to writing and appealed to the next STEP of the grievance procedure.

**STEP 2:** Any grievance appealed from the preceding STEP shall be taken up by the employee or employees affected, The Steward and Committeeman with the Department Manager and/or Personnel Supervisor or designated representative. The Union, at its discretion may or may not have the grievant present at this meeting. The Company shall give its written decision within three (3) working days following the date of the meeting on this grievance at this STEP of the procedure. The Union shall have three (3) working days following the date of the Company's answer in which to accept the decision or appeal to the next STEP of the grievance procedure.

**STEP 3:** Any grievance appealed from the preceding STEP shall be taken up by the representative of the International Union, or his designated representative, the Unit Chairperson of the Local Union, and the Grievance Committee with the Company's Employee Relations Manager, or his designated representative. The Union, at its discretion may or may not have the grievant present at this meeting with the exception of a terminated employee. The Company shall have (10) working days in which to give their answer and the Union shall have ten (10) working days following the date of the Company's answer in which to accept the decision or appeal the grievance to arbitration.

**STEP 4:** If the matter in controversy was not settled in the preceding STEP, the grievance may be referred to arbitration as hereinafter set out:

- a) The matter to be arbitrated shall be submitted to an impartial arbitrator chosen by mutual agreement between the Employee Relations Manager and the International Representative of the Union or his designated representative. Should the parties be unable to reach agreement on an arbitrator, an arbitrator will be selected from a panel of five (5) nominees to be selected by the Federal Mediation and Conciliation Service.

A request for the selection of a panel of nominees shall be submitted jointly to the Federal Mediation and Conciliation Service within five (5) working days after the Employee Relations Manager has received notice from the representative of the International Union. If the Company and the Union are unable to agree upon which one of the five (5) nominees shall serve as the arbitrator, then within five (5) calendar days the party requesting arbitration shall strike one (1) name from the list and after this party strikes one (1) name, the other party shall strike one (1) name. Each party shall alternately strike names until only one (1) name remains. The name remaining after the others have been so removed shall be the Arbitrator.

b) The impartial arbitrator shall be empowered to rule on all disputes pertaining to the interpretation or application of this Agreement, provided, however, that he shall have no power to add to, subtract from, nor modify any terms of this Agreement nor any other agreement made supplementary hereto.

c) The decisions and findings which must be reached within thirty (30) calendar days after the arbitration hearing has convened shall be final and binding upon the parties hereto, and there shall be no strike, slow-down, curtailment, or interruption of operations, or lockout as a result of such decision.

d) The cost of the impartial arbitrator shall be borne equally by the Company and the Union.

7.2 Any decision or interpretation reached and agreed to as a result of the application of any of the preceding STEPS shall be binding on all parties to this Agreement.

7.3 Any decision on any grievance or complaints, not appealed in accordance with grievance procedure within the time limits specified in Section 7.1 shall be considered settled on the basis of the last decision and not subject to further appeal. Grievances settled under the provisions of this Section shall not constitute a precedent in any other case.

7.4 Any grievances not answered by the Company within the time limits specified in Section 7.1 may be appealed to the next STEP without prejudice to the position of either party.

7.5 All grievances to be considered must be reported and taken up with the Company in accordance with this procedure within five (5) working days of the Company's action giving rise to such grievance.

7.6 The time limits applicable to this grievance procedure can be extended by mutual agreement of the Company and the Union.

7.7 When it is necessary for any authorized Union representative to leave his work for the purpose of adjusting a grievance, he shall request permission from his immediate supervisor to do so, but shall not leave until a substitute worker is provided in his place, if necessary.

7.8 A maximum of three (3) Grievance Committeemen shall be recognized by the Company for the purpose of adjusting grievances. The Company shall recognize a maximum of two

(2) Shop Stewards from each department on each shift. The Company will be advised in writing by the Union, of the names of Grievance Committeemen and Stewards.

- 7.9 Designated Grievance Committeemen, Stewards, and employees involved in grievances shall be allowed reasonable time off without loss of pay to handle grievances and attend grievance meetings. Such time off will be devoted to the prompt disposition of grievances and shall not impair production.
- 7.10 Any disciplinary action to be taken by the company will be issued within seven (7) working days after all the facts of the alleged violations are known. This does not prevent the Company from delaying the enforcement of the disciplinary action to a later date if the investigation is not finalized.
- 7.11 The Company will inform an employee that they may have a Shop Steward or Committeeman present, at the time they are issued a formal disciplinary action.

Any employee covered by the terms of this Agreement may call their Union Shop Steward or Committeeman in the event they are issued a formal disciplinary action, for the purpose of ascertaining the facts pertaining to their disciplinary action. The Company will agree to notify the Shop Steward or Committeeman at the time of, or immediately subsequent to any formal disciplinary action being issued to any employee.

#### **ARTICLE VIII - NO STRIKE, NO LOCKOUT**

- 8.1 There will be no strikes, sympathy strikes, work stoppages, picket lines, slow-downs, secondary boycotts, or other concerted activity by the employees resulting in a work stoppage, slowdown or otherwise interrupts, curtails or interferes with operations in any way, and there will be no lockouts by the Company for the duration of this Agreement.
- 8.2 Any employee who participates in or promotes a strike, sympathy strike, work stoppage, picket line, slow-down, secondary boycott, or other concerted activity will be subject to disciplinary action including discharge and only the question of whether he did in fact participate in or promote such actions shall be subject to the grievance procedure and arbitration.

#### **ARTICLE IX - SENIORITY**

- 9.1 All new employees shall be regarded as probationary employees until they have been employed Ninety (90) working days or worked 720 hours, whichever occurs first, and shall not during such period be placed on the seniority list, nor be covered by this Agreement. If the employee qualifies at the end of the probationary period, his or her name shall be entered on the seniority list as of the date of his or her last hire
- 9.2 A temporary job is any job that exists for a limited period of time, but usually no longer than six (6) months. Individuals filling a temporary job will be considered as temporary employees, and shall have no rights or benefits under this contract. They will be paid at

the rate identified in Schedule A, and, as a condition of employment, shall join the Union and pay dues after thirty (30) days.

When a temporary job is utilized within the plant, the Company will notify the Union of how long the job will exist. The temporary job may be extended, if mutually agreed upon between the Company and the Union.

9.3 The seniority list will be revised and posted twice (2) each year and will be kept on file in the plant for the information of both the Company and the employees. Copies will be submitted to the local Union Chairperson.

9.4 Departments are identified as follows:

Operations  
Maintenance  
Material Supply  
Mixing/Distribution Center

9.5 Employee, based on seniority, will be given the opportunity to express their choice of shift, four (4) times each year. To exercise the opportunity for shift preference, an employee must provide written notice to the Company at least one (1) week in advance. Employees being transferred as a result of a shift preference shall receive at least one week advance notice of the need to be transferred. The foregoing does not in any manner limit the Company's right to transfer an employee from one shift to another in order to maintain effective plant operation.

In the event the Company needs to transfer an employee to another shift to maintain effective plant operations, the least senior employee with the skill and ability to perform the required work will be transferred, if a qualified employee for the skill being transferred is available.

9.6 In case of reductions during any shift due to lack of work, employees will be reduced in reverse order of plant-wide seniority standing in their department, provided they have the necessary skills and abilities to perform the available work. However, the senior person will be given the option not to work, unless it adversely affects plant operations. This procedure applies only to employees working within the department that day, bumping of employees loaned to other departments shall not be allowed.

9.7 Employees may be temporarily transferred from one department to another. In the event the Company temporarily transfers an employee from one department to another, the least senior employee with the skill and ability to perform the required work shall be transferred. Any employee transferred will be paid the higher of his rate of pay, or the rate of pay of the job transferred to, for all hours worked in the job to which he is transferred. If the transfer is to a higher paying job the most senior employee with the skill and ability shall be offered the transfer first.

9.8 After an absence caused by sickness or other reasons, an employee shall notify his department management of his intention to report for duty on a specific day. If employed on the day shift, such notification shall be made by 11:00 a.m. on the preceding day, or if

on the night shift, by 11:00 a.m. of the same day. Under normal circumstances a doctor's certificate will not be required following a one (1) or two (2) working day absence due to sickness, but may be required in the case of chronic absences.

- 9.9 If an employee reports for duty without previously having notified the Company, said employee will be assigned to work within their department if needed, otherwise to available work without regard to seniority. If no work is available, the employee will be sent home, even though others lower on the seniority list are at work. The following day his or her seniority rights will be restored.
- 9.10 All employees on the Seniority List shall keep the Personnel Department advised of their correct address and telephone numbers. The Company will assume no liability for an employee's failure to provide current data.
- 9.11 Seniority shall be lost for the following reasons:
- a) Voluntarily quitting;
  - b) Discharge by the Company for just cause;
  - c) Failure to report for work following a layoff within five (5) working days after notification from the Company by Certified Mail at the last known address or direct telephone conversation with the employee. In the event that the employee to be recalled cannot be contacted by telephone, the Company may continue down the seniority list until an adequate crew is obtained to fill the Company's production schedule. No employee shall lose seniority if he provides the Company with an acceptable reason for his failure to return to work.
  - d) Absence for three (3) successive working days without permission or proper notification to the Company. Such employees shall be considered to have quit voluntarily;
  - e) Layoff for a period of time equal to the employee's seniority at the commencement of his layoff or twenty-four (24) consecutive months, whichever comes first;
  - f) Failure to return from a sick leave of twenty-four (24) consecutive months duration unless the time is extended by mutual agreement between the Company and the Union.

## **Job Bidding**

- 9.12 Job Bidding will be conducted in accordance with the following procedure:

a) At the time a permanent vacancy occurs, such vacancy, listing qualifications and duties, shall be posted on the bulletin board for forty-eight (48) hours. Employees applying for the vacancy shall so indicate by signing the bid sheet. Bidders will be considered on the basis of their qualifications and seniority. Successful bidders will be transferred to their new position within two (2) weeks of their bid being awarded if no replacement is needed, or within thirty (30) days of the award if a replacement is needed.

b) In the event there are no bidders or none are deemed qualified, the Company may fill the vacancy at its discretion.

c) Vacancies within the General Labor classification shall not be bid.

d) Job bids posted in accordance with subsection (a), shall be valid for thirty (30) calendar days and selection of employees for vacancies in the posted classification may be made from bidders who signed such job posting.

e) Employees who sign a lateral or down bid, are offered a trial period, and decline will not be eligible to bid for three (3) months. Employees may bid upward with no restriction.

Employees, who successfully bid laterally or down for a job, may not bid laterally or down again for twelve (12) months (successfully bid is defined as being offered the bid and beginning the trial period). Employees may bid upward with no restriction.

f) When an employee accepts a new job, the employee will be given a trial period for up to fifteen (15) working days. If there is cause for reasonable doubt about an employee's ability to do the whole job, then such employee will be given up to fifteen (15) working days trial period on the job. The trial period may be extended by mutual agreement between the Company and the Union. An employee requesting to be relieved from a job during the first ten (10) working days of his trial period will be returned to the job previously held. An employee requesting to be relieved of a job after the first ten (10) working days of a trial period will be reassigned to available work. An employee disqualified by the Company during the trial period will be returned to the job previously held, such employee shall not lose their bidding rights.

g) Self-disqualification for personal reasons will not be permitted after successful completion of the trial period, unless approved by Management. Employees disqualified as such, will be assigned to other work, if available, based on their skills and abilities.

h) The fourth (4<sup>th</sup>) vacancy created as a result of three (3) consecutive job placements may be filled with employees who do not currently hold a bid job or a new hire. An employee whose job is eliminated shall automatically regain their bidding rights.

## **ARTICLE X - HOURS, OVERTIME AND HOLIDAYS**

10.1 The purpose of this Article is to outline the normal hours of work and to provide the basis for computing overtime payments and shall not be construed as a guarantee of, or limitation on hours of work, per day, per week, or per year.

## **Hours of Work**

- 10.2 a) The workweek shall start at 12:01 a.m. Monday (Sunday midnight); however, the Company reserves the right to change the workweek, the starting times, and hours of work as may be necessary. All hours worked on any shift beginning on or before 12:00 midnight shall belong to the day in which the shift begins.
- b) In no event will any employee be required to work more than thirteen (13) consecutive days.
- c) In no event will any employee be required to work more than twelve and one half (12.5) consecutive hours. Any twelve and one half (12.5) consecutive hour period shall include an employee's thirty (30) minute unpaid lunch period.
- d) Employees will not be required to work without a minimum ten (10) hour period of downtime.

## **Overtime Premium Pay**

- 10.3 Time and one-half (1-1/2) the straight time hourly rate will be paid for all hours worked by an employee:
- a) Over eight (8) hours in any one day.
- b) Over forty (40) hours in any one week.
- c) All hours worked on the sixth (6<sup>th</sup>) day in the workweek.
- 10.4 Double (2) the straight time hourly rate will be paid for all hours worked by an employee, provided the employee worked all available work assignments within the current workweek:
- a) On a paid holiday, (in addition to holiday pay).
- b) All hours worked on the seventh (7<sup>th</sup>) day in the workweek
- 10.5 Paid holidays not worked falling within the workweek, Monday through Friday, will be counted as time worked for the purpose of computing weekly overtime.
- 10.6 Pay for overtime hours will be based on the effective straight time rate for the job actually performed. No employee shall receive more than one premium payment for any time worked, although such time may be premium time under another provision of this agreement.

## **Pay for Holidays Not Worked**

- 10.7 Each employee covered by this Agreement will be paid for eight (8) hours at his regular straight time day rate or twelve (12) hours at regular straight time day rate whenever employees are participating in alternative twelve hours work schedules, exclusive of overtime premium for the following holidays:

New Year's Day  
Martin Luther King Day  
Good Friday  
Independence Day  
Memorial Day  
Labor Day

Thanksgiving Day  
Day after Thanksgiving Day  
Day before Christmas Day  
Christmas Day  
Day Before New Year's Day

when no work is performed there on, provided:

The employee must have worked his last scheduled work day before the holiday and the first scheduled work day after the holiday (unless on an excused absence), and whose last scheduled work day before or first scheduled work day after the holiday falls within fifteen (15) calendar days of the holiday. Suspensions will be viewed as a non-scheduled work day for the purpose of holiday pay. An excused absence will be recognized only when an employee secures permission from the Department Manager in advance to being absent on the day before or the day after a holiday; or shall present medical proof to the Company of his physical inability to report for work on the last scheduled work day before or the first scheduled work day following the holiday; and further provided that such physical disability commenced within the fifteen (15) day period before or after the holiday.

- 10.8 Normally, when a paid holiday falls on Sunday, the Monday immediately following will be observed as the holiday, and when a paid holiday falls on Saturday, the Friday preceding will (shall) be observed as the holiday. However, due to operational needs the Company reserves the right to determine whether a holiday that falls on a Saturday or Sunday will be observed on either the preceding Friday or following Monday, if the Union and Company mutually agree to do so.
- 10.9 When a paid holiday falls within an employee's vacation period, the employee shall receive eight (8) hours holiday pay, in addition to vacation pay.
- 10.10 If an employee is scheduled to work on a paid holiday, he must work or forfeit holiday pay.

### **Reporting Pay**

- 10.11 Any employee reporting for work at his scheduled starting time, unless prior notice has been given not to report, shall receive four (4) hours of work or four (4) hours of pay at his regular straight time rate in lieu thereof. The Reporting Pay provision shall not apply if the cessation of operations is due to weather, public utility failures, or major equipment breakdowns. If an employee is called to work within two (2) hours after a shift commences and he or she reports for work within one (1) hour after being called, then the employee will be considered to have reported for work at the beginning of the shift to which assigned.

### **Call-in Pay**

- 10.12 Any employee who, in the absence of instructions to the contrary, has completed his shift, signed out, and left the premises and is called in prior to the starting time of his next

regular shift to perform unscheduled work shall receive four (4) hours of work or four (4) hours of pay at one and one-half (1-1/2) times his regular day rate. This provision shall not apply when such call-in is a continuation of any shift or an early call for a regular shift.

### **Overtime Distribution**

10.13 The Company will give as much notice as possible to employees required to work overtime; however, it must be recognized that it is not always possible to give prior notice or at the very best, very short notice in some cases. Overtime of thirty (30) minutes or more will be offered by shift in seniority order to those employees who possess the skills and abilities to perform the available work. To be eligible to work overtime, employees must sign the daily overtime list in advance. In the event qualified senior employees decline the offer to work the overtime, then the Company may assign departmental overtime to employees who have the skills and abilities to perform the available work by shift, in inverse order of seniority and such assignment shall be compulsory.

Any weekend overtime general labor work will be offered on a plant-wide seniority basis by shift. In the event all employees on the shift turn down the overtime, then the Company may assign the overtime to the junior employee on the shift.

### **ARTICLE XI - WAGES**

11.1 The rates of pay for the various classification of work and all other provisions incidental to wages for employee are set forth in Schedule "A" attached hereto and made a part hereof. There shall be no limitations on the assignment of work within the job classifications covered by this Agreement.

11.2 Employees commencing work or called in to work on shifts starting between the hours of 12:00 noon and 10:00 p.m. will be paid the second (2nd) shift premium. Employees commencing work or called in to work on shifts starting between the hours of 10:00 p.m. and 4:30 a.m. will be paid the third (3rd) shift premium. Any day shift employee who works two (2) complete shifts, shall receive the second (2nd) shift premium for all hours worked on the second (2nd) shift.

11.3 Employees reporting for work on the second (2nd) shift shall receive twenty (20) cents per hour bonus for all hours worked on the second (2nd) shift. Employees reporting for work on the third (3rd) shift shall receive twenty-five (25) cents per hour premium for all hours worked on third (3rd) shift.

### **ARTICLE XII - VACATIONS**

12.1 Each employee with less than three (3) years of continuous employment with the Company, and who also meets the minimum requirements outlined in Paragraph 12.6 shall receive a vacation of one (1) week with pay each calendar year, effective the following January.

- 12.2 Each employee with three (3) but less than eight (8) years of continuous employment with the Company, and who also meets the minimum requirements outlined in Paragraph 12.6 shall receive a vacation of two (2) weeks with pay, commencing the January in the year such continuous employment is reached.
- 12.3 Each employee with eight (8) but less than fifteen (15) years of continuous employment with the Company, and who also meet the minimum requirements outlined in Paragraph 12.6 shall receive a vacation of three (3) weeks with pay, commencing the January in the year such continuous employment is reached.
- 12.4 Each employee with fifteen (15) or more years of continuous employment with the Company, and who also meets the minimum requirements outlined in Paragraph 12.6 shall receive a vacation of four (4) weeks with pay, commencing the January in the year such continuous employment is reached.
- 12.5 Each vacation week to which an employee is entitled in accordance with Paragraphs 12.1 through 12.4 shall be compensated for at two percent (2%) of the employee's annual gross earnings for the preceding calendar year with a minimum equivalent to forty (40) straight time hours at the employee's hourly day rate in effect on the date vacation is taken. Individual days of vacation will also be compensated at the 2% rate.
- 12.6 In addition to fulfilling the requirements above, each employee must, as a further condition of vacation eligibility, work a minimum of one hundred twenty-five (days) within the calendar year in which vacation is earned (any employee working less than one hundred twenty-five (125) days in a calendar year is not entitled to a vacation).
- 12.7 Continuous employment is defined as the length of an employee's service with the Company, which is computed from the last date of hire. The continuous employment record of an employee is synonymous with the length of his seniority.
- 12.8 Calendar year defined as the twelve (12) month period January to December.
- 12.9 All earned vacation must be taken within the applicable calendar year.
- 12.10 Up to five (5) days vacation may be taken one or ½ day at a time with twenty-four (24) hours advance notice and supervisory approval. Vacation time may not be accumulated from year to year.
- 12.11 Vacation pay will not be prorated except in the case of retirement or in the death of an employee. An employee either qualifies for full vacation or has failed to qualify for vacation.
- 12.12 Vacation time granted, holidays for which an employee is eligible for holiday pay, and time lost due to a non-industrial illness or accident for which the employee receives Accident and Sickness Insurance benefits up to a maximum of three (3) months in any anniversary year, will be counted as time worked for computing vacation eligibility.
- 12.13 An employee who fails to meet the work requirement for vacation eligibility because of absence due to compensable industrial injury or illness, but who has performed some work for the Company within the previous calendar year in which his or her disability

due to such injury or illness commenced, shall be granted his or her vacation for that calendar year.

- 12.14 Vacations may, as far as possible, be scheduled by the employee upon thirty (30) days advanced notice, according to seniority with mutual agreement of the employee and the Company.
- 12.15 Employees entitled to vacations shall receive their vacation pay at the beginning of their vacation period.
- 12.16 Employees entitled to vacations shall receive their vacation pay at the beginning of their vacation period.
- 12.17 An employee scheduled to commence a weeks vacation on start date of the workweek will be excused for the two days immediately before and after such vacations, if he/she so requests

### **ARTICLE XIII - BENEFITS PLANS**

- 13.1 Employees covered by this collective bargaining agreement will continue to be covered under the current medical plan design for the remainder of calendar year 2004. Beginning January 1, 2005, employees covered by this collective bargaining agreement will participate in the new PepsiCo Benefit Plans, which are listed below. Each year the Company will determine the pricetags, Plan levels, Plan design for the benefit options. Any changes made by the Company to the price tags, plan levels, or plan design of these plans will apply to employees represented by The United Steelworkers of America, Local 1999.

#### Benefit Plans

- Medical
- Dental
- Life Insurance
- Supplemental Life Insurance
- Optional Dependent Life Insurance
- Accidental Death & Dismemberment (AD&D)
- Health and Dependant Care Spending Accounts
- Illness and Accident Plan (STD)
- Long Term Disability
- Vision Plan
- Adoption Assistance
- Group Legal
- Survivor Support
- 401(k)
- Sharepower
- Pension
- Retiree Medical

## **ARTICLE XIV - LEAVE OF ABSENCE**

- 14.1 Upon written application and written permission from the Company, leaves of absence for personal reasons will be granted to employees for a period of not more than thirty (30) calendar days.
- 14.2 Upon written application and approval, an employee who is elected to a permanent office in the Union or as a delegate to any labor activity necessitating a leave of absence shall be granted such leave without pay and shall, at the end of the term in the first instance, or at the end of the mission in the second instance, be re-employed with accumulated seniority standing that he has when he returns to work with the Company.
- 14.3 An employee who is selected or appointed to a Salaried (management) position with the Company, necessitating a leave of absence without pay, shall be granted such leave of absence up to a maximum of one (1) year; and shall at the termination of such employment without cause, be re-employed with the seniority standing in the Union that he had when he left the unit, on whatever job is available.
- 14.4 When employees are called for jury service, they shall advise their foreman upon receipt of such call, and if taken from their work for such service, shall be paid the difference between their regular straight time hourly earnings for the actual time lost (but not to exceed eight (8) hours per day or forty (40) hours per week) and the pay they receive as jurors. This Article is to apply only when an employee is called for jury duty and shall not apply if an employee voluntarily offers his services as a juror.

Employees with a court ordered subpoena will be granted a leave of absence under Section 14.1.

- 14.5 In the event of a death of a member of the immediate family of an employee covered by this Agreement (immediate family being mother, father, sister, brother, spouse, child, parent of spouse, employee's spouse's step-parents, employee's step parents, employee's grandmother, employee's grandfather or employee's grandchildren), up to three (3) working days leave of absence, based on a eight (8) hour day may be approved with pay for the specific purpose of attending the funeral. Upon request an employee will be granted two (2) additional working days leave of absence, without pay.

## **ARTICLE XV - SAFETY AND HEALTH**

- 15.1 The Company shall continue to make provisions for the Safety and Health of all its employees at the plant during the hours of their employment. Protective devices and other equipment including wearing apparel necessary to properly protect employees from injury, shall be provided by the Company in accordance with the practices now prevailing in the plant. Safety Rules will be posted.
- 15.2 There will be a Plant Safety Steering Committee consisting of at least one-half Union members and the rest management personnel. The committee will hold monthly safety

meetings and the plant Accident Investigator will be advised of accidents at the time they happen. Accidents will be investigated immediately by the Union and the Company.

- 15.3 If a question arises as to an employee's physical ability to perform his job, and the Company requires a physical examination, it shall be at the Company's expense.
- 15.4 The Company agrees to maintain first aid facilities at any time a production shift is operating. When a production shift is not operating, the Company will notify employees who are working of the procedure for obtaining first aid treatment if necessary.
- 15.5 The Company shall provide transportation and escort for any employee seriously injured on the job.

#### **ARTICLE XVI - BULLETIN BOARDS**

- 16.1 The Company shall provide bulletin boards on which the Union may post notices of its recreational and social affairs, of Union elections and results thereof, appointments, and meetings. All such notices must be approved by the Company before being posted, and shall be countersigned by an officer of the Union. The Union shall promptly advise the Company of the officers who have the power to countersign such notices and shall provide the Company with their specimen signatures. There shall be no other distribution or posting by the Union or employees on the Company's property of pamphlets, advertising, or political matter, notices of any kind of literature other than herein provided.
- 16.2 No petitions of any kind are to be circulated on plant premises.

#### **ARTICLE XVII - LIMITATION OF PRODUCTION WORK**

- 17.1 Salaried supervisors shall not perform the duties of employees covered by this Agreement, except that salaried supervisors may work in cases of instructing employees and in legitimate cases of emergencies, provided, however, that no employee in the classification normally performing the work shall suffer a loss in wages or working time.
- 17.2 It is understood between the Company and the Union that Engineering Department employees may make initial setup and test runs in the experimental development of new or improved products or tools, provided, however, that in no case shall such employees displace any employee on the seniority list or cause any employee of any appropriate Unit to suffer a loss of any working time or overtime earnings.
- 17.3 It is agreed that not more than two progressive students and other employees receiving special training for technical and supervisory positions may perform work that is of a like nature to that of employees covered by this Agreement as part of their training, provided employees of the appropriate unit suffer no loss in wages or working time. The trainee will not perform unit work alone and will not be used to take place of a unit employee.

## **ARTICLE XVIII - RULES**

- 18.1 The Company reserves the right to make and publish reasonable rules not inconsistent with the terms of this Agreement. Violations of such rules shall constitute reason for discipline, suspension, or dismissal; subject, however, to the grievance procedure in accordance with Article VII.
- 18.2 Warning notices and/or the record of disciplinary action, with the exception of Final Warnings, shall become null and void one (1) year from the date of issue or the date of record. Final warnings shall become null and void two (2) years from the date of issue or the date of record. During the first twelve (12) months of the two (2) year period, if the employee commits a violation of a Company policy or procedure, the employee will be terminated. During the second twelve (12) months of the two (2) year period, if the employee commits more than one violation of a Company policy or procedure, the employee will be terminated. This does not apply to situations where immediate termination is called for.

## **ARTICLE XIX - MILITARY SERVICE**

- 19.1 Any employee who leaves the employ of the Company to join the Armed Forces of the United States shall be entitled to re-employment benefits, pursuant to Federal Law.
- 19.2 All employees will be compensated for pre-induction military physical examinations at their regular hourly rate, provided the time spent falls within the employee's normally scheduled work day. In no event shall such compensation be made to an employee who volunteers for military service.
- 19.3 Employees with official military service orders will be granted a leave of absence under Section 14.1

## **ARTICLE XX - MISCELLANEOUS PROVISIONS**

- 20.1 The Company and the Union will cooperate in an analysis of the different factory operations, factory equipment, coordination of work of different departments, etc., with the mutual objective of improving working conditions, increasing production, and efficiency. Any adjustments or corrections mutually agreed upon shall be acted upon and put into effect immediately. If the parties fail to reach mutual agreement, the Company shall implement the adjustments or corrections but this shall in no way impair the Union's right to protest the Company's actions in the grievance procedure.
- 20.2 The Company has established a Maintenance Mechanic Training Program to provide opportunities for current employees to be Maintenance Mechanics. A joint labor management committee consisting of two (2) Company and two (2) Union representatives will oversee the Maintenance Mechanic Training Program. The details of the training process and requirements to participate in the program are explained in the Maintenance Mechanic Training Program Procedure. Realizing that training methods

and requirements will change over time, the Company reserves the right to determine the final content of the program and the number of program participants.

#### **ARTICLE XXI - SEPARABILITY AND SAVINGS**

21.1 If any Article or paragraph of this Agreement should be held invalid by operation of law or by any tribunal or competent jurisdiction, or if compliance with or enforcement of any Article paragraph should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement or the application of such Article or paragraph to persons or circumstance other than those as to which it has been held invalid, or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

#### **ARTICLE XXII - TERMINATION**

22.1 This Agreement shall remain in full force and effect from June 4, 2007 through midnight Sunday, June 6, 2010, and shall automatically renew itself from year to year thereafter, unless at least sixty (60) days before the termination, or any anniversary thereof, either party gives notice to the other of desire to amend, add to, or terminate this Agreement.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized officers and representatives, do solemnly affix their hands and seals.

UNITED STEELWORKERS OF  
AMERICA DISTRICT AFL-CIO-CLC  
on behalf of Local Union 1999

SVC Manufacturing, INC.  
a wholly-owned subsidiary of  
Stokely Van-Camp, INC.

**Leo Gerard**

Leo Gerard  
International President

**Tom Winters**

Tom Winters  
Vice President - Hot Fill Operations

**Tom Conway**

Tom Conway  
International Vice President

**Lance Oxley**

Lance Oxley  
Director - Hot Fill Operations

**Fred Redmond**

Fred Redmond  
International Vice President

**Edwin Wiley**

Edwin Wiley  
Plant Manager

**James English**

James English  
International Secretary -Treasurer

**Erric Lamar Beasley**

Erric Lamar Beasley  
Human Resources Manager

**Jim Robinson**

Jim Robinson  
District Director

**Michael Churchill**

Michael Churchill  
Production Manager

**Randy McKay**

Randy McKay  
Sub-District Director

**Charles Edel**

Charles Edel  
Distribution Center Manager

**James C. Adcock**

James C. Adcock  
Staff Representative

**Thomas Richter**

Thomas Richter  
Engineering and Maintenance Manager

**Bruce Reed**

Bruce Reed  
Business Representative Local 1999

**Adriana Luna**

Adriana Luna  
Human Resources Supervisor

**Tim Johnson**

Tim Johnson  
Unit President

**Sondra Carr**

Sondra Carr  
Local Union Committee

**George Maurer**

George Maurer  
Local Union Committee

**Rhonda Powell**

Rhonda Powell  
Local Union Committee

**Barron Williams**

Barron Williams  
Local Union Committee

**SCHEDULE "A"**

	<u>6/4/2007</u>	<u>6/2/2008</u>	<u>6/1/2009</u>
<b>BRACKET I</b>			
Temporary General Labor	\$8.43	\$8.73	\$8.99
Temporary Operator	\$11.24	\$11.63	\$11.98
Temporary Mechanic	\$17.83	\$18.45	\$19.00
<b>BRACKET II</b>	\$15.89	\$16.45	\$16.94
General Labor			
<b>BRACKET III</b>	\$17.98	\$18.71	\$19.51
Forklift Operator Mixing/DC			
<b>BRACKET IV</b>	\$16.23	\$16.80	\$17.30
<i>No Positions in this Bracket</i>			
<b>BRACKET V</b>			
<i>No Positions in this Bracket</i>			
<b>BRACKET VI</b>	\$18.39	\$18.94	\$19.51
Concentrate Operator			
Receiving Operator			
Lift Truck Operator (Concentrate)			
Line I Technician			
Line II Technician			
Line III Technician			
Line IV Technician			
Line V Technician			
Sanitation Technician			
Storeroom Attendant			
<b>BRACKET VII</b>	\$17.37	\$17.98	\$18.52
Mechanics Helper			
<b>BRACKET VIII</b>	\$20.95	\$21.58	\$22.23
Class I Mechanic			
<b>BRACKET IX</b>	\$23.42	\$24.12	\$24.84
Lead Electrician Journeyman			
Lead Mechanic Journeyman			
<b>BRACKET X</b>	\$25.80	\$26.57	\$27.37
Maintenance Technician			

Group Leader: will receive fifty cents (\$.50) per hour in addition to his/her regular rate.  
 Probationary Operatives: will receive one dollar (\$1.00) less per hour than bracket assigned to.  
 Probationary Mechanics: will receive bracket rate assigned to.

## LETTER OF AGREEMENT

### Alternative Work Schedules

The intent of this letter is to offer employees a scheduling option to balance work hours when a line or department is operating on a seven (7) day work week schedule. The Company and Union agree that whenever a line or department is operating on this type of schedule, that employees on that line or department may elect to work twelve (12) hour shifts on a rotating, two (2) day / two (2) day / three (3) day, four (4) day / three (3) day or four (4) day/ four (4) day schedules. An employee will not be required to work more than six (6) consecutive twelve hour workdays on an alternative schedule, unless there are no other available employees with the skills and qualifications needed to fill open positions.

In order to utilize this type of schedule on a line or in a department, at least 65% of the employees currently working on the line or the department, must vote in favor of the schedule to adopt it.

If the schedule is adopted, the overtime provisions in Article X, Section 3 & 4, will not be applicable. In place of Article X, Section 3, time and one-half (1-1/2) of the straight time hourly rate will be paid for all hours worked over forty (40) in a week, over twelve (12) hours in a day. In place of Article X, Section 4, the seventh (7th) consecutive day that the employee works in that workweek and all hours worked on a paid holiday, (in addition to holiday pay), will be paid at double the straight time hourly rate.

An employee will be paid additional four (4) hours during a normal scheduled thirty-six (36) hours work week.

Once employees have elected to work a twelve hour work schedule this will remain in effect for at least six (6) months unless the business dictates a non-seven (7) day work week schedule.

As an additional incentive for voting in favor of the above described work schedule with 65% approval vote, the Company will develop criteria for employees to earn one personal day off with pay per calendar year. Once the criterion is established the Company will implement the paid day off.

## LETTER OF AGREEMENT

### Indy Midwest Facility New Production Lines

When the Company determines to expand its manufacturing capabilities with the addition of additional production line(s) the following will apply: In order to ensure a successful start-up for the new line, improving performance on the other lines, and minimizing disruptions to the current employees work schedules; it is paramount that a significant number of skilled employees remain focused on their current lines. This will enable us to remain focused in the following areas:

- Safety
- Productivity
- Teamwork
- Availability
- Quality

The staffing for the new line(s) will be accomplished as follows:

The first 1/3 of the line staffing will be equipment specific. Experienced operators will be given the opportunity to transfer to the new line(s) in similar jobs of the bid they currently hold. One operator will be transferred, by seniority, for each individual piece of equipment. Vacancies created by the transfer of these employees will be filled by new hires. These new hires will be in place and trained before the experienced operator can move. This will fill 1/3 of the staffing needs for the new line(s).

The next 1/3 of the positions will be opened for bid by seniority to the balance of the plant. A successful bid will be defined as the employee agreeing to accept the position by seniority at the time the job is posted. A trial period will not be available since these positions must be filled before the line is ready to operate. Careful consideration to accept these bids must be made in light of this fact. Vacancies created by this job bidding will be filled by new hires. These new hires will be in place and trained before the experienced operator can move.

All remaining positions will be filled by hiring new employees. At this point the line will be fully staffed.

Employees who are transferred or bid to a new line must remain in their new position for either 12 months after their transfer or 12 months after line start-up, which ever comes first. All new hires to the line must remain in their new position for either 12 months after their date of hire or 12 months after start-up, which ever comes first. Any openings that occur on the new line as a result of an operator leaving the company up to 60 days after start-up will be filled by new hire. Openings as a result of an operator leaving the company after 60 calendar days from the formal start-up date will be filled by the job bid procedure in the collective bargaining agreement. This will provide a more defined / stable operator position, and better training support for the operator during their “trial period.”

All bargaining unit employees will be permitted to participate in the staffing process including employees who are still in a twelve (12) month start-up period.

This letter shall be in effect only for the term of this agreement that expires on June 6, 2010, but not thereafter, unless specifically renewed in writing by the parties.

## LETTER OF AGREEMENT

### Mixing/Distribution Center Expansion(s)

In the event that PepsiCo Beverages & Foods expands the onsite warehouse facility, additional warehouse jobs could be required.

The parties understand the need for appropriate flexibility in the management of this new expansion(s) to prevent a negative impact on the transition and ongoing operations. The parties must ensure that the new expansion(s) is properly managed in order to meet the Company's goals in the following areas:

- Safety
- Teamwork
- Quality
- Productivity
- Availability

On the basis of the above understanding, the Union and the Company agree to the following provisions as they relate to the management and operation of the Mixing/DC:

1. The wage information will be included for the Mixing/DC employees as listed in Schedule "A" of the current contract.

Employees who were forklift operators, as their primary position on 12/28/99, will receive rate protection at the Bracket VI rate. This protection will remain until they bid off the position. The rate protection will not continue if the employee bids off than re-bids the driver position.

2. In reference to Article 9, Section 9.12(e) employees securing new positions as a result of this expansion(s) may not bid for a position outside of the Mixing/DC department for a period of 12 months starting from their first date of hire or successful placement in this roll. This provision will expire 12 months after the official startup of the Mixing/DC expansion(s). This will ensure a smooth and efficient start-up.
3. Currently during a reduction in force bumping (by plant wide seniority) into a department is allowed only for temporary/general labor scheduled work in one-week increments. This bumping will remain.

This letter shall be in effect until June 6, 2010.

The terms of this agreement shall not modify or amend any other rights contained within the current Labor Agreement.

## LETTER OF UNDERSTANDING

### *MY ACCESS*

PepsiCo is constantly evaluating improvements in the manner in which it makes important information available/accessible to its employees. Advances in the information technology field have already provided and will continue to provide opportunities to streamline many areas of our business. To focus its efforts, PepsiCo has initiated a corporate-wide effort entitled "My Access." Several "My Access" project teams have been commissioned to review certain technological and procedural advances that may provide for more efficient and effective practices in payroll procedures, accessibility of benefit information, management of personnel-related procedures, and other information-laden processes. It is anticipated that these project teams will identify changes that will be technologically beneficial. When such changes are brought to our attention, we will work together with the Union to plan and coordinate the implementation of these technological improvements in our operation and jointly educate our workforce in their use and application. In doing so, the parties are committed to resolving any issues that might surface that impact the workforce, implementation timelines, and previously accepted practices and procedures.