

Language for Last, Best and Final and all Tentative Agreements

From Frito-Lay & Teamsters Local Union #337 Negotiations

July 12, 2017

Article 1 – Recognition, Union Shop and Dues:

Section 2 Each month the Company will provide the Union with the name, **home address**, location, hire date and classification of the new hires. All stewards in each facility will be provided with that information for new hires in their facility.

When the Employer needs additional help, it shall give the Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Union.

Article 8 - Discipline

Section 1 The employer agrees that the principles of just cause and progressive discipline shall be applied to all employees within the bargaining unit. The progressive steps of discipline shall include a verbal warning, written warning and a **final written warning suspension (three (3) days or less)** prior to discharging an employee. However, the employer may discharge any employee without progressive discipline in cases of dishonesty, possession, use, or being under the influence of alcohol or illegal drugs, recklessness resulting in serious injury while on duty, the carrying of unauthorized passengers while on the job, carrying of firearms while on the job, fighting on the job, three (3) consecutive days no call/no show and proven gross misconduct, or any terminable offense under the Frito-Lay National Policies found in the letter of understanding of this agreement.

Article 8 – Discipline:

Section 2 The employer shall disclose any disciplinary action taken against an employee by written notice to the affected employee with copies to the appropriate Steward within fourteen (14) calendar days of the offense, except for terminable offenses identified in Article 8; Section 1, where the company will have fourteen (14) days from the knowledge of the offense or facts supporting the discipline to disclose any disciplinary action taken against an employee. **In both situations above, time away from work for Leave of Absence (both approved and unapproved Leave of Absences), will be excluded from the fourteen (14) day timeline.** Such notices shall be of no force or effect after a nine (9) month period of active employment. Active employment does not have to be a continuous nine (9) months.

Article 12 – Leave of Absence:

Section 1 Any employee desiring a leave of absence from his employment shall secure written permission from both the Local Union and Employer. The maximum leave of absence

shall be for thirty (30) days and may be extended for like periods. Permission for extension must be secured from both the Local Union and Employer. During the period of absence, the employee shall not engage in gainful employment unless said employment precedes the date of the leave of absence. Failure to comply with this provision shall result in the complete loss of seniority rights for the employees involved. Inability to work because of proven sickness or injury shall not result in the loss of seniority rights. **However, seniority shall cease, at the end of the below time frame for maximum available leaves.** Any leave of absence taken shall be deducted from the vacation credits of the employee taking such leave.

- **An employee will lose their seniority and employment rights in the event that they are absent due to leave of absence for eighteen (18) consecutive months. An extension may be granted based on agreement between the Company and the Union.**
- **A route or position which has been vacated by reason of a medical leave of absence for twelve (12) consecutive months for one (1) year shall be considered vacated in accordance with Article 20, Section 6a above unless an extension is granted between the Company and the Union. there is a reasonable expectation of the employee's return within a reasonable period of time.**
- **If his route is treated as vacated, when the salesman returns from leave, he shall assume the position of Extra Salesman and be eligible to bid on future routes as provided in this Agreement. This section shall apply only to leaves initiated prior to January 1, 2016 and after the effective date of this Agreement.**

Article 7 - Seniority

Section 4 Seniority shall be broken only by discharge, voluntary quit, **exceeding maximum available leave time per Article 12, Section 1**, or layoff for a period of more than two (2) years. Employees are to give two (2) weeks notice before leaving employment, and the Employer is to give one (1) week's notice or one (1) week's pay before layoff.

Article 20 - Route Revisions/Route Cuts

~~**Section 8** — A route which has been vacated by reason of a medical leave of absence for one (1) year shall be considered vacated in accordance with Section 6a above unless there is a reasonable expectation of the employee's return within a reasonable period of time.~~

~~If his route is treated as vacated, when the salesman returns from leave, he shall assume the position of Extra Salesman and be eligible to bid on future routes as provided in this Agreement. This section shall apply only to leaves initiated after the effective date of this Agreement.~~

Article 12 – Leave of Absence

Section 2 The Company agrees all full-time Sales and Warehouse employees will be entitled to two (2) sick days per year commencing upon the first (1st) day of January following the completion of one (1) year of service. For sales employees, sick days will be paid at the rate of 1/5 of the guarantee. Warehouse employees will be paid their hourly rate times eight hours. **If a part-time warehouse employee transitions from part-time to full-time, they will be provided two (2) sick days within that transition year as long as they have completed one (1) year of service with the Company at the time of the transition.** Employees who utilize sick days the day before or the day after an observed holiday or vacation will not be paid (if in conjunction with a holiday, the employee will lose the holiday pay as well). Employees must indicate their desire to utilize a sick day when calling off in order to be paid. Employees should call off to their manager to use sick days as soon as practicable, but no later than one (1) hour prior to their normal start time. In the event the employee requests a sick day and their route is not covered, the employee will not be compensated or charged a sick day. A Doctor's note will be required for employees taking both sick days together in order to receive payment. Unused sick days will not be carried over.

Article 20 – Route Revisions/Route Cuts:

Section 6a All bargaining unit positions will be posted for bid by all full-time employees and awarded by seniority.

If an employee desires to change ~~from~~ functions (sales to operations or operations to sales) **they** shall be eligible to bid to an open position; provided they pass the Frito-Lay Select process for the respective function they are bidding into.

Employees that bid into a DOT regulated position will provide proof of the physical requirements prior to bidding on such position.

New warehouse jobs or any vacated warehouse jobs necessary to run the business will be posted for bidding within one (1) week after actually being vacated. The bid sheet shall be posted for seven (7) calendar days from Wednesday through the following Tuesday. The bid sheet shall include the classification, shift and start time. Any part-time warehouse bidding on the job must meet the requirements of the preferential hiring list.

Excluding ~~Article 19, Section 8 and the~~ free bid for starting time modifications, employees that have been awarded a warehouse position within six (6) months of a job posting will not be eligible to bid.

New routes, any routes which may become vacated for any reason, and the route of the successful bidder for said vacated route shall, within one (1) week after actually vacated, be posted for bidding by the existing Salespersons, Relief Specialists and Extras according to seniority. The bid sheet shall remain posted for bidding for seven (7) calendar days. If the

route is revised prior to posting, the Employer agrees that it will not be cut for twelve (12) months following such revision. The successful bidders may not be eligible to bid on another **position route** for a period of one (1) year thereafter with one exception: If during the year of bid restriction the route is revised or cut so that more than 50% percent of the accounts are changed from the accounts with which the route was bid, or is abolished, assigned to another facility or if a Monday through Friday route, is assigned to an alternate workweek schedule, the one year bid restriction on that successful bidder will be removed. Salespersons and Extras must have been with the employer at least six (6) months in order to bid on a route within the Zone into which he/she was hired; and one (1) year to be eligible to bid routes outside the Zone in which the employee was hired. The bid notice shall include a list of accounts, account addresses and the weekly sales volume of each account. The Company shall endeavor to **post bid awards in a timely manner and to move the awarded employee to the new bid as soon as possible, but no later than thirty (30) calendar days, from the date the bid comes down.**

If an employee declines the bid once awarded, they will not be eligible to bid on any other openings for a period of six (6) months from the award date.

A bargaining unit seniority list will be posted on each bidding board for current Sales employees and one for current Sales Operations employees and updated quarterly.

Route Bidding - If the third (3rd) vacancy resulting from such bidding would result in the assignment of a Monday – Friday Sales route, such vacancy will be placed for bid according to the seniority provisions of Article 20. Any subsequent vacancies will be assigned.

Should an employee voluntarily move into a different function (sales to operations or operations to sales) the employee shall begin accruing seniority for job bidding and vacation selection effective their first day of employment in that new position. Said employee shall maintain seniority based up length of service in each function. TDD Drivers successfully bidding into a Route Sales opening shall carry all seniority if he has held the position before. An employee forced into a different function shall retain all seniority. For all other purposes, the total seniority shall apply.

Schedule A – Wages, Vacations and Holidays:

Section I

Extra Employees

- a) **Extra Salespersons will be offered and assigned LOA routes by zone and building, by seniority. LOA assignments will be effective the first full week after the LOA occurs.**
- b) An Extra Salesperson assigned to cover a route shall receive the same rate of pay as the regular salesperson would have received after the Extra Salesperson's fourth week on the route. The assigned Extra Salesperson shall remain on the route until the regular salesperson returns or the Extra Salesperson bids onto an open route.

- c) The Company shall have the right to assign management trainees to a LOA or 1/52 route for up to eight (8) weeks for the purpose of learning the route system. After at least four (4) weeks have concluded, up to and including eight (8) weeks, an Extra Salesperson assigned to cover that route shall receive the same rate of pay as the regular salesperson would have received immediately upon being assigned.

Schedule A – Wages, Vacations and Holidays:

(O) Warehouse/Utility classification

e) When overtime work is required, it shall be offered to the Warehouse/utility employees at the location in order of seniority. **In the event of overtime assignments, The work will be offered to available qualified employees by seniority, and in the absence of sufficient volunteers, will be assigned to qualified employees by inverse seniority.**

- **Employees on their regularly scheduled day off, vacation, birthday holiday or Leave of Absence (LOA) will be considered not available for daily overtime assignments.**
- **To be qualified, an employee must be trained for the work required.**

~~Warehouse overtime will be posted by the first break of the latest scheduled employee on the shift; provided that additional or modified overtime assignments may be required in the event of excessive call offs or excessive leave earlies not known at the normal time of posting.~~

The Company will post warehouse overtime 2 hours after the start time of the latest scheduled full-time employee on the shift. Additionally, if said overtime is posted on the shift more than 5 hours after a person's scheduled start time, that person can volunteer for the overtime based on their seniority rights, but they shall not be required to work that overtime. Overtime assignments may be added or modified after the normal posting time in the event of excessive call offs, excessive leave earlies, or unforeseen circumstances that impact work completion. If the company adds or modifies overtime assignments after the normal posting time, the appropriate members of management will notify the union.

The company will make every effort to ensure its employees work twelve (12) hours or less. However, it is understood that situations may arise that cause the workday to surpass the twelve (12) hour threshold. In those cases the appropriate members of management will notify the Union.

The Company will not post "blanket" overtime schedules and will evaluate overtime needs on a daily basis and post accordingly.

Example: 1st shift at DC 'X' has an unloader starting at 4am and a picker starting at 9am. In this example OT for the unloader would have to be posted no later than 9am. OT for the picker would be posted no later than 11am because he/she is the last FT on the shift.

k) In the event of reduced availability of work hours, the de-crew will be offered to affected employees by shift start time then seniority, and in the absence of sufficient volunteers, will be assigned to employees by inverse seniority. ~~In the event of overtime assignments, the work will be offered to available qualified employees by seniority, and in the absence of sufficient volunteers, will be assigned to qualified employees by inverse seniority.~~ Part-time employees will be de-crewed before any full-time employee.

Schedule A – Wages, Vacations and Holidays:

Section O

The following details are the required qualifications for current part-time warehouseers to be considered for full-time warehouse employment. This letter does not establish a minimum number of full-time warehouse positions.

Qualifications

In order for an individual to be considered for full-time employment, he/she must meet the following criteria. Once these criteria are met, the individual will then be placed on a “preferential hiring list”.

Performance

Individuals may not have received more than a documented Verbal level of discipline regarding their overall performance. Performance includes but is not limited to the following:

- ☐ Product unloading
- ☐ Forklift operation
- ☐ RSR Check out Procedures
- ☐ Picking and truck loading performance
- ☐ Inventory Control
- ☐ Moving Trucks

Attendance

Individuals may have no more than -2 points in accordance with the current attendance policy.

Selection

Individuals must meet the criteria in “Qualifications” in order to be considered for a full-time position. New hires must meet the 90 day “Trial Basis” before they can become full-time. The Company will update the preferential hiring list every 60 days.

Once an individual has notified the Company in writing of his/her intention to become full-time, the Company will then review the individual’s performance to determine if the individual meets and maintains the qualifications outlined in the Qualifications section of this letter.

When full-time employment opportunities exist, the “preferential hiring list” will be utilized first to fill open positions. Upon exhausting the “preferential hiring list”, in the event part-

time employees who don't meet the qualification criteria are interested in full-time employment, they will have the opportunity to interview for the position(s) concurrently with external candidates.

Scheduled A – Wages, Vacations and Holidays

Sub-Section O

Attendance Policy

Attendance Principles

- Regular attendance is expected of all employees
- A calendar will be maintained to account for all absenteeism and tardiness
- A point system will be used as a scorecard to track individual performance
- Employees must call in when they are going to be tardy or ill
- **An attendance calendar will be provided by the Company to each warehouse employee within the first full week of each month. Communication of point status will be given to employee**
- **If a warehouse verbally requests a copy of their attendance calendar to a manager, it will be provided in a timely manner.**

	Definitions	Points
Medically Excused Absence	Absences of 2 or more days for which the employee has a doctor's note excusing them from all work. (Not Family Medical Leave Qualified)	
	Reporting up to Calling off more than 1.0 hour prior to scheduled shift	-1.0
	Reporting less Calling off less than 1.0 hour prior to scheduled shift	-1.5
Arrive Late	Reporting up to 1.0 hour after scheduled start time OR call up to 1.0 hour before shift starting time if arrival time is more than 1.0 hour after scheduled shift starting time	-0.5
	Reporting 1.0 hour or more after scheduled shift start	-1.0
Leave Early	Leaving up to 1.0 hour before scheduled shift ending time without being properly de-crewed	-0.5
	Leaving up to more than 1.0 hour before scheduled shift ending time without being properly de-crewed	-1.0
Absence	Call up to Calling off more than 1.0 hour before shift starting time	-1.0
		-1.5

	Fail to call up to Calling off less than 1.0 hour before shift starting time	-2.0
	No Call / No Show	Termination (According to Contract)
	3 Consecutive No Call / No Show	
Good Attendance	Calendar days without absence or tardiness The maximum is +3 at anytime	

Note: "0" points will occur if employee is properly de-crewed by Supervisor in charge of shift.

Attendance Policy

Point System

+3.0	Maximum Point Level	
+1.0	Good performance	
-2.0	Verbal Warning	Performance contact
-3.0		Performance contact
-4.0	Written Warning	Performance contact
-5.0		Performance contact
-6.0		Performance contact
-7.0	Final Written Warning One Day Suspension	Performance contact
-8.0	TERMINATION	

Employees with perfect attendance for **thirty (30) 60** days will earn **one-half (½) +1** point back. Paid sick days will be excluded from the attendance policy. Any employee that leaves work early without notifying their supervisor will be considered to have abandoned their job and will be subject to termination.

Letters of Understanding - Miscellaneous:

10. The Company will review Snacks to You accounts on a quarterly basis and provide the Union a list of accounts greater than \$100. If during the quarterly review these accounts grow to a 52-week average of \$100 or greater, the Company will determine if they need to be placed onto the route sales distribution system, pending the customer agreeing to a change in service.

Letters of Agreement:

In the event of future business changes which require bidding, the Company and Union agree to meet to discuss how best to handle the Bad Axe workgroup.

Frito-Lay Detroit Metro Facilities

Performance Standards Guidelines - Addendum

- The Company will conduct refresher trainings for Performance Standards in Quarter 2 (April-June) of 2017 and then on an annual basis. Participation will be voluntary for all warehouse workers.
- Automatic observations due to receiving discipline will generally be conducted in week 1 of the following period with the follow-up meeting being conducted in week 2 of that same period.
- The Company will ensure that the performance standard binders, which detail the SOPs (standard operating procedures), are accessible to warehouse workers. If they have questions on the material, they can discuss with their manager. The refresher training will also cover the material included in the binder.
- Delay Cards
 - The Company will look to simplify the delay card where practicable which could include check boxes for the most common delays, instructions on reporting downtime, etc.
 - Delay cards will be made available throughout the warehouse.
- Delay cards will be reviewed and applied in a timely manner, but no later than one week.
- During the above mentioned refresher training, warehouse workers will be trained on how to determine if delay time has been applied.
 - A storage location will be created that contains accepted and denied delay cards. Delay cards will be maintained in the storage location for a rolling 6 months and will be accessible by warehouse workers.

Economic Items

Article 12 – Leave of Absence:

Section 5 Effective **January 1st, 2018**, measuring forward, the Company will begin observing employee absenteeism based on twelve (12) months from the first unexcused absence for the Full-Time Merchandiser (FTM) classification. The twelve (12) month measuring period starts the date of the first unexcused absence, and ends twelve (12) months later. The intent of this attendance policy is not to be punitive in nature to the FTM classification and is to only address employees with excessive absenteeism issues. Absenteeism is defined as any unexcused absence(s) or unapproved leave of absence. Excused absenteeism is defined as paid sick days, vacation, approved leave of absence (Illness or injury under FMLA, personal, workers compensation, jury duty, bereavement, union business or military), and any other reasonable exceptions the company wishes to grant for severe weather or extraordinary circumstances.

Employees will be required to meet with the Zone Sales Leader, HR Manager and the Union after their second unexcused absence. The intent of this meeting will be to understand any issues the employee is facing that could be preventing them from coming to work and to provide any necessary support to remove those issues. Following that meeting, if the employee continues to demonstrate a pattern of excessive, unexcused absenteeism within twelve (12) months from the first unexcused absence, the following discipline track, outside of Article 8, Section 1 will be applied:

- **4th** unexcused absence – Verbal Warning
- **5th** unexcused absence – Written Warning
- **6th** unexcused absence – Final Written Warning
- **7th** unexcused absence – Termination

Example: FTM gets first unexcused absence on April 1, the twelve (12) month measuring period ends on March 31 of the following year.

Article 25 – Bereavement Funeral Leave Pay

In the event of a death in the immediate Family (husband, wife, children, brother, sister, mother, father, grandparent, grandchild, mother-in-law, father-in-law, **sister-in-law, brother-in-law**, step-parents, step-children and insured domestic partners) of an employee ~~and he attends the funeral~~, he/she shall be allowed **up to three (3) consecutive work days off for bereavement leave with pay and the leave must be taken within thirty (30) days from the death. Bereavement needs that can't be met through consecutive days must be approved by a manager. ~~under the following basis: the days paid for must have been normal work days for the employee involved and that the last day paid for is the day after the funeral.~~** The days paid for shall be at one-fifth (1/5) the weekly guarantee per day for sales employees. Full-time ~~hourly warehouse~~ employees will receive 8 hours of pay; part-time employees will receive 5 hours of pay.

Article 38 – DOT Conversion Project Implementation

The company may implement this Department of Transportation (DOT) conversion project during the life of this agreement and require all route sales employees to successfully pass the DOT physical examination/certification process to remain in a position that requires the operation of a Frito-Lay vehicle. Frito Lay and Teamsters Local 337 agree to manage the effects of the DOT conversion as listed below:

1. It is not the intent of this DOT conversion project to permanently layoff any member of the bargaining unit.
2. The company will pay for the employees to participate in a DOT physical examination/certification and will pay for up to three additional attempts to successfully pass the DOT physical examination/certification provided the employee utilizes the company's occupational clinic. The company will pay for any future/subsequent DOT physical examinations **(an appointment with the DOT doctor at the Company's occupational clinic)** that are required by the employer.
3. Employees unable to pass the DOT physical/certification will not be able to remain in a position that requires the operation of a Frito-Lay DOT regulated vehicle.
4. Those employees who are displaced as a result of the DOT conversion will be allowed to bump the least senior employee that is in a non-DOT regulated position within the bargaining unit (including a full-time Super Bulk merchandiser position) and may apply for Short Term Disability. Employees bumping cross-functionally (from Sales to Operations or Operations to Sales) will be required to pass the Frito Lay Select Test before their bump can be honored. Employees who have previously held a Sales Operations position will not be required to take the Frito-Lay Select Test.
5. Should an employee pass the DOT physical/certification or obtain an exemption within (1) one year from the date of implementation, the employee will be allowed to return to their previous route.
6. Employees who choose not to bump into a non-regulated position, do not move into an open position, or do not apply for Short Term Disability, will be placed on a layoff and will maintain seniority for (2) two years per the terms of Article 7, Section 4. Should an employee pass the DOT physical/certification after (1) one year of the date of implementation, and prior to the layoff period exhausting, the employee will be able to utilize their seniority and bid into an open sales position.
7. In the event that there is any effect on the terms and conditions of employment as a result of the DOT conversion not addressed in the above, the parties agree to meet and negotiate such effects.

Article 39 – Super Bulk Implementation:

Full-time ~~Super Bulk~~ Merchandisers (FTM)

All **Full-time ~~Super Bulk~~** Merchandisers are full-time employees. Time and one-half the regular rate of pay shall be paid for all hours worked in excess of 40 hours in any week. The standard work week will be five (5) out of (7) days. Weekly schedules begin on Sunday and there will be a minimum break of ten (10) hours between shifts.

~~Sales seniority shall apply for layoffs/recall, bidding and vacation. Vacations will be bid by zone.~~ In order to successfully bid onto a sales route a **Full-time Merchandiser** must be qualified to perform the job. Former sales employees who are performing the **Full-time Merchandiser** position are qualified to bid on route postings.

Unscheduled work is defined as any work outside the normal daily responsibilities of a **Full-time Merchandiser's bid position route**. All unscheduled work will be offered to available **Full-time Merchandisers employees** by seniority. **A voluntary sign-up sheet will also be maintained for Full-time Merchandisers interested in working on their scheduled day(s) off.** Unscheduled work shall be forced in reverse seniority order, provided there are two or more **Full-time Merchandisers employees** available. **Full-Time** Merchandisers will bid amongst themselves for schedules.

Full-time ~~Super Bulk~~ Merchandisers shall be allowed two (2), fifteen (15) minute paid breaks and one (1) thirty (30) minute unpaid lunch per shift. In the event the **Full-time ~~Super Bulk~~** Merchandiser works over ten (10) hours, they shall be allowed one additional fifteen (15) minute paid break and an additional fifteen (15) minute paid break every two hours worked thereafter.

When employees use their personal vehicles on Company business, said employees will be compensated for such business use of personal vehicles at the current IRS rate per mile. The Mileage Reimbursement Company form is to be submitted every two (2) weeks for reimbursement by each employee, but no less than every four (4) weeks at a minimum. The company will make every effort to make reimbursement payments within four (4) weeks of receipt of submissions. When employees begin their workday from home, mileage compensation will begin at their first stop and end at their last stop. However, mileage compensation will be paid for all trips for Company meetings, if the mileage exceeds what normally would have driven on that day.

Full-time Merchandisers shall not be required to work on his/**her** normal day off except for weeks in which a contractual holiday occurs, in which case the Employer may designate an alternate day off within the holiday week. This excludes the Thanksgiving and Christmas holidays.

When a Full-time Merchandiser position becomes vacant, it will be posted for bid, the second vacancy will be bid and the third assigned. If the days off permanently change due to business needs, or 50% of the accounts change, on an occupied Full-time Merchandiser position, the impacted position will be put up for bid amongst the workgroup and will be awarded based on seniority. If the impacted Full-time Merchandiser does not bid, or is not awarded a Full-time Merchandiser position, then he/she will be assigned the third resulting vacancy. After pre-sell is implemented, the impacted Full-time Merchandiser shall have the option to be assigned to the third resulting vacancy or be put in the extra/spare Full-time Merchandiser group.

In the event that a **Full-time** Merchandiser is barred from servicing an account by the customer, the Company and the affected employee will attempt to get the employee back into the account. Failing

that, the Company will investigate the circumstances of the customer's decision. If the Company determines the employee has engaged in a terminable offense, as described under Article 8, Section 1, the Company may proceed with discipline up to and including termination of the employee. In the event discharge is not warranted, management will offer the employee's **position route** to other **Full-time Merchandisers** working in the same building in seniority order, for trade. Employees agreeing to a trade acknowledge that the Company is not obligated to pay any compensation or earnings protection if the trade results in a reduction of earnings for either party. If no other **Full-time Merchandiser** is willing to trade **positions routes**, the Employee may use his/her seniority to bid into an open position, subject to passing the Frito-Lay Select process. Employees who have previously held such position will not be required to take the Frito-Lay Select Test. If the employee is unable to obtain any other position using his seniority that employee will be placed on layoff subject to the terms of Article 7.

Exchanging days off between Full-time Merchandisers within the same work week will be an acceptable practice provided that a Manager has seven (7) days advanced notice and approves of such change. The Manager will not unreasonably deny a request.

A manager will not require a Full-time Merchandiser to carry Company product or promotional material in their own vehicle.

Holidays

Holidays will be paid at eight (8) hours per day at the regular **Full-time Merchandiser** hourly rate and goes toward the calculation of overtime. Any work performed over thirty-two (32) hours in a holiday week shall be paid at the rate of time and a half.

Vacation

Vacation will be paid at eight (8) hours per day and forty (40) hours per week at the regular **Full-time Merchandiser** hourly rate. **Sales seniority shall apply for layoffs/recall, bidding and vacation. Vacations will be bid by building zone.**

Upon implementation of Pre-Sell, the following calendar year, Full-time Merchandisers will bid vacation separately within the classification.

Job Postings

Full-time Merchandisers interested in other **Full-time Merchandiser** or sales associate positions within the bargaining unit can submit their email address to the local management team and they will be placed on a group distribution list. As job openings occur in the bargaining unit, those employees that provided their email addresses will be notified via email of job openings. It will be the employee's responsibility to provide their current email address to the company and sign any bids they are interested in.

Article 40 - Pre-Sell (move current Art 40 to 41)

- A. The Company may implement a pre-sell system during the life of the agreement. The Company reserves the right to determine what the timing will be for implementation, which will be no earlier than Q2 of 2018.
- B. The implementation of a pre-sell system will utilize the Full Time Merchandiser (FTM). The Full Time Merchandiser duties may include but are not limited to: locate and check in product, merchandise product according to company standards, utilize Company equipment and systems to take inventory of in-store conditions, management of all Frito-Lay backroom and write credits. The Company has the right to determine, add, change, modify or eliminate positions and/or work schedules. **This language will not be used to unnecessarily change positions or work schedules. If a dispute is raised regarding a change, upon request of the union, a meeting will be scheduled to discuss the change.**
- C. The implementation of a pre-sell system will also involve the addition of Customer Service Manager (CSM) and Customer Development Manager (CDM), which shall both be exempt positions. Therefore the CSM and CDM positions shall not be part of the bargaining unit and shall not be covered by any of the provisions of this agreement.
- D. Notwithstanding the provisions of Article 20 (excluding FL Select qualifications), routes and positions may be engineered to affect the implementation of pre-sell. All RSR, RSA, TDD Drivers and FTM positions in the impacted location(s) will be rebid among full time sales employees. Such bid shall be a free bid.
- E. RSR/RSA, **TDD Driver** and FTM employees, who have previously worked within the RSR/RSA job classifications, will have the option by seniority to elect a severance. The number of severances offered will be limited to the number of RSR **and TDD Driver** positions that are eliminated. If all offered severances are not voluntarily taken, in the event of major change(s) to the customer landscape, the Company has the option to force any number of remaining severances to the lowest senior employee(s). Those who do not receive a severance will participate in bidding by seniority to elect a RSR, RSA, **Delivery Specialist** or FTM position.
- F. Severance: **Eligible** employees who receive severance as a result of pre-sell implementation will be eligible for the following program:
 - a. The severed employee is eligible to receive weekly severance payment(s) equivalent to one (1) week of pay per year of service up to twenty (20) years; and two (2) weeks of pay per year of service over twenty (20) years. The employee may request to receive this payment as a one-time lump sum. This payment is contingent upon the voluntary execution of a general release agreement by the employee. The above referenced payment shall also require the payment of healthcare for the weeks included as part of this severance agreement, which is in addition to the above enumerated payment(s). During the severance period, employees shall be responsible for paying their normal healthcare contributions.

- b. Employees that elect a one-time lump sum severance payment will be eligible for COBRA on the termination date of their employment and will not receive any Health Care contributions from the Company.
 - c. Those employees who select a weekly severance payment will continue to accrue credited service for purposes of Health and Pension benefits for the duration of their severance period.
 - d. Normal rounding rules will apply to any partial year of service. Years of service will be based on continuous years of service.
 - e. A minimum of six (6) weeks of severance and a maximum of fifty-two (52) weeks of severance will be issued to an eligible employee.
 - f. The weekly payment calculation shall be based on their prior years 1/52 rate.
 - g. In order to be eligible for severance, employees must be actively employed as of the Company-determined transition date.
 - h. Employees that voluntarily elect the severance option as outlined herein will not have recall rights.
- G. RRIC: Route Sales employees affected by the pre-sell implementation who experience a loss in formula earnings when measuring their prior 52 week route average formula earnings (base + commission + 10 hours VROT) against the bid route's prior 52 week route average formula earnings (base + commission + 10 hours VROT) will receive earnings protection as calculated below:

Amount of Earnings Loss	Duration of RRIC Calculation
0 – 10%	16 Weeks – to be paid in one (1) payment
Above 10% - 20%	26 Weeks – to be paid in one (1) payment
Above 20% - 30%	39 Weeks – to be paid in two (2) payments
Above 30%	52 Weeks – to be paid in two (2) payments

If an RSR or RSA is forced into a non-commissioned position (RSA or FTM) because there are no commissioned positions available, he/she shall be eligible for the above earnings protection. As part of this one-time total rebid and implementation, employees who voluntarily bid to a non-commissioned position shall be eligible for the above earnings maintenance. If an employee bids off his/her post conversion assignment, he/she shall not be eligible for any further RRIC payments.

In the case of employees who are forced to a route sales associate position, earnings calculation will be based on their earnings loss when measuring their prior fifty-two (52) week average formula earnings (base + commission + 10 hours VROT) against the weekly base plus VROT at a fifty (50) hour work week for the route sales associate position.

In the case of employees who are forced or bid to an hourly merchandiser position, earnings calculation will be based on their earnings loss when measuring their prior fifty-two (52) week average formula earnings (base + commission + VROT) against forty (40) hours at the rate for the merchandiser.

The first earnings maintenance payment shall be paid in the week following implementation. Future earnings maintenance payments shall be paid in twelve (12) week intervals following implementation.

- H. Non-bargaining unit employees and temporary agency employees may perform bargaining unit work during the implementation process of this project for the purposes of ensuring business continuity. The use of non-bargaining unit/temporary employees will not be used to reduce the number of regular employees or overtime opportunities for existing employees. FTM's will be offered all available work within the classification prior to utilizing a non-bargaining unit or temporary employee(s).
- a. **Non-bargaining unit and temporary agency employees may be utilized up to six (6) months after Pre-Sell implementation.**
- I. The Company will provide at least six (6) months' notice to the bargaining unit of intent to implement pre-sell.

Side Letter – Delivery Specialist Incorporate into the CBA

Delivery Specialist

- The position of non-CDL Delivery Specialist shall be established for the purpose of delivering Company product and/or materials. Delivery Specialists will be paid an hourly rate of pay and all hours worked in excess of forty (40) hours in the workweek will be compensated as follows:
 - Time and one-half the regular rate of pay
- The standard work week will be five (5) out of seven (7) days **in a Sunday through Saturday week.**
- Delivery Specialists shall be established on a separate seniority list from Sales and Operations for vacations. **Vacations will be bid by seniority within the classification.**
- Upon the implementation of Pre-Sell, impacted employees in the RSR, RSA, TDD Driver and FTM classifications will be eligible to bid on the Delivery Specialist position by seniority. Those bidding on the Delivery Specialist must be qualified in order to bid.
 - Must follow the FL Select process where applicable.
 - Delivery Specialists shall be required to have DOT certification prior to bidding, must maintain certification and will be eligible to be assigned work without limitations other than current DOT regulations. Article 38, #2 shall apply.
 - In the event any additional positions remain vacant after the bidding process (and future open bids), prior to looking at external candidates, they will be posted for bid by seniority bargaining unit wide.
- Any Sales employee (RSR, RSA, FTM) who successfully bids to a Delivery Specialist role will continue accruing Sales seniority. In the event an Operations employee successfully bids to a Delivery Specialist role, they will begin accruing Sales seniority, but must pass the FL Select process in order to bid to an RSR/RSA/FTM position at a later date.
- Delivery Specialists will be bid as block bids based on days off and start time, and will be awarded by seniority within the Delivery Specialist job classification. Routing within the block bid may change from time to time. Block bids will be in effect and bid every four (4) months, at minimum and the Delivery Specialists are accountable for the duration of

the Block Bid. Specific work assignments will be determined by management daily as business needs dictate. A varying portion of the work associated with making deliveries and moving product will continue to be completed outside of the bargaining unit.

- Work will be awarded through seniority and will be required through reverse seniority. If additional work is needed on an unscheduled/off-day, the Delivery Specialist will be notified by the end of their prior work day.

Holidays

- Holidays will be paid at eight (8) hours per day at the regular Delivery Specialist hourly rate and goes toward the calculation of overtime. Any work performed over thirty-two (32) hours in a holiday week shall be paid at the rate of time and a half.
- Delivery Specialists may be required to work on Holidays, depending on Customer needs. Work will be awarded through seniority and will be required through reverse seniority.

Vacation

- Vacation will be paid at eight (8) hours per day and forty (40) hours per week at the regular Delivery Specialist hourly rate.

Sick Pay

- Sick days will be paid at eight (8) hours per day at the regular Delivery Specialist hourly rate.
 - Delivery Specialists must call their manager at least four (4) hours prior to their scheduled start time to request a sick day.

Side Letter – Merchandising Methods Expert

This letter reflects the understanding between Frito-Lay, Inc., and Teamsters Local 337 concerning the merchandising methods expert job classification. In addition to the terms and conditions contained in the above-referenced collective bargaining agreement between the Employer and the Union, the Employer and the Union hereby further agree that:

1. As part of the pre-sell implementation, a new job classification- Merchandising Methods Expert (MME) will be added to the collective bargaining unit for Sales.
2. In addition to the duties of a Full-time Hourly Merchandiser (FTM), the primary responsibilities of the Merchandising Methods Expert (MME) include: supporting FTM weekend schedule coverage, training new FTMs, conducting FTM work-withs, and providing FTM feedback. Any additional duties as required by management based upon the needs of the MME classification.

3. All MME positions are selected via interview process with the Motown leadership team. **When candidates are equal, seniority will prevail. Upon request by the union, the Company will provide a copy of the interviewing guide.** RSRs or FTMs are eligible to interview for the Merchandising Methods Expert (MME) job.
4. **Upon implementation, once all MME's are selected via the interview process, MME's will select their location and schedule by seniority.**
5. An MME will remain in place for a minimum of **six (6) months**; after **six (6) months**, they will have the option to bid on open positions based on their seniority and qualifications.