

Last, Best and Final Offer from Frito-Lay to  
Teamsters Local 337, provided on February 27, 2018

- The Company's Comprehensive Final Offer includes all non-economic and economic provisions, tentative agreements and any/all other changes
- Pay rates, retroactive payments, and other provisions of the economic agreement will be paid upon execution of the newly ratified agreement
- Should the members reject the Company's Comprehensive Final Offer, the Company reserves the right to modify or reduce any of its proposals.
- This Comprehensive Final Offer expires on March 19, 2018

## **Article 6 – Seniority:**

**Section 1.** In a case of a reduction of force, Union members longest in the service of the Employer shall be retained, and employees youngest in the service shall be laid off, provided that the ability of each employee and the particular work performed by him shall be considered to be a determining factor as to who shall be laid off, such determination to be made jointly by the Union and the Employer.

**Section 2.** Seniority shall be lost for the following reasons:

- a) voluntarily quitting;
- b) discharge by the Employer for just cause;
- c) absence for three (3) successive work days without permission or proper notification to the Employer. In such case, the employee shall be considered to have quit voluntarily;
- d) layoff for twelve (12) consecutive months; or
- e) failure to return from an approved leave of absence.
- f) **Exceeding maximum leave time available per article 12, section 4**

**Section 4.** A bargaining unit seniority list will be posted on each bidding and/or union board for current employees and updated quarterly.

## **Article 7 – Discipline:**

**Section 1.** The employer agrees that the principles of just cause and progressive discipline shall be applied to all employees in the bargaining unit. The progressive steps of discipline shall include a verbal warning, written warning and a **final written warning suspension (three days or less)** prior to discharging an employee. Except that no warning notice need to be given to any employee before he is discharged or disciplined if the cause of discharge or discipline is dishonesty, possession of or under the influence of alcoholic beverages or illegal drugs on the job, recklessness, gross negligence or the unauthorized carrying of passengers in motor vehicles used in the transportation of merchandise and freight while on the job or the violation of the employers posted rules, provided such rules have been approved by the Union. Discipline shall be issued within fourteen (14) days from the facts supporting the discipline or within fourteen (14) days from knowledge of the facts. **Time away from work for Leave of Absence (both approved and unapproved Leave of Absences), will be excluded from the fourteen (14) day timeline.**

The warning notice as herein provided shall not remain in effect for a period of more than nine (9) months of active employment from the date of said warning notice. Active employment does not have to be a continuous nine (9) months. Discharge or discipline must be by proper written notice and any employee may request an investigation as to his discharge or discipline, and should such an investigation prove that an injustice has been done an employee, he shall be reinstated and compensated at his usual rate of pay while he has been out of work. Appeal from discharge or discipline must be taken within five (5) days by written notice and a decision reached within ten (10) days from the date of discharge or discipline. Any uniform rules and regulations negotiated between the parties shall become incorporated herein and made a part hereof.

In the event that any employee is discharged or disciplined for any reason, he shall have upon request a hearing with the Employer' representative within twenty-four (24) hours. If after the hearing the man is found not guilty, he shall be reinstated and compensated for all time lost. If the dispute is not settled satisfactorily, it shall be submitted to arbitration as outlined in the arbitration procedure.

## **Article 12 – Leaves of Absence:**

**Section 1.** Any absence of five (5) days or more must be approved by the Employer. Failure to comply with this provision shall result in the complete loss of seniority rights.

**Section 2.** Any request for medical leave shall be accompanied by a statement from a physician attesting to the necessity of the leave. Upon return from a medical leave, the employee must present a statement from a physician that he/she is physically able to return to work and fully resume his/her regular duties. The Employer may request a physical examination by its physician before the employee is allowed to return to duty.

**Section 3.** The Employer agrees to return an employee to the route he/she vacated before going on an approved medical leave of absence, when he/she is released by the doctor. It is understood that during an employee's absence, such route may be revised, as is done in the normal course of business. A route which has been vacated by reason of a medical leave of absence for twelve (12) months shall be open for bid unless the employee is anticipated to return in a reasonable period of time. If the employee returns to work after his/her route has been bid, **and have not yet exhausted all of the leave available (see Section 4 below),** he/she will be returned to the lowest seniority route of the same classification as he vacated.

**Section 4.** 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.

## **Article 22 – Sick Leave:**

**Section 2.** Effective June 17, 2018 (Period 7), 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 Company and Union after exhausting their sixth (6) sick day. 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 absenteeism, after exhausting their seventh (7<sup>th</sup>) sick day, future absences will be unexcused, subject to the discipline track below (outside of Article 7, Section 1) and will remain active for a rolling twelve (12) months:

- 1<sup>st</sup> unexcused absence – Written Warning
- 2<sup>nd</sup> unexcused absence –Final Written Warning
- 3<sup>rd</sup> unexcused absence – Termination

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

After June 17, 2018, discipline will take effect on the 1<sup>st</sup> unexcused absence, regardless of the number of sick days an employee has as of June 17, 2018. (I.E – employee uses 2 sick days in April, discipline still takes effect on the 8<sup>th</sup> absence, which is the 1<sup>st</sup> unexcused)

## **D. Holidays:**

**Section 5.** For Small Format only, during the below listed holidays, RSRs will have the following work schedule options to utilize:

- Martin Luther King Jr Day, Memorial Day & Labor Day
  1. Observe the holiday and work the remaining scheduled four (4) days of the workweek
  2. Work the holiday for an Extra Days Pay and work the remaining scheduled four (4) days of the workweek
  3. Observe the holiday, work Tuesday – Saturday and receive an Extra Days Pay
- Thanksgiving Day
  1. Observe Thanksgiving and work the remaining scheduled four (4) days of the workweek
  2. Work Thanksgiving for an Extra Days Pay and work the remaining scheduled four (4) days of the workweek
  3. Observe Thanksgiving, work Monday/Tuesday/Wednesday/Friday/Saturday and receive an Extra Days Pay

When utilizing option 3 above, the following criteria must be observed:

- All stores must meet service as scheduled (SAS) weekly requirements per the route's service schedule as determined by the Company. The Company will consider potential adjustments to the workweek during these holiday weeks, but manager approval must be obtained.
- Must work all five (5) days to receive the Extra Days Pay.

Based on needs of the business, the Company may offer alternate work schedule options for the remaining holidays as needed.

## **7. Warehouse Miscellaneous**

On a **quarterly** basis, the Company will meet with the warehouse team to discuss the state of the business to ensure an efficient warehouse operation.

## **Article 29 – Pre-Sell Implementation**

- 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 Q1 of 2019.
- 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. From time to time, 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 24, routes and positions may be engineered to affect the implementation of pre-sell. All RSR, RSA and FTM positions in the impacted location(s) will be rebid among all full time sales employees. Such bid shall be a free bid.
- E. RSR/RSA 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 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 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) payments
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 (FTM), 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.

The Company will provide at least six (6) months' notice to the bargaining unit of intent to implement pre-sell.



## **Article 30 – Delivery Specialists**

- 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 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.
  - 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 – Miscellaneous**

### **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.

## Super Bulk Implementation Side Letter:

### Full-Time Merchandisers

All Full-Time Merchandisers are full-time employees and the work week shall be 5 days. Time and one-half the regular rate of pay shall be paid for all hours worked in excess of 40 hours in any week.

~~Sales seniority shall apply for layoffs/recall, bidding and vacation. Vacations will be bid by building.~~ In order for a Full-Time Merchandiser to successfully win a route sales bid, they must first pass the Frito-Lay Select Test and the DOT physical. Upon completion of the Frito-Lay Select Test and the DOT physical, the Full-Time Merchandiser will be provided the training necessary to successfully perform the job.

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

All unscheduled work will be offered to available 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 employees available. Unscheduled work is defined as any work outside the normal daily responsibilities of a **Full-Time Merchandiser's bid position route.** Full-Time Merchandisers will bid amongst themselves for schedules.

Full-Time Merchandisers shall be allowed two (2), fifteen (15) minute paid breaks and one (1) thirty (30) minute unpaid lunch per shift. 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. The Mileage Reimbursement Company form must be submitted every four (4) weeks at a minimum. 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 holiday (as recognized in Schedule A, D-Holidays, Section 1) occurs, in which case the Employer may designate an alternate day off within the holiday week. This excludes the Thanksgiving and Christmas holidays. ~~Holidays will be paid at eight (8) hours per day and goes toward the calculation of overtime.~~ Should a business need arise that would require any Full-Time Merchandiser work schedule to be changed, the company will meet with the union to discuss the change and provide 30 days of notice to the impacted employees.

**When a Full-time Merchandiser position becomes vacant, it will be posted for bid, the second vacancy will be bid and the third assigned, by building (assignment only). If the days off change, 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.**

**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 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.**

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

#### **Full-Time Merchandiser Barred from Accounts**

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 7, 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 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 6.

#### **Job Postings**

When posting a Super Bulk route, the open route will be posted with the work schedule attached as well as the projected Full-Time Merchandiser Schedules. The open route will be posted with the list of accounts, account addresses and the weekly sales volume of each account.

**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.

#### Hours of Work

As the transition from Super Bulk 2:1 to Super Bulk 3:1 occurs, the company will make every effort to maintain work schedules. The company and the union will discuss specific hours of work prior to implementation.

#### Layoffs

No employee who was on the payroll at the time of the re-engineering shall be laid off by the transition of Super Bulk 2:1 to Super Bulk 3:1.

## Letters of Understanding - Miscellaneous:

### 6. On the job route training


Effective ratification of the 2017/2018 negotiation between Frito Lay's Motown West Zone and IBT Local No. 337, the Company will compensate an employee **three-hundred and twenty dollars (\$320.00)** for the training of a Route Sales Associate, upon certification of the trainee. This amount will be pro-rated from the trainer and paid to an employee who handles training responsibilities for a week or more upon certification of the trainee. In addition, a week of cross-training will be compensated at **fifty-five dollars (\$55.00)** to the trainer. It is understood by all parties the company reserves the right to change the amount of the training pay, the criteria necessary to receive training pay and employee eligibility without notice to the union. The company also reserves the right to discontinue such program, at any time, without prior notice to the union and without any obligation to negotiate the effects of the termination with the union.

November 15, 2017

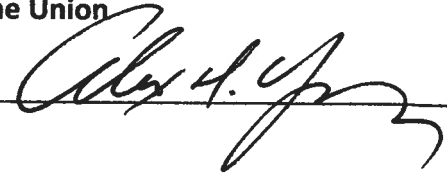
## Letter of Agreement

Both the Company and Union acknowledge that the attraction and retention of Route Sales Associates (RSAs) has become more challenging than in years past. For this reason, both the Company and Union are open to exploring and piloting other processes and procedures with the goal of creating more consistency and visibility in the RSA workweek which in turn should improve retention. With this in mind, both the Company and Union agree to meet during the life of the contract to discuss and pilot alternate ways to handle the RSA workweek. In the event a change or pilot delivers positive results for both employees and the business, the parties will meet to discuss applying the change/pilot through the expiration of the contract. Any changes/pilots the Company chooses to discontinue, the Union will be provided at least two (2) weeks' notice.

**For the Company**

  
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**For the Union**

  
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