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TEAMSTERS LOCAL UNION NO.337



AFFILIATED WITH THE
INTERNATIONAL BROTHERHOOD OF TEAMSTERS
2801 TRUMBULL AVE. , DETROIT, MI 48216
(313) 965-9833 • Fax: (313) 965-0570
www.teamsterslocal337.com

Food and Beverage Drivers, Bakery and Linen Salesman, Drivers, Warehouseman, Helpers, Motion Picture Studios, Films, Television
Commercials, and Miscellaneous: Detroit and Vicinity, and Huron, Lapeer, Macomb, Sanilac, St. Clair and Tuscola.

October 15, 2021

Frito-Lay Contract

Ratification Vote

Detroit Bargaining Unit

Thursday, October 21, 2021

At your D.C.

6:00 AM until 6:00 PM

You MUST be a member to vote!

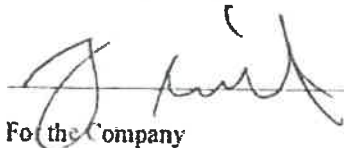


Last, Best and Final Offer from Frito-Lay, Detroit Metro to Teamster Local 337 provided on October 4, 2021

- 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 to employees on the payroll on the date of ratification.
- Should the members reject the Company's Comprehensive Final Offer, the Company reserves the right to modify or reduce any of its proposals including the removal of retroactive pay.
- This Comprehensive Final Offer expires on November 6, 2021.

Article 1 – Recognition, Union Shop and Dues:

Section 4 A new employee shall work under the provisions of this Agreement but shall be employed on a ninety (90) day trial basis, during which period he may be discharged without further recourse; provided, however, that the Employer may not discharge or discipline for the purpose of evading this Agreement or discriminating against union members. After such ninety (90) days, the employee shall be placed on the regular seniority list as of his date of hire. ~~The probation period may be extended, and placement on the regular seniority list delayed, an~~
~~conditional thirty (30) days on a case by case basis, if mutually agreed upon between the~~
~~Company and Union.~~ In case of discipline to any employee within the ninety (90) day period, the Employer shall notify the Local Union in writing. A new employee shall not participate in fringe benefits until the first day of the pay period following his completion of one calendar month of continuous service:

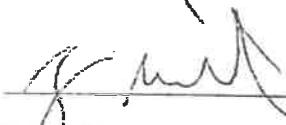
 10-28-19
For the Company

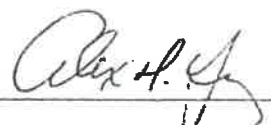
 10-28-19
For the Union

Article 20 – Route Revisions/Route Cuts

Section 6a

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 and tentative scheduled days off, though subject to change. Any part-time warehouse worker bidding on the job must meet the requirements of the preferential hiring list.


11-15-19
For the Company


For the Union

Schedule A

Vacations

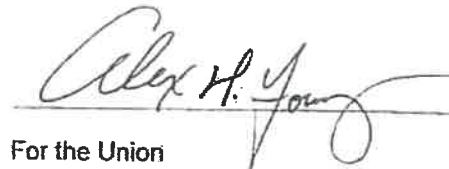
3. Vacation Schedule

- e) All employees, eligible for two (2) weeks of vacation or less, must take their vacation. Employees who have earned vacation in excess of two (2) weeks may elect to be paid in lieu of the amount of vacation in excess of two (2) weeks. Employees must take this election in writing prior to vacation selection ~~or throughout the current vacation year with mutual agreement between the employee and manager.~~ Notification to payroll to pay the employee in lieu will be submitted as soon as the election is received. Warehouse employees with three (3) or more weeks of vacation may elect to use one (1) week as vacation days when scheduled at least two (2) weeks in advance. The intent to use vacation days must be declared at the time of the vacation bidding process.

Individual vacation days will be bid after all employees have made their full week selections. Scheduled vacation days cannot be bumped by senior employees.

Request to use vacation days cannot conflict with the limits outlined in Vacation Schedule 3(i)

 11-20-19
For the Company

 11-20-19
For the Union

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 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 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 RSAs according to seniority, and will include a bid preference option. 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 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 RSAs 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 and estimated merchandising hours and schedule, though subject to change. The Company shall endeavor to post bid awards within seven (7) calendar days in all locations 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.

 11-20-19
For the Company

 11-20-19
For the Union

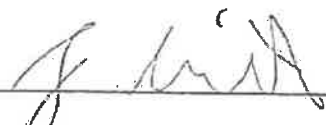
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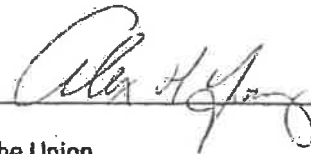
Company counter to Union Proposal, Version 1

March 3, 2020

Letter of Understanding - Miscellaneous

11. Employees covered under this Agreement will be compensated according to Frito-Lay's National Educational Assistance Program, if they qualify under the Program.

 3-10-20
For the Company

 3/10/20
For the Union

✓
6

Vacations

1. Salesmen and Full-time Merchandisers covered by this Agreement who have been on their present Employer's payroll continuously for a period of one (1) year or more, shall be entitled to a vacation with pay, payable in advance, as follows:
 - a) Employees with one (1) year or more of service, but less than two (2) years, one (1) week vacation with pay.
 - b) Employees with two (2) years or more of service, but less than eight (8) years, two (2) weeks vacation with pay.
 - c) Employees with eight (8) years or more of service, but less than twelve (12) years, three (3) weeks vacation with pay.
 - d) Employees with twelve (12) years or more of service but less than twenty (20) years, four (4) weeks vacation with pay.
 - e) Employees with twenty (20) years or more of service, five (5) weeks vacation with pay.
2. ~~Newly hired employees shall be eligible for two (2) vacation days upon completion of ninety (90) days of employment. These days shall be required to be scheduled based on open days on the vacation schedule.~~
3. 2. Amount of Vacation Pay - Vacation pay for Salesmen and TDD Drivers shall be computed as follows:
 - a) For the first, second, third, fourth and fifth weeks of vacation pay at his average weekly earnings of the preceding twelve (12) months.
 - b) In the event that a Salesman has been absent due to illness or injury for more than three weeks during the preceding twelve months, then his vacation pay under (a) above shall be computed by dividing his prior twelve months earnings by the number of weeks he actually worked, rather than fifty-two.
4. 3. Vacation Schedule
 - a) The Employer shall make a schedule showing the vacation periods assigned to each eligible employee and shall post the same conspicuously in the plant on or before the employee's vacation date. Consideration shall be given to individual preference of employees and continuity of service.
 - b) Route Salesmen, Bin Salesmen, Full-time Merchandisers and TDD Drivers will select their vacation by seniority. Each Route Salesman, Bin Salesman or Full-time Merchandiser will first be provided an opportunity to schedule up to three (3) weeks of earned vacation. Upon completion of this initial selection, those Route Salesmen, Bin Salesmen and Full-time Merchandisers having earned more than three (3) weeks of vacation will be provided an opportunity by seniority to schedule their remaining vacation. The company will make every effort to accommodate the route salesman, bin salesman or full-time merchandiser's selection; however, the number of Route

Salesmen, Bin Salesmen and Full-time Merchandisers allowed to take vacations at the same time will be dependent upon the number of available RSAs to pull vacation routes. Should the time period selected by an employee be unavailable due to the number allowed to take vacation at that time, the manager will discuss the situation with the route salesman, bin salesman and full-time merchandiser and another mutually accepted time period will be determined. The Company further agrees that at the time of the initial posting of the vacation schedule it will post the number of employees who can be off during any one week.

- c) Employees' vacation shall be worked out by the Employer supplying the substitute to cover the route of the employee on vacation, such substitute to be selected and paid by the Employer at the guarantee minimum.
- d) Vacations cannot be deferred or allowed to accumulate for more than one (1) year after the employee's anniversary date, employees cannot waive vacations and draw double pay for work performed during vacation time allowed.
- e) All employees, eligible for two (2) weeks of vacation or less, must take their vacation. Employees who have earned vacation in excess of two (2) weeks may elect to be paid in lieu of the amount of vacation in excess of two (2) weeks. Employees must take this election in writing prior to vacation selection. Notification to payroll to pay the employee in lieu will be submitted as soon as the election is received. Warehouse employees with three (3) or more weeks of vacation may elect to use one (1) week as vacation days when scheduled at least two (2) weeks in advance. The intent to use vacation days must be declared at the time of the vacation bidding process.

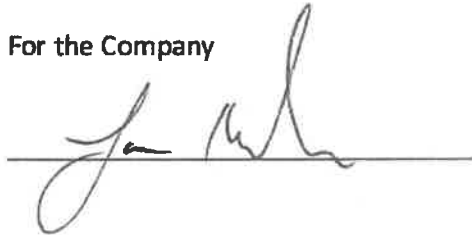
Individual vacation days will be bid after all employees have made their full week selections. Scheduled vacation days cannot be bumped by senior employees

Request to use vacation days cannot conflict with the limits outlined in Vacation Schedule 3(i)

- f) An employee shall be deemed to have earned his vacation pay on the anniversary date of his last hiring date. Vacation pay which has been earned, shall be paid to the employee, regardless of whether he shall voluntarily quit. However, any employee voluntarily quitting shall be deemed to have waived his claim on vacation benefits accruing thereafter. An employee who voluntarily quits or retires shall be paid pro-rate vacation pay on the basis of one-twelfth (1/12th) pay for each full month's work during that anniversary year. Where an employee is unable to work by reason of illness or injury, vacation pay shall be in proportion to the work performed by the employee during the vacation year.
- g) Vacation schedules shall be based on seniority as of the first date of employment provided there shall have been no complete separation since such date.
- h) Any employee who is overdrawn on his wages or accounts with his employer or owes such employer any other personal indebtedness, may be required to liquidate such employer any other personal indebtedness, may be required to liquidate such indebtedness by applying the amount thereof against his vacation pay allowances.

- i. Absent unforeseen circumstances, one (1) employee for every thirteen (13) will be allowed to be absent on vacation at any one time by building, by function (Sales and Warehouse), with the exception of push weeks. (Fractional numbers will be rounded up). During push weeks, one (1) employee for every twenty-six (26) will be allowed to be absent on vacation at any one time by building, by function (Sales and Warehouse). Push weeks are defined as the week preceding New Year's Day, Superbowl, Memorial Day, Independence Day, Labor Day, Christmas Day, and each of our Quarter close weeks. If New Year's Day, Independence Day or Christmas Day falls on a Thursday, Friday or Saturday, then push week will be defined as the week of the holiday.

For the Company



For the Union



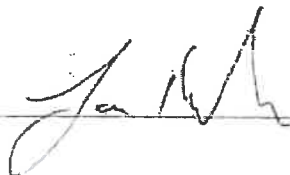
8-10-21

August 9, 2021

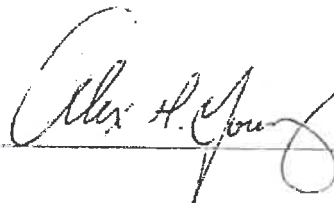
The company will compensate an employee six-hundred dollars (\$600.00) for the training of a Route Sales Associate or Precision Specialist, upon certification of the trainee. The company will compensate an employee one-hundred dollars (\$100.00) per week for the cross-training of a Route Sales Associate. The company will compensate an employee one-hundred dollars (\$100.00) per week for the training of a Full-Time Merchandiser. Bargaining unit employees will not be forced to train new hires. The practice of providing the half day and full day off will continue unless the employee volunteers.

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.

For the Company

A handwritten signature in black ink, appearing to be "J. M.", written over a horizontal line.

For the Union

A handwritten signature in black ink, appearing to be "Alex H. Young", written over a horizontal line.A handwritten checkmark in black ink.

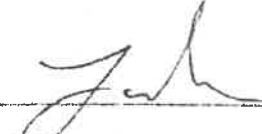
Schedule A – Vacation - 3. Vacation Schedules

- e. All employees, eligible for two (2) weeks of vacation or less, must take their vacation. Employees who have earned vacation in excess of two (2) weeks may elect to be paid in lieu of the amount of vacation in excess of two (2) weeks. Employees must take this election in writing prior to vacation selection. Notification to payroll to pay the employee in lieu will be submitted as soon as the election is received. Warehouse employees with three (3) or more weeks of vacation may elect to use one (1) week as vacation days when scheduled at least two (2) weeks in advance. The intent to use vacation days must be declared at the time of the vacation bidding process.

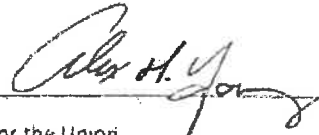
~~Sales employees with (3) or more weeks of vacation may elect to use one (1) week as individual vacation days. The intent to use individual vacation days must be declared and bid at the time of the vacation bidding process. Sales employees may elect to bid all or part of their individual days during the initial vacation bidding process. Any remaining individual vacation days will be bid by seniority during a second bidding process from May 1 - May 15 of each year for dates from June through December.~~

Individual vacation days will be bid after all employees have made their full week selections. Scheduled vacation days cannot be bumped by senior employees.

Request to use vacation days cannot conflict with the limits outlined in Vacation Schedule 3(i).



For the Company



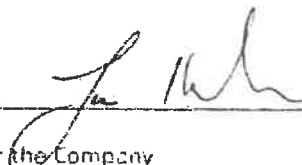
For the Union

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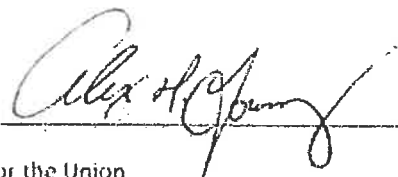
~~Article 20, Section 6d~~

New Section

For Full-Time Merchandiser Routes and Super Bulk RSR routes, bids will be posted with FTM schedule information. The information will include the existing stores to be serviced on the vacant route, the scheduled number of hours for each store, and the days off - all as reflected on the Super Scheduler (which is based on 52 week store average at the time of the bid). Actual FTM hours worked in each store may vary as determined by management. Stores may be added or removed from Full-Time Merchandiser Routes when stores open or close. New stores that open may be added to Full-Time Merchandiser Routes based on geography.



For the Company



For the Union

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Schedule A – Wages, Vacations and Holidays

Holidays

Each Salesperson and TDD Driver eligible for benefits under this Agreement shall be compensated at the rate of \$50.00 per holiday for the following holidays provided they are an active employee (not on Personal Leave of Absence, STD, or LTD) for when the holiday falls:

New Year's Day
4th of July
Christmas Day
Good Friday (Sales Only)
Easter (Sales Operations Only)
Memorial (Decoration) Day
Labor Day
Thanksgiving Day
Employee's Birthday
M. L. King Birthday
Juneteenth

Employees on Workers Compensation leave of absence are eligible for Holiday pay upon return to active employment.

No Sales employees or TDD Drivers shall be required to work on the legal holidays. Should a holiday fall on an employee's regularly scheduled day off, such employee shall receive an additional day off at a time to be mutually agreed.

If an observed holiday falls on a normally scheduled workday eight (8) hours will be added to the number of hours worked by overtime-eligible employees for computing premium pay.

Should a holiday fall during an employee's vacation week, such employee shall receive an additional day off at a time to be mutually agreed upon between the employee and their immediate supervisor.


For the Company


For the Union

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Article 12 – Leave of Absence:

Section 5 ~~Effective January 1, 2018, measuring forward,~~ The Company will begin observing employee absenteeism based on twelve (12) months from the first unexcused absence for all **Sales Hourly and Pre-Sell Job Classifications (Account Lead, Precision Specialist, Delivery Specialist and the Full-Time and Part-Time Merchandisers) (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~~ **6th total absence – Verbal Warning**
- ~~5th unexcused absence~~ **7th total absence – Written Warning**
- ~~6th unexcused absence~~ **8th total absence – Final Written Warning**
- ~~7th unexcused absence~~ **9th total absence – Termination**

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

Article 1 – Recognition, Union Shop and Dues:

Section 2 ~~The Company will provide new hires with a copy of the current collective bargaining agreement upon employment. The Union will provide the CBA booklet to be distributed.~~

Each month the Company will provide the Union with the name, home address, location, ~~Company phone number~~, 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.

Schedule A – Wages, Vacations and Holidays

(O) Warehouse/Utility classification

Part-time Warehouse/Utility employees' normal workweek will be thirty (30) hours or less and they are not included in the seniority rights of full-time employees.

The normal workweek for full-time Warehouse/Utility employees will be five (5) days in a Sunday through Saturday week; however, there is no guarantee of work days or hours in a week.

Time and one-half (1 ½) shall be paid for all hours worked in excess of forty (40) hours in one (1) workweek.

Two times (2 x) the regular hourly rate will be paid for work performed on a holiday provided the employee works all scheduled hours before and after the holiday. The two time (2x) rate is in addition to the regular holiday pay (8 hours at straight time) the employee is entitled to provided he/she works all scheduled hours before and after the holiday.

Warehouse Schedules: The Company will post work schedules weekly by Thursday at 5:00pm Friday of the previous week and attempt to provide full-time warehouse employees forty (40) hours of work; however, there is no guarantee of hours.

- If the Company requires an employee(s) to make a change to their shift start time, the Company will endeavor to provide as much notice as practicable.

Warehouser Work: If Warehouser 1 does Warehouser 2 work; he will be paid at the Warehouser 2 rate rounded to the next hour.

Company Counter to Union Proposal

January 26, 2021 – Passed in-session

New

The Company will maintain ~~a perpetual posting~~ a training interest list for employees in all warehouse locations for ~~all any~~ Warehouse 2 positions job duties. ~~Employees that sign the posting will be trained in seniority order.~~ As business need dictates, the Company will train based on seniority and availability. ~~The parties will reach an agreement on the depth of the bench.~~

Schedule A – Wages, Vacations and Holidays

(O) Warehouse/Utility Classification

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.~~

~~Full-time warehouse positions will be bid by seniority, based on qualifications identified above. Once the awarded employee is moved to the new full-time bid, the individual must meet all Sales Warehouse 1 Job Responsibilities and is subject to an additional 45 90 day "Trial Basis." The Company has the right to hire externally after internal bidding process has been completed.~~

~~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.~~

Determining Seniority

~~Seniority for vacation bidding and job bidding will be based on the date of being classified as a full-time employee.~~

~~After meeting the criteria stated previously, the order of selection off of the preferential hiring list is determined by the date the individual was placed on the preferential hiring list by the Company.~~

After an employee becomes full-time, they will receive credit for their part-time tenure for purposes of vacation accrual and layoffs.

~~If two or more individuals express interest in becoming a full-time warehouse worker on the same day, the individual with the earlier hire date will be considered senior.~~

If two warehouse workers are made fulltime on the same day, and one of those individuals had a longer length of service as a part-time warehouse worker, the individual with the longer part-time length of service will be senior.

In all other cases, where two individuals are hired on the same day, the technician with the lowest last four digits of their Social Security number will be senior.

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 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 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 RSAs 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 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 RSAs 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.

Article 39

Full-time Merchandisers (FTM)

All Full-time 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.

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. All unscheduled work will be offered to available Full-time Merchandisers 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 available. 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. In the event the Full-time 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 approve the Mileage Reimbursement Company form within one (1) week upon receipt of submissions. 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.

(O) Warehouse/Utility classification

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
- If a warehouser 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)	
	Calling off more than 1.0 hour prior to scheduled shift	-1.0
	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 more than 1.0 hour before scheduled shift ending time without being properly de-crewed	-1.0
Absence	Calling off more than 1.0 hour before shift starting time	-1.0
	Calling off less than 1.0 hour before shift starting time	-1.5
	No Call / No Show	-2.0
	3 Consecutive No Call / No Show	Termination (According to Contract)
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
-3.0	
-4.0	Written Warning
-5.0	
-6.0	
-7.0	Final Written Warning
-8.0	TERMINATION

Employees with perfect attendance for thirty (30) days will earn one-half (1/2) point back. **Two** 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.

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October 4, 2021 – Passed in session

Frito Lay, Inc. & IBT 337

Notwithstanding the provisions of Article 16, Maintenance of Standards, the following provisions of Schedule "A" shall apply to all salesmen or Full-time Merchandisers regardless of previous rates and benefits.

Wages - Sales

Classification/ Route Type	Current Base	Current Comm	VROT Y/N?	Year 1 September 27, 2019		Year 2 September 27, 2020		Year 3 September 27, 2021		Year 4 September 27, 2022	
				Base Increase	Lump Sum	Base Increase	Lump Sum	Base Increase	Lump Sum	Base Increase	Lump Sum
Traditional RSR	\$455	7%	Y	\$15	N/A	N/A	\$1250	N/A	\$1250	PFP Transition	\$1250
Pre-Pick RSR	\$405	6%	Y	\$15	N/A	N/A	\$1250	N/A	\$1250	PFP Transition	\$1250
Small Account RSR	\$465	7%	Y	\$15	N/A	N/A	\$1250	N/A	\$1250	PFP Transition	\$1250
TDD Lead	\$330	3%	Y	\$15	N/A	N/A	\$1250	N/A	\$1250	PFP Transition	\$1250
TDD Swing	\$210	1%	Y	\$15	N/A	N/A	\$1250	N/A	\$1250	PFP Transition	\$1250
Traditional Account Merchandiser	\$365	4%	Y	\$15	N/A	N/A	\$1250	N/A	\$1250	PFP Transition	\$1250
Bulk 24 Lead	\$370	2.5%	Y	\$15	N/A	N/A	\$1250	N/A	\$1250	PFP Transition	\$1250
Bulk 24 Swing	\$340	1%	Y	\$15	N/A	N/A	\$1250	N/A	\$1250	PFP Transition	\$1250
Super Bulk Lead	\$220	2.25%	Y	\$15	N/A	N/A	\$1250	N/A	\$1250	PFP Transition	\$1250
Super Bulk Swing	\$170	.75%	Y	\$15	N/A	N/A	\$1250	N/A	\$1250	PFP Transition	\$1250

Economic Proposal

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October 4, 2021 – Passed in session

[illegible]

Economic Proposal
5th Proposal
October 4, 2021 – Passed in session
Warehouse Rates

Warehouser I	\$17.00	N/A	N/A	\$0.30 (\$17.30)	N/A	\$0.30 (\$17.60)	N/A	\$0.80 (\$18.40) Effective 9/27/21 - \$0.15 retro	\$1000	\$0.40 (\$18.80)	\$1000
Warehouser II	\$19.25	N/A	N/A	\$0.30 (\$19.55)	N/A	\$0.30 (\$19.85)	N/A	\$0.55 (\$20.40) Effective 9/27/21 - \$0.15 retro	\$1000	\$0.45 (\$20.85)	\$1000
Part-Time Warehouser	\$16.25	N/A	N/A	\$0.30 (\$16.55)	N/A	\$0.30 (\$16.85)	N/A	\$0.80 (\$18.40) Effective 9/27/21 - \$0.15 retro	\$500	\$0.40 (\$18.80)	\$500
Processing Technician	\$19.54	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utility Technician	\$17.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utility Technician/ Warehouse 1	\$17.00/ \$16.49	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- In the above tables, these are the minimum rates for each classification
- All eligible employees will receive a lump sum payment. Employees with less than one year of service will be paid on a prorated basis
- Extra days pay for commissioned route sales employees will be paid at the rate of \$100-\$125-\$200 for a full day (8-5+ hours) or \$50-\$75 \$100 for a half-day (1 to 4 hours); plus VROT if applicable. **Implementation of above Extra Day pay rates and guidelines become effective upon ratification of this agreement.**
- Extra days pay for route sales associates (extras) will be paid at 1/5 of base pay
- Lump Sums will not be paid to employees until return from LOA
- Route Sales Representative's current weekly guarantee is \$400/week.

Economic Proposal

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- ~~Upon implementation of Pre-Sell, FTMs will receive a \$0.25 increase and MMES (Merchandising Methods Experts) will be compensated an additional \$1.00 above the FTM wage rate~~
- This proposal includes all tentative agreements and any necessary housekeeping items to the CBA
- **Non-Precision DSD Full Time Merchandisers at \$16.00/hour will increase to \$18.40/hour as of the Year 3 CBA anniversary**

For the Company

For the Union

Article 12- Leave of Absence

Section 2 The Company agrees all full-time Sales and Warehouse employees will be entitled to ~~five (5)~~ **two (2)** sick days per year commencing upon the 90th day of employment, the first (1st) day of January following the completion of one (1) year of service. Part-time employees sick pay eligibility will be provided in accordance with applicable laws. For sales employees, sick days will be paid at the rate of 1/5 of the guarantee. Warehouse and Hourly Sales 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 ~~five (5)~~ **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 using local procedures 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 all both sick days together in order to receive payment. Unused sick days will not be carried over.

Notwithstanding any provision of the collective bargaining agreement, the following will apply to the Company's planned implementation and usage of the Performance Pay Compensation system: The Company may implement its Performance Pay Compensation system, where base and commission will no longer be applicable and will be replaced by using a base and bonus system as described below. Any such implementation may occur no earlier than July 1, 2022 and with a six (6) month notice of implementation provided to the Union.

Upon initial transition, total target pay rate will be determined as follows:

- Formula earnings will be calculated for each RSR employee (lead and co-lead) at the time of implementation. Formula earnings are calculated as base and commission using the prior year's 52 week route volume, and 10 hours of VROT. The formula earnings for each RSR employee will become the employee's total target pay, within the following range: All RSRs will have a minimum total target pay of \$56,500. For RSR employees with less than 5 years of seniority, the maximum total target pay for initial transition will be \$63,600. The maximum total target pay for employees with more than 5 years of seniority will be \$67,500.
- If an employee's formula earnings are below the minimum, their new total target pay will become the minimum. If an employee's total target pay is above the maximum based on their seniority, their total target pay will become the maximum.
- In the event of formula earnings being above the maximum, the employee will receive RRIC payment(s) upon initial conversion only. RRIC will be calculated as:
 - o 0% - 10% 14.99% = 16 20 weeks
 - o Above 10% 15% - 20% 24.99% = 26 weeks
 - o Above 20% 25% - 30% = 39 52 weeks
 - o Above 30% = 52 weeks
- Maximum RRIC based on formula earnings compared to individual TPP unless forced to non-Performance Pay position during bidding
- For RSA's, the current RSA base plus 10 hours of VROT multiplied by 52 weeks will be used to arrive at Total Target Pay for this workgroup.

Post initial transition, total target pay rate will be determined as follows:

- Each RSA employee will transition into the Performance Pay Compensation system at the total target pay minimum of \$56,500.

Upon initial transition, each RSR and RSA employee will be assigned a total target pay which is inclusive of base and bonus. The base will equal 70% and the bonus will equal 30% of the total target pay that accounts for the Base/Bonus portion, prior to the calculation of Overtime. It is understood that base pay under the performance pay system is not the traditional guarantee or the traditional base rate under the base/commission pay system.

For RSRs, VROT will continue to be paid for any overtime hours worked over 40 per week. VROT shall be calculated by dividing route earnings by total hours worked in that week to determine the average hourly rate; they shall then be paid one-half this average hourly rate for all hours in excess of forty (40) in a work week.

For RSAs, they will be paid split overtime as follows:

- Time and a half (1.5x) will be paid on hours worked over 40 hours on the base component
- VROT will continue to be paid for any hours worked over 40 hours on the bonus component per the following:
 - Divide route earnings from the bonus by total hours work in that week to determine the average hourly rate; they shall then be paid one-half this average hourly rate for all hours in excess of forty (40) in a work week.
- Total Target pay for RSAs is determined through the following calculation:
 - Total target pay is divided by 1.2925. The result is then multiplied by 70% to get the annual base, and by 30% to get the annual bonus. Annual numbers are then divided by 52 in order to get the weekly base and weekly bonus target. The 10 hours of estimated time and a half on the weekly base and 10 hours of estimated VROT on the weekly bonus target are then added to arrive at the weekly total target pay.

Target Pay 61,000

1173.07 weekly

Base at 70% 821.14

Bonus at 30% 351.92

Bonus advance at 65% 228.74

Weeks 3-4-1 821.14 + 228.74 = 1049.88

35% of bonus 123.19

Wk 2 true-up 821.14 + 369.17 + 351.92 = 1542.63
(123.19 X 3 = 369.17)

3 weeks at 1049.88 + 1542.63 = period pay of 4692.27 / 4 = 1173.0675

For every 1% over 100% your bonus will increase by 5%

Bonus is 351.92 5% is 17.596

351.92 x 4 = 1407.68 5% is 70.38

Below 100% if you are at 95% bonus is at 75% x 4 4223.04

351.92 x 4 = 1407.68 75% is 1055.76

1407.68 at 75% 1055.75

For RSRs, Base will be paid weekly and bonus will be paid in full after the close of each period. Bonus Advance will be paid at 93% to plan or 65% of target bonus in weeks 3, 4 and 1 of each period. In week 2 of each period, any additional true-up to the bonus will be paid. Should the bonus advance be greater than the actual bonus earned, the RSR will owe back any overpayments which shall be deducted from the applicable paycheck in accordance with the Company's true down process.

For RSAs, Base Pay will be paid weekly and Bonus Pay will be paid in full after the close of each period. Bonus Pay Advance will be paid at 95% to plan or 85% of Target Bonus in weeks 3, 4 and 1 of each period. In week 2 of each period, any additional true-up to the Bonus Pay will be paid. Should the Bonus Pay Advance be greater than the actual bonus earned, the RSR will owe back any overpayments which shall be deducted from the applicable paycheck in accordance with the Company's true down process.

Bonus Pay calculation: All RSR and RSA employees will be eligible for a bonus, to be paid in full after the close of each period. For RSRs, this bonus will be calculated based on the route's achievement to sales plan for the period. For RSAs, this bonus will be calculated based on the zone's achievement to route sales plan for the period. Sales are computed based on current practice (market price of the merchandise less credits and returns, and before discounts and any other allowances are given) and will continue to apply for purposes of calculating sales plan achievement. Employees will be provided preliminary sales plan for the following period prior to final plan lock, and may will periodically provide input to sales plan in accordance with the Company's plan setting timeline. Finalization of sales plan remains vested in the Company. Approved changes impacting sales plan during the period will adjusted post period prior to true up process.

- For RSRs, in order to be eligible for a bonus, the route must achieve at least 75% of plan for the period. If a route does not achieve at least 75% of plan for the period, no bonus shall be paid. If a route achieves between 75% -90% to plan, the RSR will receive 50% of their bonus. After achieving 90% to plan, the RSR will receive an additional 5% of bonus for each additional 1% of plan achievement (starting at 91% to plan). Bonus will be paid to the hundredth decimal point based on performance to plan. After achieving 100% to plan, the RSR will receive an additional 5% of bonus for each additional 1% of plan achievement (starting at 101% to plan). Bonus will be paid to the hundredth decimal point based on performance to plan. For co-lead RSRs, bonus will be calculated as an average of the routes which they are assigned. (To calculate a co-lead's period plan achievement, add together period sales and period plan for all routes they are assigned, and then divide total sales by total plan to determine plan performance). The parties understand and agree that all aspects of the Company's plan setting process and the resulting financial/sales plans are management rights and shall not be subject to the grievance/arbitration process.
 - Since overtime cannot be fully calculated until a bonus is calculated each period, it is understood that the timing of VROT payments creates pay lag consideration. Therefore, VROT will be advanced in the amount of 93% to plan or 65% of bonus in weeks 3, 4 and 1 each period. In week 2 each period, the RSR will receive a true up payment equal to the difference between the actual VROT earnings and advance VROT amount already paid. In the event of an overpayment (the advanced amount is equal to or greater than the true up amount); the RSR will owe back any overpayments which shall be deducted from the applicable paycheck in accordance with the Company's true down process.

- For RSAs, in order to be eligible for a bonus, the zone must achieve at least 50% of zone route plan for the period. If the zone does not achieve at least 50% of zone route plan for the period, no bonus shall be paid. If the zone achieves between 50%-90% to zone route plan, the RSA will receive 60% of their bonus. After achieving 90% to zone route plan, the RSA will receive an additional 5% of bonus for each additional 1% of zone route plan achievement (starting at 91% to plan). Bonus will be paid to the hundredth decimal point based on performance to plan. When achieving between 98% and 102% to zone route plan, the RSA will receive 100% of bonus target. After achieving 102% to plan, the RSA will receive an additional 5% of bonus for each additional 1% of zone route plan achievement (starting at 103% to plan). Bonus will be paid to the hundredth decimal point based on performance to plan. The parties understand and agree that all aspects of the Company's plan setting process and the resulting financial/sales plans are management rights and shall not be subject to the grievance/arbitration process.
 - Since VROT on the bonus cannot be fully calculated until a bonus is calculated each period, it is understood that the timing of VROT payments creates pay lag consideration. Therefore, VROT will be advanced in the amount of 95% to plan or 85% of bonus in weeks 3, 4 and 1 each period. In week 2 each period, the RSA will receive a true up payment equal to the difference between the actual VROT earnings and advance VROT amount already paid. In the event of an overpayment (the advanced amount is equal to or greater than the true up amount); the RSA will owe back any overpayments which shall be deducted from the applicable paycheck in accordance with the Company's true down process. Due to the split overtime for the RSAs, all overtime associated with the base portion of earnings will be paid accurately based on base pay portion of earnings.

Pay rules:

A credit floor may be used when any RSR is approved for an absence from their route. The credit floor is defined as a sales credit which is based on the average sales plan as compared with actual sales plan for the day or week. The average sales plan refers to the average of a day or week in the period. All 5 day routes will be based on twenty (20) days in a period (4 weeks in a period x 5 working days a week = 20 days), and all 7 day routes will be based on twenty eight (28) days in a period (4 weeks in a period x 7 working days a week = 28 days). RSAs will receive zone route sales and plan when not assigned to a route. Period sales plan is not prorated for any absence from the route except in cases of Leave of Absence (approved or unapproved) or Discharge.

The following RSR absences from the route will have a 100% credit floor for the approved individual days:

- Funeral leave: RSR will receive credit for the greater of actual sales plan achievement for the day or 100% credit floor of average daily sales plan for the day and 2 hours overtime paid per day.
- Jury duty: RSR will receive credit for the greater of actual sales plan achievement for the day or 100% credit floor of average daily sales plan for the day and 2 hours overtime paid per day.
- New hire training day or solo day: RSR receives credit for sales that new hire runs. When RSR is the route trainer and new hire trainee is on the route without the RSR, RSR will receive a credit floor of 100% of average daily sales plan for the day.
- Special assignment/project: RSR will receive 100% credit floor of average daily sales plan for each day.
- Modified Duty Off route: RSR will receive 100% credit floor of average daily sales plan for time off route – 90 Day Max
- Modified Duty On Route: RSR will be paid actual sales achievement if RSR is on route working with RSA.
- Vacation buy back: 100% credit for average weekly sales plan. (Base, Bonus, OT)
- Military Pay: 100% - Paid difference between Military Pay and Target Pay.
- Disaster Pay: In the event of a natural disaster, RSR will receive a 100% sales credit.

The following RSR absences from the route will have varying credit floors:

- Vacation week: RSR will receive credit for the greater of actual sales plan achieved, or 90% credit floor of average weekly sales plan for the week of vacation and 2 hours overtime paid per day.
- FMLA (Intermittent) – RSR will receive an 90% credit for the day based on average daily sales for the week.
- Suspension – In the event an investigation results in corrective action or termination, the RSR will not be paid for time lost. If an investigation results in no type of corrective action, the RSR will receive 100% credit floor of average daily sales plan for time off route.
- Sick - In the event of an RSR call out which does not fall into the above categories, if the absence is granted and approved by management, the RSR will have an 90% credit floor based on average daily sales plan for the day. This credit floor is limited to be used for up to five (5) days in a calendar year. Unused sick days will not be carried over. No credit floor shall apply after five (5). After five (5) call outs in a calendar year, such requested absence shall not be approved, and RSR call outs are subject to the discipline process per Article 8.

The following RSR absences from the route will have no credit floor:

- Holidays will be paid at \$50.00 for each holiday.

- Trainings/meetings (non-full day – i.e. District Meetings): RSR will get credit for any actual sales run on the route and logged hours for VROT if applicable
- Extra days pay: RSR will receive a flat rate of ~~\$125~~ **\$200** for a full day (8 5+ hours) or ~~\$75~~ **\$100** for a half-day (1 to 4 hours); plus VROT if applicable.
- **Implementation of above Extra Day pay rates and guidelines become effective upon ratification of this agreement.**
- Farm outs: when an RSR volunteers to service an additional account(s) on his/her regular working day, the RSR will receive a flat rate on Weekly Store Average of the account; plus VROT if applicable:
 - o Weekly Store Average > \$10,000 = \$60 per account, per day
 - o Weekly Store Average > \$5,000 - \$9,999 = \$40 per account, per day
 - o Weekly Store Average < \$4,999 = \$20 per account, per day

RSAs will receive the actual zone route sales plan achievement for the day during approved absences. The following pay rules will also apply to RSA absences

- Funeral leave – overtime equivalent equal to 2 hours overtime paid per day
- Jury Duty - overtime equivalent equal to 2 hours overtime paid per day
- Vacation - overtime equivalent equal to 2 hours overtime paid per day
- Suspension – In the event an investigation results in corrective action or termination, the RSA will not be paid for time lost. If an investigation results in no type of corrective action, the RSA will be compensated the actual zone route sales plan achievement for the day during the absence.
- Sick - In the event of an RSA call out which does not fall into the above categories, if the absence is granted and approved by management, the RSA will receive the actual zone route sales plan achievement for the day during absences. This sales credit is limited to be used for up to **five (5)** days in a calendar year. Unused sick days will not be carried over. No sales credit shall apply after **five (5)**. After **five (5)** call outs in a calendar year, such requested absence shall not be approved, and RSA call outs are subject to the discipline process per Article 8.
- Holidays will be paid at \$50.00 for each holiday.
- Trainings/meetings (non-full day – i.e. District Meetings): RSA will get credit for any logged hours for OT/VROT if applicable
- Extra days pay: RSA paid Split Overtime for hours worked over 40 hours. If less than 40 hours worked, RSA paid the equivalent to 1.5x for hours worked on an extra day.

In the event of significant business disruption, as determined by the Company, which negatively impacts employee earnings for fifty percent (50%) of the bargaining unit for the period, the Company will discuss with the union potential solutions to address the negative impact. After thirty (30) days, the Company may implement its solution to address the business disruption if the Company determines a solution is necessary.

Leave of absence which is approved through the company's leave process will continue to be treated in accordance with FMLA, disability leave practices. If an RSR is on leave of absence and returns to work during a period, sales plan for the purposes of achieving target pay will be prorated to reflect the time worked during that specific period.

Implementation of above referenced sick pay and associated disciplinary action will be effective January 1, 2022. Sick pay will be calculated at 1/5 of guarantee until implementation of the Performance Pay system.

**Company Economic Proposal 5, Version 4
Passed in Session**

July 14, 2021

Route engineering will occur in conjunction with the conversion to Performance Pay which would include a total rebid of the Sales employees, **excluding Warehouse** within the bargaining unit. This bid will be considered a free bid. Article 20 Section 1, Article 39 and Side Letter Pre-Pick Implementation shall not apply for purposes of this route engineering. Upon implementation, the above RRIC shall be the only applicable RRIC payments provided. Upon converting to Performance Pay, compensation will be based on target pay and in future engineering, there shall be no further application of the RRIC language listed in this agreement within the Performance Pay System. As a result of future engineering wherein an employee is forced to an hourly position, RRIC will apply.

Engineering:

Upon implementation of the Performance Pay Compensation System, notwithstanding the requirements and limitations in Article 20 (Route Revisions/Route Cuts), the Company will not be limited by this contract to implement new route types or structures as compensation will be based on the Performance Pay principles outlined herein. It is understood that previously existing route types no longer have an impact on the formula earnings or assigned accounts for the routes. The engineering solution may include alternate workweeks for all route types per Article 19 (Workweek).

When an RSR or RSA changes job types through bidding where pay or sales plan would change (including but not limited to RSA to route, co-lead to lead, etc.), this change in assignment will be made effective at the first day of the following period.

Within the timeline of Performance Pay Implementation, any RSR who had bid to an hourly position during Pre-Sell Implementation will be provided their individual TPP based on their formula earnings (base and commission and 10 hours VROT) in place at the time of Pre-Sell bidding in September of 2019. These TPP's, within the negotiated range will be utilized at the time of bidding for Performance Pay implementation if the employee(s) bids from an hourly position to an RSR position. If the employee(s) remain in hourly position, at the time of Performance Pay implementation, their individual TPP will be frozen for up to two (2) years. If the employee returns to any RSR position, the TPP will be restored. After two (2) years, the employee will start an RSR position at the minimum rate.

When an RSA is temporarily assigned to a route, they will become eligible to receive Total Target pay in the PFP system effective the first week of the following period based on the route's achievement to sales plan for the period (i.e. RSA is assigned to route in Period 6, Week 2. RSA will be eligible to receive total Target Pay in the performance pay system based on the route's achievement to sales plan for the period effective Period 7, Week 1). The total Target Pay for an RSA temporarily covering a route will be the minimum rate of \$56,500. At the end of this temporary assignment, the RSA will go back to receiving the negotiated RSA compensation based on the zone's route plan for the period.

If an RSR moves to the RSA pool (i.e. barred from account or bid), they will be compensated at the contractually negotiated RSA pay rate. Their individual TPP (Total Performance Pay) at the effective date they changed job classifications will be frozen for up to two (2) years. If the employee returns to an RSR position the TPP will be restored. After two (2) years, the employee will start an RSR position at the minimum rate.

The Company and the Union agree in concept of revising any contrary or conflicting language as a result of the implementation of Performance Pay. It is agreed that this revision process will take place as part of the collective bargaining of the successor agreement. The Company will not be limited from implementing and transitioning to Pay Rules identified in this Performance Pay Letter of Agreement and all references to "commission" will no longer be applicable. Disputes will be addressed through the current grievance process outlined in this agreement.

~~Upon implementation of the Performance Pay Compensation System as outlined in the Letter of Understanding of this agreement, any contrary language or provisions will have no force and effect. Specifically, without limitation:~~

Article 12: ~~Section 2~~

~~— Sick Days~~

Article 19: ~~Section 2, 6~~

~~— Section 2 (less than 5 day work week pay structure)~~

~~— Section 6 (route site guidelines)~~

Article 20: ~~Section 2, 8~~

~~— Section 2 (route cut RRIC compensation)~~

Article 22: ~~Section 3, 4~~

~~— Section 3 (delivery system change)~~

~~— Section 4 (other methods of delivery 52 week earnings protection)~~

Article 25 ~~Bereavement Leave Pay~~

Article 26 ~~Jury Duty Pay~~

Article 39 ~~Super Bulk Implementation: Transition Language & Layoff Language only~~

Article 40 ~~Pre-Sell Implementation G (RRIC) only~~

Schedule A: ~~C, D, I, Vacations Section 2, Vacations Section 3c~~

~~C- Relief Specialist~~

~~D- Express Routes~~

~~I- RSA Employees: Section 1, Sub-section C~~

~~Vacation Section 2- Vacation Pay~~

~~Vacation Section 3, Sub-Section C (vacation pay substitute replacement guarantee minimum)~~

Side Letter: ~~Pre-Pick Implementation~~