

AGREEMENT

between

MAUSER USA, LLC

and

UNITED FOOD AND COMMERCIAL  
WORKERS UNION  
LOCAL 1167 - CLC

January 31, 2014 - January 31, 2018

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## AGREEMENT

This Agreement made this 31<sup>st</sup> day of January, 2014, by MAUSER USA, LLC located at 9449 Santa Anita Avenue, Rancho Cucamonga, California 91730 (hereinafter referred to as the "Employer") and United Food and Commercial Workers Union Local 1167, Affiliated with the United Food and Commercial Workers International Union, CLC, located at 855 W. San Bernardino Ave., Bloomington, CA 92316, with an additional mailing address of P.O. Box 1167, Bloomington, CA 92316, (hereinafter referred to as the "Union").

## WITNESSETH

That in consideration of the Mutual Performance in good faith by both parties to this Agreement, individually and collectively, the said parties do agree with each other as follows:

### ARTICLE 1- RECOGNITION AND UNION SECURITY

1.1 The Union shall be the sole bargaining representative of the Employer's production, maintenance, shipping and receiving employees and truck driving employees, but excluding all supervisors, lab technicians, QC manager, office clerical, professional and guards and other employees, in all matters of collective bargaining. There shall be no discrimination in any way against an employee because of Union membership or activity.

1.2 It shall be a condition of employment that all employees of the Employer covered by this Agreement, who are members of the Union in good standing on the date on which this Agreement is signed, shall remain members in good standing and those who are not members on the date on which this Agreement is signed shall, on the thirtieth (30<sup>th</sup>) day following the date on which this Agreement is signed, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after the date on which this Agreement is signed, shall on the (30<sup>th</sup>) day following the beginning of such employment become and remain members in good standing in the Union.

### ARTICLE 2 - CHECK OFF

2.1 The Employer shall deduct from the pay from each employee all membership dues, which includes, initiation fees, weekly dues and duly voted assessments, as they respectively become due and payable. Deductions shall be made only upon the employees who have delivered to the Employer a written authorization form(s) provided by the Union. All such deductions shall be forwarded to the Union monthly, no later than the tenth (10<sup>th</sup>) day of each following month.

2.2 The Union shall indemnify and save the Employer harmless against any and all claims, demands, suits or other forms of liability that arise out of or by reason of any action taken or not taken by the Employer under the terms of this Article.

## ARTICLE 3 - HOURS OF WORK

3.1 The regular work week shall be from Monday through Friday. The regular work day shall consist of eight (8) hours. The work may be arranged in shifts. One and one-half (1½) times the hourly rate shall be paid under the following conditions:

3.1.1. after eight (8) hours in any day,

3.1.2. after the completion of a regularly scheduled shift, such as second (2<sup>nd</sup>) and third (3<sup>rd</sup>) shift in any day,

3.1.3. After forty (40) hours in any week,

3.1.4. on the sixth (6<sup>th</sup>) day in a scheduled work week.

3.2 The seventh (7<sup>th</sup>) day in any scheduled work week shall be paid at the rate of double (2) time the straight time hourly rate. Time worked in excess of twelve (12) hours in one (1) day shall be compensated at double (2) the regular straight-time hourly rate.

3.3 Any employee who absents himself unjustifiably during his regular work week shall not be paid the overtime rate on the sixth (6<sup>th</sup>) and seventh (7<sup>th</sup>) day, until he shall have first worked in the week in which such absence occurred the same number of hours as were scheduled for him during that week. (Absence due to an industrial injury shall be considered as justifiable for purposes of this paragraph.)

3.4 If conditions make it necessary for the Employer to produce on a continuous six (6) or seven (7) day production schedule, then the Employer may schedule the work week to include any five (5) consecutive days. Whenever business conditions warrant and upon two (2) weeks prior notification, the Employer may institute a ten (10) hour day four (4) day work week. Overtime pay shall not be paid until either ten (10) hours a day or forty (40) hours a week are exceeded.

3.5 Based on production needs for continuous operation and at the discretion of the Employer, the Employer may implement a twelve (12) hour shift of no more than four (4) production employees per shift not to exceed sixteen (16) employees per seven (7) day continuous week on the following conditions.

3.6 The twelve (12) hour shift may be implemented and ceased upon one (1) week's notice from the Employer.

3.7 All daily twelve (12) hours shall be paid at straight time plus a thirty cent (30¢) hourly premium paid on all hours worked.

3.7.1 One and one-half (1½) times the straight time hourly rate shall be paid after forty (40) hours in one (1) week.

3.8 No shift premium shall be paid except when regular eight (8) hour shifts are worked in hours that call for shift premium.

3.9 Holidays shall be paid at eight (8) hours straight time.

3.10 Twelve (12) hour shifts will be filled on a voluntary basis. If there are insufficient volunteers, the least senior employees with skill and knowledge to perform the job requirements will be called by the Employer.

3.11 Once assigned to the twelve (12) hour shift, an employee may change to an eight (8) hour shift provided: 1. the change takes place at the end of the two (2) week repeating cycle with one (1) week's notice to the Employer and 2. there are sufficient volunteers to fill the vacancies or sufficient number of employees with less seniority who are qualified to perform the job to be vacated.

3.12 When no employees are available for overtime work on a voluntary basis, employees with the necessary skills in the job classification with the lowest seniority will be required to work the overtime.

3.13.1 The twelve (12) hour shift from June 1<sup>st</sup> to September 30<sup>th</sup> for all Employees may be implemented and terminated upon one (1) weeks' notice from the Employer. For this period, all daily twelve (12) hours shall be paid at straight time plus a two dollar (\$2.00) hourly premium paid on all hours worked.

3.13.2 One and one-half (1½) times the straight time hourly rate shall be paid after forty (40) hours in one (1) week.

#### ARTICLE 4 - MINIMUM SHIFT

4.1 An employee regularly scheduled and reporting for work in person, then sent home due to lack of work, shall receive a minimum of four (4) hours pay at his straight time hourly rate including shift differential if applicable, unless lack of work is due to an act of God or any other circumstances beyond the control of the company or unless company has attempted to notify employee not to report at least one (1) hour in advance of shift and provided employee has kept current information regarding telephone contact.

4.2 In the event of mechanical, power failure or process breakdown during the first (1<sup>st</sup>) four (4) hours of the work day, the Employer may send the employees home. In such event, each such employee shall be paid not less than four (4) hours pay at his straight time hourly rate, including shift differential if applicable. If the employee volunteers to leave early, he/she will receive pay only for hours worked. For purposes herein, "down time" is compensable.

4.3 A maintenance employee called back to work after leaving the plant, at the end of his/her work shift, or called to work on a non-scheduled work day, shall receive, in such instances, a minimum of four (4) hours of pay, at his/her current hourly rate. These hours shall be considered as time worked for the purposes of calculating overtime.

#### ARTICLE 5 - SENIORITY

5.1 The Employer shall establish an accurate Seniority List. Such list shall be available for inspection by an authorized Union Representative and the Employer shall furnish the Union with an accurate copy of the same each three (3) months.

5.2 Seniority shall be defined as the length of time that an employee has been in the employ of the Employer since the date of his most recent hire.

5.2.1 In the event more than one employee is hired on the same day, the employee with the date of birth closer to the beginning of the year will have the greater seniority.

5.3 Employees shall be considered on probation for the first (1<sup>st</sup>) ninety (90) calendar days of employment; thereafter, their names shall be added to the Seniority list, and they shall acquire seniority dating back to their date of hire. In the event that the probation period is broken for any reason other than discharge and if that break is longer than thirty (30) calendar days, then the probationary period may be extended for the work days missed up to a total probationary period of ninety (90) calendar days.

5.4 Departmental seniority shall be followed with employees having less than one (1) year of seniority with Employer. Employees having more than one (1) year of seniority with the Employer shall have plant wide seniority, subject to the following conditions and criteria: Physical fitness, skill, experience and ability to perform the job without a long period of training as determined by the Plant Manager or the Plant Manager's designate.

5.5 Whenever business conditions reduce the amount of work available and in the judgment of the Employer such work reduction is of temporary duration, the Employer shall divide work as equitably as possible for a period not to exceed thirty (30) calendar days, considering physical fitness, skill and ability to perform the job, as determined by the Plant Manager or the Plant Manager's designate, without a long training period. Then, thereafter, departmental and plant wide seniority as herein provided shall be followed.

5.6 Promotions: In the event a vacancy occurs in a higher classification, the Employer will fill the vacancy by a promotion from within. The Employer shall follow the following procedure:

5.6.1 The vacancy shall be posted for a period of ten (10) calendar days. A copy of each posting will be provided to the Union at the time of the initial posting. During this period, employees who wish to be considered for the vacancy will submit their names to the Employer. Where knowledge, skill, ability, experience and physical conditions are relatively equal in the judgment of the Employer, the Employer shall appoint the senior employee of those applying. In the event there is no present employee who is qualified to fill a vacancy, then the Employer may fill such vacancy by hire from any other source. The Employer shall determine the qualification of any employee under this Article in a fair and non-discriminatory manner. The employee shall be given thirty (30) days to qualify for the job. If he fails to qualify, he shall then be transferred back to his original classification or a classification of equal pay. Any dispute arising under this Article shall be subject to the Grievance Procedure. In the event of multiple openings on a shift or shifts in the same classification, one (1) job may be bid on a shift transfer basis.

5.7 Seniority shall be terminated under the following circumstances:

5.7.1 Voluntary quit

5.7.2 Discharge for cause

5.7.3 Continuous layoff of nine (9) months duration or the length of employment, whichever is lesser.

5.7.4 Failure to return at the end of a leave of absence.

5.7.5 Failure to return in a reasonable time, not to exceed five (5) working days after being recalled to work following lay off because of a reduction in force. However, in an emergency situation where conditions require that the employee report immediately, the recall limitations herein provided shall be reduced to two (2) days, or forty-eight (48) hours. An employee who is unable to report within said period shall maintain his seniority rights. The Employer shall call said employee for the next opening, consistent with the provisions of this Article.

5.7.6 Falsifying reason for leave of absence.

5.8 Employees on layoff will keep the Employer informed of any change of address that may occur during such layoff. Where an employee has failed to notify the Employer of a change of address, the Employer shall not be required to re-employ such employee who fails to report for work or recall because the notice of such recall was sent to the wrong address.

5.9 In the event overtime work shall be performed, the Employer shall, wherever practicable, distribute such overtime work equally among employees, subject to seniority and required classifications for production requirements.

5.10 Transfers: If an employee is transferred due to a decision made by the Employer to a lower rated classification, then he should receive the higher rate for a period of ten (10) days worked. If the employee requests a transfer to a lower rated classification, he will receive the lower rate immediately upon transfer.

5.11 If business conditions require a sharp reduction in the work force, then such employees who are transferred to a lower rated classification because of their seniority shall be subject to immediate reclassification on the particular job and be paid the wage established therefor.

## ARTICLE 6 - HOLIDAYS

6.1 New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Friday after Thanksgiving Day, the Day before Christmas Day, Christmas Day and the Day before New Year's Day are recognized as holidays with no work required and shall be paid for at the straight time hourly rate.

6.2 An employee who shall work on any of the above designated holidays shall be paid, in addition to eight (8) hours at his straight time hourly rate, double (2) time his straight time hourly rate for all hours worked.

6.3 To be eligible for holiday pay, an employee shall:

6.3.1 have completed his probationary period;

6.3.2 shall have worked the last scheduled day before the holiday and the first (1<sup>st</sup>) scheduled day after the holiday unless excused by the Employer;

6.3.3 An Employee who is scheduled to work the Holiday, must work the full scheduled day before and the full scheduled day after the Holiday in order to receive Holiday pay unless he/she is

absent for: Vacation, Funeral Leave, Jury duty, Absence because of a direct action initiated by the Company.

6.4 An employee who agrees to work on any of the above holidays and who fails to appear for work shall not be eligible for pay for such holiday.

6.5 A holiday shall be considered as time worked for the purpose of computing overtime.

## ARTICLE 7 -VACATIONS

7.1 Employees who have been employed by the employer for a period of one (1) year shall be entitled to one (1) week's vacation at his straight time hourly rate of pay. Employees who have been employed by the Employer for three (3) years or more either prior to or after the signing of this Agreement, shall be entitled to two (2) weeks vacation at his straight time hourly rate of pay. Employees who have been employed by the Employer for eight (8) years or more shall receive three (3) weeks vacation at his straight time hourly rate of pay. Employees who have been employed by the Employer for twenty (20) years or more shall receive three (3) weeks and two (2) days vacation at this straight time hourly rate of hourly pay, plus three (3) days pay based on eight (8) hours straight time payable upon first (1<sup>st</sup>) week of vacation. Employees who have been employed by the Employer for twenty-five (25) years or more shall receive four (4) week's vacation at his straight-time hourly rate plus three (3) days pay based on eight (8) hours straight-time payable upon first (1<sup>st</sup>) week of vacation.

7.2 In order for an employee to be eligible for forty (40) hours vacation pay for one (1) year and up to eighty (80) hours vacation pay for three (3) years; and up to one hundred and twenty (120) hours vacation pay for eight (8) years or more, he shall have worked at least sixteen hundred (1600) hours in the vacation year immediately preceding the vacation.

7.2.1 The first (1<sup>st</sup>) thirty (30) days of a bona fide leave of absence and the first (1<sup>st</sup>) ninety (90) days of sick leave shall be counted as time worked in computing total hours worked.

7.2.2 Pro-rata vacation shall be calculated on the following formula:

$$x \text{ hours} \div 1600 \text{ hours} \times 40 \text{ hours} = \text{one (1) week of vacation pay.}$$

7.3 Employees who are discharged for cause or who quit voluntarily prior to the time when they would become entitled to a vacation shall receive vacation pay pro rata (except employees discharged for acts involving moral turpitude, such as theft, arson, sabotage, etc., in which case they shall not be entitled to pro-rata pay). Vacation pay shall be paid at the beginning of the vacation periods.

7.4 Employees shall receive an additional day's pay for each holiday which falls during a vacation period. An extra day off may be granted by mutual agreement between the employee and the Employer.

7.5 During the period of January 1st through January 31st vacation requests that are submitted will be reviewed by management with approval based on seniority and production requirements. After that period, all vacation requests will be reviewed and approved based on the date the request was received and production requirements. Vacation request forms will be provided to employees and must be used and submitted to payroll for review, when requesting vacation.

7.5.1 During the period of June 1st through September 30th, a maximum of two (2) week's vacation may be requested and will be reviewed by management based on the above. All remaining vacation must be used before the end of the first (1<sup>st</sup>) quarter of the following year.

## ARTICLE 8 - LEAVES OF ABSENCE

8.1 The Employer agrees that a leave of absence of up to two (2) weeks shall be granted without pay for any reasonable purpose.

8.2 Upon two (2) weeks advance notice to the Employer, the Employer agrees that the employees will be allowed the necessary period of leave, not to exceed two (2) week's without pay to attend conventions, meetings, including union business, etc. Such leaves shall be limited to the Shop Steward.

8.3 A leave of absence without pay for a period of six (6) months will be granted for illness (including pregnancy) confirmed by a doctor's certificate. If the employee continues to be disabled beyond the six (6) months, then an extension may be granted at the discretion of the plant manager. In the event of a leave of absence due to injury covered by worker's compensation insurance, the leave shall be the duration of the disability but shall cease if injury becomes permanent and stationary. The employee shall give the Employer notice before returning to work.

8.3.1. In the event of a leave of absence due to injury covered by worker's compensation insurance, the leave shall be the duration of the disability but shall cease if the injury becomes permanent and stationary. The employee shall give the Employer notice before returning to work.

8.4 The Employer and the Union agree to comply with the Family Medical Leave Act.

8.5 Funeral Leave:

8.5.1 To be eligible for Funeral Leave pay, an employee must have completed his probationary period.

8.5.2 In the event that it becomes necessary for an eligible employee to be absent from work in order to arrange for or attend the funeral of someone in the employee's immediate family, the employee shall be entitled to receive three (3) days of paid funeral leave for time lost from his regularly scheduled work, provided he returns to work after such absence.

8.5.3 For purposes of this section, immediate family is defined as only including husband, wife, mother, father, son, daughter, sister, brother, mother-in-law, father-in-law, brother-in-law and sister-in-law, grandparents and grandchildren.

8.5.4 Funeral Pay may be contingent on the employee furnishing proof of death.

8.6 Leave of absence shall be in writing, a copy given to the employee and one mailed to the Union.

## ARTICLE 9 - HEALTH, WELFARE AND HOSPITALIZATION

9.1 The Employer shall remit to Western Labor Alliance the billed monthly premium for each covered employee who has been employed by the Employer for sixty (60) days as of the first (1<sup>st</sup>) day of the same month. This is including employees on leave of absence because of disability of such employee or because of sickness or death in his immediate family, and in addition to the first (1<sup>st</sup>) month of leave of absence granted to an employee for personal reasons. Effective June 1, 2014 employees will contribute eleven percent (11%) of the annual medical invoice which will be deducted from their bi-weekly paychecks.

9.2 In case of leave of absence because of disability of such employee, the Employer's obligation to the fund shall end after three (3) months.

9.3 MAUSER USA, LLC and UFCW Local 1167 will discuss in May of each year any Employer premium change to the Health and Welfare plan. UFCW Local 1167 guarantees an increase contribution cap of no more than five percent (5%) in years one (1) and two (2) and no more than six percent (6%) in years three (3) and four (4). Should the premium rate decrease, Mauser will pay the reduced premium rate.

9.4 The Company shall provide Non-Contributory Life Insurance benefits for all active employees who have successfully completed their probationary period in the amount of \$5,000, effective June 1, 2014.

## ARTICLE 10 - PENSION

10.1 The Company provides a defined pension plan for the members of the United Food and Commercial Workers Union Local 1167 of the Mauser Plant located at 9449 Santa Anita Avenue, Rancho Cucamonga CA 91730.

The Company and the Union agree that the Pension Plan will remain in effect at ten dollars and fifty cents (\$10.50) until March 31, 2010. At that time the Pension Plan will be frozen. Effective April 1, 2010 all employees are eligible to enroll (employed one (1) year or longer) in the Company's 401(k) plan. The Company will match up to the first (1<sup>st</sup>) four percent (4%) of the employees' contribution.

## ARTICLE 11 - INJURY ON THE JOB

If an employee is injured while employed by the Employer, he or she shall be allowed reasonable time without loss of pay for the first (1<sup>st</sup>) emergency treatment. The Employer agrees to maintain first aid equipment in the plant. The Employer will arrange to have first aid training given to a number of employees so that, wherever practicable, a qualified person will be present during all working hours to administer first aid.

## ARTICLE 12 -MANAGEMENT RIGHTS

The management of the Employer's operations and the direction of the working forces are vested exclusively in the Employer. Except as expressly limited by this Agreement, the Employer retains the sole right to determine all matters pertaining to the work force, including but not limited to the right to hire, train, discipline, demote, suspend, discharge, lay off and promote; to determine or change the starting and quitting time and the number of hours to be worked; to promulgate and change reasonable rules and regulations; to subcontract work; to assign duties to the work force; to create, change, combine or eliminate jobs; to determine job duties, qualifications, classifications and requirements; to organize, discontinue, enlarge or reduce a department, function, plant or division; to combine departments or to separate a department and to assign or transfer employees to other departments or shifts as operations may require; to establish production standards and methods, to select, change, remove and install machinery and equipment; to introduce new or improved facilities and to carry out the ordinary and customary functions of management whether or not possessed or exercised by the Employer prior to the execution of this Agreement. The above mentioned management rights are not to be interpreted as being all-inclusive, but merely indicate the type of rights which belong to and are inherent to management. It is understood and agreed that any of the rights, power or authority the Employer had prior to the signing of an initial Agreement are retained by the Employer, except those rights which are specifically abridged, granted, or delegated to others or modified by this Agreement.

## ARTICLE 13 - DISCIPLINE, DISCHARGE AND SHOP RULES

13.1 No employee shall be disciplined or discharged without good cause. "Shop Rules and Regulations" shall be drawn up through agreement between the Employer and the Union. If the two parties cannot agree to any modifications or amendments to existing rules, the dispute shall be subject to the regular Grievance Procedure. Shop rules and regulations shall be posted conspicuously, and made a part of this Agreement.

13.2 Copies of all written warnings charged to employees shall be faxed to the union within three (3) calendar days, including any disciplinary action(s) proposed by the company.

## ARTICLE 14 - GRIEVANCE PROCEDURE

14.1 In the event any grievance arises concerning the interpretation or application of any of the terms of this Agreement, such matters shall be adjusted according to the following procedures and conditions.

STEP ONE: Between the aggrieved employee, either with or without his Steward, and the supervisor of the department. If there is no settlement of the grievance within seven (7) working days, then the grievance will be taken under,

STEP TWO: Between the Steward and the Superintendent, after the grievance has been reduced to writing, if there is no agreement under this step within seven (7) working days, then it will be taken to,

STEP THREE: Between the Union representative, and the Plant Manager of the Company, or his designee. If there is no agreement within thirty (30) days, then either party may submit the matter to arbitration.

14.2 Any employee alleging a violation of Agreement, or the Union, must file such grievance within seven (7) calendar days of the alleged violation in order that it be processed. Failure to grieve within the time period shall be a waiver of that particular grievance.

14.3 The parties understand and agree that nothing construed in this Article is intended to prohibit the Union from filing a grievance directly with the Company.

14.4 ARBITRATION: The arbitration shall be before an arbitrator agreed upon by both parties. If no arbitrator is so selected, then an arbitrator shall be selected from a list submitted by the Federal Mediation and Conciliation Service. The arbitrator's decision shall be final and binding on both parties. In the event a dispute involves a discharge, the arbitrator may order reinstatement with or without back pay, as he deems just.

14.5 The arbitrator shall not have the right to add to, subtract from or modify any of the terms of this Agreement, but will have authority to rule on the issue before him. His ruling shall be consistent with the terms of this Agreement.

14.6 The expenses and fees of the arbitrator, as well as cost of hearing room shall be borne by the party which receives an adverse award.

#### ARTICLE 15 - SHOP STEWARD

15.1 The Union will designate one (1) or more employees as Shop Stewards or Shop Committee.

15.2 Shop Stewards, during the tenure of their office, shall carry top seniority. Such seniority shall be effective only concerning lay-offs and may not be invoked for promotions.

#### ARTICLE 16 - UNION REPRESENTATIVE

A duly authorized and designated Union Representative shall be permitted access to the Employer's plant during working hours. However, he shall first notify the Plant Manager, or authorized Employer representative, of his presence. Such visits shall not interfere with plant operations.

#### ARTICLE 17 - FOREMEN

The employer agrees that it will not designate any employee as a foreman for the purpose of excluding him from the bargaining unit.

#### ARTICLE 18 - REST PERIODS

There shall be two (2) ten (10) minute rest periods, one (1) prior to the lunch break and one (1) after the lunch break, for all employees during any working shift.

## ARTICLE 19 - WORKERS' RIGHTS

There shall be equal pay for equal work. There shall be no discrimination by the Employer or the Union because of sex, race, creed, color, age, or any combination of such conditions. There shall be no discrimination on account of any employee's physical disability which does not interfere with his ability to produce.

## ARTICLE 20 - NO STRIKE - NO LOCKOUT

20.1 During the term of this Agreement, there shall be no strikes, walkouts, sympathy strikes, refusal to cross picket lines either at or away from the Employer's place or places of business, slowdowns, picketing or other interruptions of work, for any reason whatsoever, including, but not limited to, protest of Union conduct, or the conduct of any third party, or for any other reason whether or not specified herein or contemplated by the parties at the time this contract is made and whether or not the reason for any such above described conduct is subject to the grievance and arbitration provisions of this contract. Any such action shall be a violation of this Agreement.

20.2 Upon written telegraphic notice of a violation to the offices of the Local [and International Unions], the Local [and International Unions] and their officers and representatives, including employee representatives such as shop stewards, shall immediately take positive and evident steps to prevent or stop those involved in any activity or conduct described in Section 20.1 above, or any similar activity from starting or continuing such activity or conduct. These steps shall include, but shall not be limited to:

20.2.1 Publicly disavowing any such unauthorized conduct described herein;

20.2.2 Ordering all members and employees who participate in such unauthorized conduct or activity to cease and desist from same immediately and to return to work, notwithstanding the existence of any picket line; and

20.2.3 Taking any other steps which may be necessary under the circumstances to bring about immediate compliance with the orders to cease and desist the unauthorized conduct and to return to work.

20.3 The Union, its officers and representatives shall not aid, participate in or assist in any way such unauthorized activity or conduct. Instructions and orders referred to in this Section will be confirmed in writing and copies will be furnished by the Union to the Employer.

20.4 In cases of unauthorized activity described herein, the Employer may impose disciplinary measures or may discharge any or all of the employees directly or indirectly involved and such discipline or discharge shall be deemed to be for just cause.

20.5 In cases where the Union, its officers or representatives or any of them fail to perform the affirmative obligations required herein to prevent or stop such unauthorized activity or conduct the Employer may discipline or discharge any or all such officers or representatives who are employees of the Employer. Nothing contained in this Agreement shall be construed to limit or restrict the rights of any of the parties to this Agreement to pursue fully any and all remedies available under law in the event of a violation of this Article, including the right to institute civil action for damages and injunctive relief.

20.6 In consideration of the foregoing, the Employer agrees not to lock-out or cause to be locked out any employee covered under the provisions of this Agreement. The term "lock-out" does not refer to the discharge, suspension, termination or layoff of employees by the Employer for any reason in the exercise of its rights as set forth in any provision of this Agreement, nor does "lock-out" include the Employer's decision to terminate or suspend work or any portion thereof for any reason, other than for the sole purpose of supporting a management position during a collective bargaining impasse.

20.7 In the event of an alleged breach of Sections 20.1 or 20.3 of this Article of the Agreement, either the Union or the Employer may, in addition to exercising any or all other legal rights, invoke the expedited arbitration procedure provided in this Article for the resolution of such breach, as distinguished from the ordinary grievance and arbitration procedure described in Article 14. Any such claim shall be asserted by notice in writing, certified mail, return receipt requested, or telegram -- report delivery, given to the other party. A copy of such notice shall be sent simultaneously to the person designated as the permanent arbitrator, or such persons designated as arbitrator as hereinafter set forth. The arbitrator shall hold an arbitration hearing as expeditiously as possible, but in no event later than twenty-four (24) hours after receipt of said notice. The decision of the arbitrator shall issue forthwith, and in no event later than three (3) hours after the conclusion of the hearing, unless the grieving party agrees to waive this time limitation with respect to all or part of the relief requested.

20.7.1 No continuance of the hearing shall be allowed without consent of the party filing the claim. Absence from or non-participation in the hearing by any party shall not prevent the issuance of an award. The sole issue of the said hearing shall be whether the provisions of Sections 20.1 or 20.3 have been violated. The arbitrator may close the hearing in his sole discretion when he decides he has heard sufficient evidence to satisfy issuance on an award. The decision of the arbitrator shall be final and binding upon the parties.

20.7.2 In the event the arbitrator finds a violation of Sections 20.1 or 20.3 of this Article of the Agreement, he shall as part of this decision specifically order that all normal operations be resumed at once, and that any offenders cease and desist from any then current, continued or prospective violations of Sections 20.1 or 20.3 of this Article of the Agreement. The arbitrator shall have no authority to add to, subtract from or modify this Agreement.

20.7.3 The arbitrator appointed by the parties for the purpose of this expedited arbitration procedure is \_\_\_\_\_, and said arbitration proceedings pursuant hereto shall be held at a convenient location in the vicinity of Rancho Cucamonga, area which shall be designated by the arbitrator. In the event of the death, disability or unavailability of arbitrator designated herein within the time limits prescribed by this provision, the parties must select another arbitrator within twenty-four (24) hours, and failing such mutual designation, the California State Conciliation Service may be requested, by either party, to designate an arbitrator, which designation must be made within twenty-four (24) hours of the request.

20.7.4 All costs for the services of the arbitrator designated herein or for any other person selected pursuant to the aforementioned procedure, and costs related to holding the arbitration, such as costs for the hearing room, shall be borne equally by the parties. The parties shall each bear their own costs related to presentation of their case to the arbitrator.

## ARTICLE 21 - SHOE ALLOWANCE

A shoe allowance of seventy-five dollars (\$75.00) will be paid to each employee, once every twelve (12) months, for the purpose of purchasing safety shoes (with steel toes). Receipt must accompany request for reimbursement. All employees must wear the appropriate safety shoes when at work.

## ARTICLE 22 - BULLETIN BOARDS

The Union shall be allowed to post notices of Union meetings, Union Agreements, and other Union business on the bulletin boards provided by Management, and placed thereon by agreement between the Employer and the Union.

## ARTICLE 23 - INDEPENDENT VALIDITY

23.1 If any clause, provision, section or part of this Agreement should be rendered invalid, void, or unenforceable by either a Federal or State Law or decision of a court hereunder, in accordance with this Agreement, the remaining clauses, provisions, sections, and parts of this Agreement shall nevertheless continue to be binding upon the parties hereto and remain in full force and effect.

23.2 When words of male gender are used in this Agreement, they shall be construed to also include the female gender. For example: Foremen shall also be construed to mean foreladies.

ARTICLE 24 - DURATION

24.1 This Agreement shall remain in full force and effect to and inclusive of January 31, 2018. This Agreement shall be automatically renewed from year to year unless either party gives, one to the other, a sixty (60) day written notice prior to the expiration date of its desire to terminate, modify or amend all or part of said Agreement.

24.2 During negotiations (even after the terminal date) the Agreement shall remain in full force and effect. However, either party may cancel this extension Agreement by giving the other party ten (10) business day's written notice after the original termination date.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

FOR THE UNION:

FOR THE EMPLOYER:

\_\_\_\_\_  
UFCW Local 1167  
Bill Lathrop, President

\_\_\_\_\_  
MAUSER USA, LLC  
Ellen L. Sherman, Director, Human Resources

APPENDIX A - WAGES

Effective January 31, 2014, there shall be a twenty-five cent (25¢) per hour across the board increase to all active members of Local 1167 on the Employer’s payroll as of January 30, 2014.

Effective January 31, 2015, there shall be a twenty-five cent (25¢) per hour across the board increase to all active members of Local 1167 on the Employer’s payroll as of January 30, 2015.

Effective January 31, 2016, there shall be a twenty-five cent (25¢) per hour across the board increase to all active members of Local 1167 on the Employer’s payroll as of January 30, 2016.

Effective January 31, 2017, there shall be a thirty cent (30¢) per hour across the board increase to all active members of Local 1167 on the Employer’s payroll as of January 30, 2017.

Wage rates and job classification:

Effective Date	<u>Current</u>	<u>01/31/14</u>	<u>01/31/15</u>	<u>01/31/16</u>	<u>01/31/17</u>
General	\$10.91	\$11.16	\$11.41	\$11.66	\$11.96
Fork Lift Operator	11.88	12.13	12.38	12.63	12.93
QC Tender	13.11	13.36	13.61	13.86	14.16
Maintenance Helper	12.74	12.99	13.24	13.49	13.79
Maintenance B	14.06	14.31	14.56	14.81	15.11
Maintenance A	15.02	15.27	15.52	15.77	16.07
Shipping Clerk	13.11	13.36	13.61	13.86	14.16
Truck Driver (Class A License)	16.01	16.26	16.51	16.76	17.06

Effective January 30, 2006, all employees will be paid on a bi-weekly (26 pay periods) basis.

Based on current business conditions, the Employer will maintain a ratio of fifteen percent (15%) “Fork Lift Operator” classification calculated against the total number of employees in the bargaining unit.

1. The hiring rate for beginners shall not be less than ten cents (10¢) above the Federal Minimum Wage. After the end of their probationary period, they shall receive a ten cent (10¢) per hour increase. Each four (4) weeks thereafter, they shall receive a ten cent (10¢) per hour increase until they reach their classification rate.

Thereafter, employees promoted or transferred into a higher classification shall receive a ten cent (10¢) per hour increase beginning with the first (1<sup>st</sup>) day in such classification and continue to receive ten cents (10¢) per hour increase each sixty (60) days thereafter until they reach the classification rate.

2. Nothing herein contained shall prevent the Employer from accelerating the wage increase schedule herein provided for an individual employee for above average progress. Also, the Employer may object to an increase for lack of normal progress of a particular employee. In the event of a dispute, the grievance procedure may be applied.

3. There shall be a fifteen cents (15¢) per hour bonus in addition to the regular rate of pay to each worker employed on the second (2<sup>nd</sup>) shift of any working day, and a twenty cents (20¢) per hour bonus in addition to the regular rate of pay to each worker employed on the third (3<sup>rd</sup>) shift of any

working day. If conditions make it necessary for the Employer to produce on a continuous seven (7) day production rotating shift schedule, then the parties agree to review the shift differential premiums listed above.

4. Any worker who is assigned to lead work responsibilities shall receive a one dollar (\$1.00) per hour bonus during the period of such assignment.

5. Appendix "B", titled "Classifications & Job Descriptions" is hereby attached and made part of this Agreement.

## APPENDIX B - CLASSIFICATIONS AND JOB DESCRIPTIONS

### 1. GENERAL

### 2. FORK LIFT OPERATOR

Removing drums from machines, trimming, assembling and finishing drums, warehousing and any other duties assigned by Management.

### 3. QC TENDER

Duties of the Fork Lift Operator plus checking weight and wall distribution on running production and keeping appropriate records as specified in "Quality Control" procedures. Advising machine operator of "Off Spec" situations. Additionally, the ability to start and in cases of malfunctions or breakdowns, to stop the machine. In case of breakdowns, assist maintenance plus any other duties assigned by management.

### 4. SHIPPING CLERK

Drum handling and warehousing, truck driving, maintaining appropriate records on daily shipping and receiving, plus any other duties assigned by Management.

### 5. MAINTENANCE HELPER

Duties as assigned by maintenance supervisor or Management.

### 6. MAINTENANCE "B"

All of maintenance helper, plus minor trouble shooting and repairs on all plant equipment and facilities.

### 7. MAINTENANCE "A"

All of "B" plus the ability to independently trouble shoot and repair all plant equipment and facilities.

### 8. TRUCK DRIVER

Drive all type of trucks including tractor-trailer combinations, maintain necessary driving records and logs, perform necessary safety and preventive maintenance procedures on trucks and trailers (check oil, water, lights, air pressure, etc.), load and unload trucks, handle drums in warehouse, drive fork truck and perform other duties as assigned by Management.

As a condition of employment in this classification, employees must be able to communicate in English, must hold a current California Class I driver's license and current medical certificate, have a driving record acceptable to the Company and its insurance carrier and pass a Company driving test.

Should employees in other classifications, who meet the above conditions of employment for this classification, be occasionally required to drive a truck, they will be paid at the truck driver classification rate for the hours worked driving a truck.

## APPENDIX C - SUBSTANCE ABUSE POLICY

The Company may require that all new employees take and pass a physical exam, including a test for drugs, as a condition of starting work. After hire, the Company may require that its employees take a drug/alcohol test where there is a reasonable suspicion to believe that the employee has used drugs or is under the influence of drugs or alcohol. This will be done after notice to the Union. If an employee tests positive and admits to a dependency, the Company will work with the employee and, if necessary, place the employee on a leave of absence on condition he enroll in an appropriate detoxification program to attempt to overcome the dependence. If an employee cannot overcome the dependency or if the employee overcomes the dependency and within a period of twelve (12) months reverts to the use of drugs and/or alcohol, he will be terminated. If the employee does not admit to a drug or alcohol dependency but has tested positive, he will be subject to discipline including termination in accordance with Article 14. Any employee who is asked to take a test for drugs and/or alcohol based on reasonable suspicion that the employee has used drugs or is under the influence of drugs or alcohol and who refuses such test, may be terminated.

Any employee injured on the job and sent for medical treatment will be required to take a drug and alcohol screen at the time of treatment. Failure to submit to the test will result in immediate termination. An employee testing positive for drugs and/or alcohol will be subject to immediate termination.

A pay card program will replace the current paper check system during calendar year 2010.

### IMPORTANT NOTICE

This document is a Spanish translation of the MAUSER USA, LLC AGREEMENT WITH THE UNITED FOOD AND COMMERCIAL WORKERS, UFCW LOCAL 1167 as translated February, 2014 for better understanding and convenience of the employee. Great care was taken to translate it accurately into the Spanish language, however, should there be any discrepancy or question, the English version is the document which shall prevail.

### NOTIFICACIÓN IMPORTANTE

Este documento es una traducción al español del ACUERDO DE MAUSER USA, LLC Y UNITED FOOD AND COMMERCIAL WORKERS, UFCW LOCAL 1167 tal como fue traducido en febrero de 2014 para mejor entendimiento y conveniencia del empleado. Se tomó un gran cuidado al traducirse, sin embargo, en caso de presentarse alguna discrepancia o pregunta al respecto, la versión en inglés será el documento que predomine.