

AGREEMENT

By and Between

COCA-COLA BOTTLING COMPANY OF STOCKTON

And

GENERAL TEAMSTERS LOCAL 439, I.B.T.

Effective for the Period
April 8, 2007 through and including April 7, 2012

Table of Contents

Coca-Cola-Teamsters Local 439 Agreement

<u>Number</u>	<u>Section Titles</u>	<u>Pages</u>
1.	Recognition	3
2.	Union Membership	3-4
	Stewards	3
3.	No Discrimination	4-5
4.	Hours of Work	5-6
5.	Overtime	6-7
6.	Lunch and Rest Periods	7
7.	Wages and Classifications	8
8.	Seasonal Merchandisers	8-9
9.	Leadpersons	9
10.	Holidays	10-11
11.	No Pay Reduction	11
12.	Visits by Union Representatives	11
13.	Probationary Period and Seniority	11-13
14.	Vacations	13-15
15.	Bonds	15
16.	Uniforms	15-16
17.	Jury Duty	16
18.	Funeral Leave	16-17
19.	Sick Leave	17-18
20.	Health & Welfare	18-20
21.	Pension	20-22
22.	Management Rights	22-23
23.	No Strike/Lockout Clause	23
24.	Grievance Procedure	25
	Discharge/Discipline	25-26
25.	Physical Examinations	26
26.	Leave of Absence	26
27.	Plant Closures	26-27
28.	Personal Vehicles	27
29.	Dues Check Off	27-28
30.	Separability Clause	28
31.	Protection of Rights	28
32.	Industrial Injury	29
33.	Timekeeping System	29
34.	Terms of Agreement	30

COCA-COLA AGREEMENT

The following Agreement has been entered into this seventh (7th) day of April, 2007, between COCA-COLA BOTTLING COMPANY OF CALIFORNIA, hereinafter designated as the "EMPLOYER" and GENERAL TEAMSTERS LOCAL NO.439 of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, hereinafter designated as the "UNION."

SECTION 1. RECOGNITION

The Local Union is hereby recognized as the representative for collective bargaining purposes for all employees of the Employer at the Stockton location in the following classifications: Route Drivers, Fork Lift Operator/Loader, and Merchandisers.

SECTION 2. UNIONMEMBERSHIP

- a) On or after thirty-one (31) days from date of employment, each employee shall become and remain a member in good standing of the Local Union as a condition of employment. A member in good standing shall be defined as an employee who by virtue of their affiliation with the Union shall be required to tender periodic dues and initiation fees as a condition of acquiring and maintaining membership.
- b) It is agreed that the Employer shall notify the Union of new hires within seven (7) days of hire date. Upon written notice from the Union of failure on the part of any individual to complete membership in the Union, as above required, or failure to continue payment of dues to the Union, the Employer shall, within seven (7) days of such notice, discharge said employee. The Union shall indemnify and save harmless the Employer against any and all claims, demands or suits that may arise out of the discharge of any employee or the denial of employment to any person under this Section.

Shop Stewards

The Employer recognizes the right of the local Union to appoint or elect job stewards and alternates from the Employer's seniority list. The authority of job stewards and alternates so appointed or elected by the local Union shall be limited to, and shall not exceed, the following duties and activities:

- a) The reporting and presentation of grievances to his Employer or the designated Company representative in accordance with the provisions of the Collective Bargaining Agreement.
- b) Job Stewards and alternates have no authority to take strike action, or any other action interrupting the Employer's business. The Employer recognized these limitations upon the authority of job stewards and their alternates and shall not hold the Union liable for any authorized acts. The Employer in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the shop steward has taken unauthorized strike action, slowdown or work stoppage in violation of this agreement.

SECTION 3. NO DISCRIMINATION

- a) The provisions of this Agreement shall apply to all employees covered hereby without discrimination, and in carrying out the respective obligations under this Agreement, neither will discriminate as defined by applicable law against any employee on account of race, color, religion, sex, age, national origin, veterans status, disability or a handicap. Whenever in this Agreement the masculine gender is used, it shall be deemed to refer equally to and to include the female gender.
- b) Not with standing any other provisions in this Agreement. The Company may take such actions necessary to comply with applicable anti-discrimination laws, including the Americans with Disabilities Act. The Company will notify the Union when it plans to take such actions. The Company agrees that, in taking an action under this Section, it will not violate the seniority provisions of this Agreement unless obligated to do so by prevailing law

- c) Any employee member of the Union acting in any official capacity whatsoever shall not be discriminated against for his acts as such officer of the Union, so long as such acts do not interfere with the conduct of the Employer's business, nor shall there be any discrimination against any employee because of union membership or activities.

SECTION 4. HOURS OF WORK

- a) The Employer will operate a seven (7) day continuous operation schedule. An employee may be assigned to a work schedule consisting of any five (5) consecutive eight (8) hour days, or upon mutual agreement with the Local Union, any non-consecutive five (5) day eight hour schedule. The Employer may schedule employees to any four (4) consecutive or non-consecutive ten (10) hour days with a minimum of two (2) consecutive days off. Employees reporting for their shift shall be guaranteed their regular eight (8) hours or ten (10) hours for that shift unless the employee voluntarily declines their guaranteed hours.
- b) The first scheduled day following each Sunday, or Saturday itself, shall establish the beginning of the workweek for all employees.
- c) Any employee working a second shift shall be paid a shift premium of \$0.20 per hour for swing shift and \$0.25 per hour for night shift.
- d) The regular work shift for all employees shall commence between 3:00 AM to 10:59 AM for day shift 11:00 AM-6: 59 PM for swing shift, and 7:00 PM-2: 59 AM for night shift.
- e) Drivers who are required to work on Sundays shall be paid an additional \$0.50 per hour premium for all hours worked that day.
- f) The three (3) shifts shall be subject to general bid based upon qualifications and seniority. Thereafter, a driver may select either day, swing, or night shift assignments by exercise of qualifications and seniority, not more than twice (2) a year, where such

opening exits. The Employers reserves the right to assign open shifts.

- g) Probationary employees may be assigned to the day shift until such time as they have completed the probationary period. After completion of the probationary period, the employee will be assigned a work shift based upon his or her qualifications and seniority date.

SECTION 5. OVERTIME

- a) Employees assigned to work a five (5) day eight (8) hour day workweek, all hours worked in excess of eight (8) hours per day or forty (40) hours per week shall be compensated at the rate of one and one-half ($1\frac{1}{2}$) times the employee's regular straight time rate of pay.
- b) Employees assigned to a four (4) day ten hour workweek, all hours in excess of ten (10) hours per day or forty (40) hours per week shall be compensated at the rate of one and one-half ($1\frac{1}{2}$) times the employee's regular straight time rate of pay.
- c) All hours worked in excess of sixty (60) hours per week shall be compensated at two (2) times the employee's regular straight time rate of pay.
- d) Hours worked for purposes of this section shall include regular straight time hours worked, paid holiday hours, paid vacation, paid sick leave, paid jury duty, and paid funeral leave.
- e) Any employee called to duty from his or her regular day off shall be paid a minimum of four (4) hours at the employee's regular straight time rate of pay unless otherwise provided in this section.
- f) An employee who is called to work prior to his or her scheduled start time shall be paid at the time and one-half ($1\frac{1}{2}$) rate of pay up to the scheduled start time.
- g) There shall be no pyramiding of overtime.

- h) Weekly overtime assignments shall be offered to employees based on classification seniority, provided the employee is qualified to perform the work assigned. Vacant weekly overtime assignments may be assigned to employees by inverse order of seniority within the classification for the scheduled work assignment.
- i) Any employee, at the direction of the Employer, who is assigned to work in another classification, shall be paid at no less than the highest classification for which the employee is qualified for all hours worked for that day.

SECTION 6. MEALS AND REST PERIODS

- a) Meal periods shall be one-half (1/2) hour, which shall not be counted as time worked. Employees shall take their meal period between the 4th and 5th hour when scheduled on a eight (8) hour shift and between the 5th and 6th hour of work when scheduled on a ten (10) hour shift, or otherwise provided by applicable law.
- b) Employees will be eligible for two (2) fifteen (15) minute rest periods per regularly scheduled shift, one during the approximate middle of the first half of the shift, the second in the approximate middle of the second half of the shift. Employees who are required to work overtime and who are working an eight-hour shift shall be eligible for an additional fifteen (15) minute rest period two (2) hours after the completion of their regular eight hour shift, or as otherwise provided by applicable law.
- c) All employees shall be required to take an additional one-half (1/2) hour unpaid meal period if they work more than twelve (12) hours in any one day, or as otherwise provided by applicable law.

SECTION 7. WAGES AND CLASSIFICATIONS

	4-8-07	4-8-08	4-8-09	4-8-10	4-8-11
Drivers	\$18.41	\$19.01	\$19.61	\$20.21	\$20.81
Loaders	\$16.84	\$17.24	\$17.64	\$18.04	\$18.44
Merchandisers	\$13.35	\$13.70	\$14.05	\$14.45	\$14.85
Loaders hired after date of ratification:					
	\$16.75	\$17.00	\$17.30	\$17.60	\$17.90

Break-in Rates

80% above the rate for the first 90 days of employment.
90% above the rate after 90 days through one year.
100% thereafter.

- a) The break-in rate may be waived if the employee, in the Employer's judgment, has enough skills, ability, and experience to start at the full rate, or a rate between 80% and the full rate.
- b) Employees who advance to a higher paying position will have their total Company time count toward the fulfillment of the break-in period.
- c) The Union will be permitted to divert wage money into the Pension Plan contribution, up to a maximum of \$0.10 per contract year of this Agreement. The Union must notify the Company in writing at least sixty (60) days prior to the effective date of the new wage increase.

SECTION 8. SEASONAL MERCHANDISERS

The employer may hire seasonal merchandisers between May 1 and September 30 of each year. Seasonal merchandisers shall accrue seniority as seasonal employees separate from regular employees. This seniority is maintained for one seasonal period and shall not carryover to subsequent year(s).

The Company will provide notice to the union of seasonal openings for which referrals may be sent for

consideration. Seasonal merchandisers are not eligible for any benefits, except pension as outlined in Section 21 of this Agreement.

All appropriate wage scales will apply.

Seasonal merchandisers will be afforded an opportunity for regular positions that become available within three months of September 30. The employer maintains sole discretion for determining eligibility and qualifications without regard to seniority when considering seasonal merchandisers for any regular positions.

In the event a seasonal merchandiser is hired as a regular employee within three months of September 30, and the employee had worked 80 hours or more during the month of September, then the employee shall be entitled to health and welfare benefits the first of the month after the date of hire as a regular employee. However, there will be a six-month waiting period for all pre-existing conditions.

Eligibility for all other benefits will be determined by the date of hire as a regular employee, provided said employee had worked 45 working days as a seasonal merchandiser. If not, said employee must first work 45 working days from date of hire as a regular employee to determine eligibility for all other benefits.

SECTION 9. LEADPERSONS

The company may utilize the leadperson designation for any classification covered herein at its sole discretion. The position may be used for any shift and may be added or deleted from the workforce as business reasons necessitates. An employee who has been appointed to the lead position shall be paid an additional \$1.00 per hour for all hours worked during his/her shift.

SECTION 10. HOLIDAYS

The following days have been agreed upon holidays, and shall be granted without reduction in pay:

LABOR DAY NEW YEAR'S	LABOR DAY
PRESIDENT'S DAY	VETERANS' DAY
MEMORIAL DAY	THANKSGIVING DAY
FOURTH OF JULY	CHRISTMAS DAY
EMPLOYEE'S ANNIVERSARY DATE	EMPLOYEE'S BIRTHDAY

- a) Employee's birthday and anniversary date can be taken anytime after the respective date of occurrence through the end of the calendar year upon the mutual agreement of the Employer and employee. Both holidays must be taken in the year in which they occur, otherwise the Employer shall pay all unused holidays on the first period the following year.
- b) Work performed on said holidays shall be paid for at the rate of one and one-half (1-1/2) times the employee's regular straight-time rate of pay.
- c) In order to be eligible for holiday pay, employees must work the last workday before and the first scheduled workday after the holiday unless excused by the Employer. Illness/absenteeism shall not be considered 'excused by the Employer' for purposes of this section. Employees on layoff will be eligible for holiday pay if the employee works thirteen (13) or more days during the month in which the holiday falls.
- d) Holiday pay shall be eight (8) hours employee's regular straight-time hourly rate of pay.
- e) In order to be eligible for holiday pay, employee must have the probationary period defined herein.
- f) Holidays falling on a weekend may be observed on the preceding Friday or the following Monday at the option of the Employer.
- g) Holidays shall be paid holidays regardless of the day upon which such holiday falls. In the event a holiday as provided in this section falls on an employee's day off, Company at its option, may pay six (6) days pay at the appropriate classified straight-time rate

of pay for five (5) days work, or grant either the last workday preceding the holiday or the first workday following the holiday as the paid holiday.

- h) Time paid for but not worked, such as holidays, vacation, paid sick leave, paid funeral leave, and jury duty will be considered as time worked for the purpose of qualifying for holiday benefits except as provided for in Section 6 (C).

SECTION 11. NO PAY REDUCTION

No employee shall suffer any reduction in his straight-time hourly rate of pay because of the signing of this Agreement.

SECTION 12. VISITS BY UNION REPRESENTATIVE

Authorized representatives of the Union will be admitted to the Employer's premises at reasonable times to assist in the settlement of grievances and to observe the administration of the contract, with the understanding that they must inform the management personnel in charge of their presence prior to entering the premises and that their visits be conducted in a manner that will not interfere with the normal conduct of operations.

SECTION 13. PROBATIONARY PERIOD AND SENIORITY

- a) All new employees shall be considered as probationary employees for a period of (60) days worked and shall be employed for such time on a trial basis and shall be paid according to Section 5.
- b) During the probationary period, the Employer may discharge such employee at the Employer's option and said discharge shall not be subject to the provisions of the grievance procedure.
- c) Following the completion of the probationary period, the employee shall have seniority reverting to his original date of employment.

- d) The principal of seniority shall govern in all layoffs and recalls of employees, as hereinafter provided. Seniority shall be on a departmental basis. Departments for the purpose of this article shall be: (1) Drivers, (2) Warehouse/Loader (3) Merchandisers. When it becomes necessary to layoff an employee, the least senior employee in the affected department shall be the first to be laid off and the layoff shall continue in that order. Employees shall be recalled in the reverse order to that in which they were laid off.
- e) If an employee is laid off from his assigned classification by departmental seniority, such employee may exercise his departmental seniority previously earned in other departments, at the level of seniority achieved at the time of leaving such other department, provided he has had continuous service with the Company. It is understood that the employee may exercise such right only in the event of a layoff lasting five (5) consecutive working days or longer. A seniority employee who accepts a lesser paying job in lieu of layoff shall receive the basic rate and be required to work under the same conditions of the displaced employee.
- f) Seniority shall prevail in the reduction, layoff and restoration of employees, consistent with the ability of each employee to perform the work required as determined by the Employer. The most senior laid off employee shall be the first to be recalled provided he is fully qualified to perform the work available.
- g) Seniority shall be considered broken by:
- 1) Discharge
 - 2) Resignation
 - 3) Continual absence due to a non-industrial illness or injury or layoff for nine (9) months or more.
 - 4) Continual absence due to an industrial accident or injury for a period of fifteen (15) months or more, or an employee who is deemed to be a Qualified Injured Worker (QIW) and is unable to perform his usual and customary duties.
 - 5) Failure to return within seventy two hours of receipt of notice to report to work or failure

to immediately return to work upon the expiration of an approved leave of absence.

- 6) Unapproved absences (no call/no show) for three (3) consecutive scheduled days of work shall be considered a voluntary resignation.
- h) Seniority shall not be interrupted by approved leave of absence granted by the Employer, unless the employee accepts other employment while on said leave of absence.
- i) A copy of the seniority list shall be furnished to the Union, upon request, but not more frequently than once a year.
- j) When a job vacancy occurs, said vacancy shall be posted in the department where the vacancy exists, for a period of three (3) working days. Where a bid is received, the successful, qualified bidder will be assigned to the new position within two (2) weeks of the closing date of bidding, unless the Company has a valid reason for taking longer. Employees who secure a job through bidding shall not be allowed to bid again for a period of six (6) months. The Company shall be the sole judge of qualifications of employees.

SECTION 14. VACATIONS

- a) The employer agrees to grant the following vacations to all regular full-time employees. After one (1) year of service from the date of employment, consisting of not less than twelve hundred (1,500) working hours within one year, shall receive one (1) week vacation with full pay. Employees with two (2) years of continuous service shall receive two (2) weeks of paid vacation. Employees with five (5) years of continuous service shall receive three (3) weeks of paid vacation. Employees with fifteen (15) years of continuous service shall receive four (4) weeks of paid vacation. Employees with twenty (20) years of continuous service shall receive five (5) weeks of paid vacation.
- b) An employee shall qualify for vacation if on his anniversary date of employment he has work 1,500

hours or more straight-time hours during such anniversary year. After one (1) year of continuous employment, an employee who has worked a minimum of 1,040 straight-time hours but less than 1,500 straight-time hours shall be entitled to a pro-rated vacation on his anniversary date of employment based on a ratio of hours worked to a total of 2,080 straight-time hours.

- c) Vacations will be earned on January 1 of each year in the year the employee attained seniority, regardless of individual anniversary dates. During the first year of employment for new hires, the vacation days will be prorated from the employee's seniority date. All other eligibility requirements remain in effect.
- d) The Employer will determine the scheduling of vacations based upon each individual employee's seniority date. The employee may take up to a maximum of two (2) weeks vacation at one time. Extension beyond two (2) weeks must be mutually agreed to by the Company and the employee.
- e) Within a calendar year, the Employer shall block off eight (8) weeks from the vacation period, six weeks from May through September and the two—weeks of, and including, Thanksgiving and Christmas. The Employer will notify the employees at the time the vacation schedule is posted each year as to which eight (8) weeks will be blocked off and unavailable for vacation selection. The vacation list will be posted on November 1, and shall be bid accordingly.
- f) During the first two calendar weeks of November, the first one-fourth of the seniority list shall choose vacations for the following year. Any employee in the first on-fourth in choosing vacation not placing same on calendar during the first two weeks of November shall go to the bottom of the seniority list for choosing vacations. During the second two weeks of November, the second one-fourth of the seniority list shall choose. During the first two weeks of December, the third one-fourth of remaining employees shall choose vacations. The last two weeks of December, the remaining employees shall choose vacations.

- g) Vacation bids shall not be changed after January 31, except by mutual agreement. If an employee fails to sign-up during the posting period, the Employer will unilaterally assign vacations within sixty (60) days of the employee's anniversary date if operationally practical.
- h) Vacations with full pay shall be granted to all qualified employees as provided above, and shall be taken at a time mutually agreeable between the Employer and the employee, and in arranging vacations due consideration shall be given to the Employer so that his business shall not be crippled or otherwise affected due to too many employees being off the job for any reason at the same time.
- i) Any employee who has more than one (1) year of continuous service, and who leaves the Company, except for employees terminated in conjunction with the provisions outlined as Major Offenses in Paragraph D of Discipline/Discharge, is entitled to receive pro-rata compensation for any vacation privileges not used upon termination. The number of paid vacation days will be a percentage of the total vacation time, less the number of days already taken since January 1 of said year. The pay-out percentage will be on the basis of one-twelfth (1/12) of such privilege for each calendar month of employment following January 1.

SECTION 15. BONDS

Employees shall not be required to deposit a cash bond with the Employer. However, qualification for and/or continued qualification for a surety bond shall be a condition of hiring and/or continued employment.

SECTION 16. UNIFORMS

When the Employer requires his employees to wear uniforms bearing the Employer's trademark, the Employer shall furnish the employee with such uniforms without cost to the employee and the cost of upkeep shall be borne by the Employer. The uniforms shall remain the property of the

Employer. The company will provide one set of rain gear per year for employees in the "driver" classifications.

SECTION 17. JURY DUTY

- (a) The Employer shall reimburse an employee for any loss of wages caused when such employee is required to perform jury duty by paying the employee the difference between his regular straight-time hourly rate of pay and his jury duty pay.
- (b) If the employee is released from jury duty having served less than five (5) hours on said jury duty, he shall immediately report to work. The employee so released shall work at his straight-time hourly rate of pay for the number of hours which, taken together with his jury service, will total eight (8). The period of adjournment between the morning and afternoon court sessions shall be deemed time served on jury duty in those instances where the employee is required to report for the afternoon session.
- (c) Upon receiving notice of jury selection, the employee must report to work if he/she is on notice to call in during the time of the scheduled shift. If the employee is required to report for jury duty, the employer will allow the employee to leave without penalty of an attendance point.
- (d) Jury duty pay shall be applicable only to those employees who have successfully completed their probationary period.
- (e) Proof of service must be submitted by the employee to ensure payment of the difference between the regular straight time hourly rate and jury duty pay.

SECTION 18. FUNERAL LEAVE

- (a) When a regular full-time employee on the active payroll is absent from work for the purpose of arranging for or attending the funeral of a member of his immediate family as defined below, the Employer shall pay him for eight (8) hours at his regular straight-time rate of pay for each day of such absence up to a maximum of three (3) days provided the days of absence are days which the

employee would have been normally scheduled to work. In case of death of spouse, child, or parent, the employee shall be granted an additional two (2) days off without pay for funeral leave.

(b) A member of immediate family means spouse with whom the employee was currently residing at the time of death, children (natural, adopted or step), mother, father, sister, brother, grandparents, or mother and father of the current legal spouse. The Employer may require proof of the family relationship prior to payment for such leave.

(c) An employee shall qualify for funeral leave provided:

- (1) The employee notified the Employer of his absence prior to the first absence;
- (2) The day of absence is not later than the day of such funeral except where substantial travel time is required;
- (3) The employee, when requested, furnishes proof satisfactory to the Employer of the death, his relationship to the deceased, the date of the funeral and the employee's actual attendance at such funeral.

SECTION 19. SICK LEAVE

- a) Each seniority employee covered by this agreement who has been continually employed by the Company for at least one (1) calendar year shall thereafter be entitled to six days, forty-eight (48) hours at the employee's straight-time hourly rate of pay, sick leave with pay per year. A doctor's certificate or other reasonable proof of illness may be required by the Company as a precondition for the payment of such sick leave after two days of continuous absence. Sick leave shall be payable from the first day of absence. Unused sick leave may be accumulated from year to year up to a maximum of thirty (30) days (240 hours).
- b) An employee shall qualify for a year's credit of sick leave as defined above if on his anniversary date of employment he had worked 1,500 or more straight-time hours during such anniversary year. After one (1) year of continuous employment, an employee who has worked a minimum of 1,040 straight-time hours but

less than 1,500 straight-time hours shall be entitled to a pro rata sick leave on his anniversary date of employment, based on a ratio of hours worked to a total of 2,080 straight-time hours.

- c) Sick leave shall be integrated with Unemployment Compensation Disability benefits and Worker's Compensation temporary disability benefits so that the sum of the daily sick leave allowance here under and the benefits which may be payable to an employee, shall not exceed one hundred percent (100%) of the employee's regular daily wage at straight-time. If the sick leave pay allowable to an employee hereunder when so combined with any such State disability daily benefits received by the employee exceeds one hundred percent (100%) of his regular daily rate at straight-time for anyone (1) day, then such sick leave pay for that day shall be reduced accordingly. Any portion of the sick leave pay allowance not received by the employee by reason of any such reduction shall be retained in the employee's sick leave pay account as a part of his accumulated sick leave pay credits. The employee shall notify the Employer as soon as possible of his eligibility for S.D.I or Worker's Compensation benefits.
- d) In order to effect the integration with the S.D.I., all sick leave will be broken down from days of sick leave, as earned, to hours and such sick leave will be used and retained as hours of sick leave.
- e) All sick leave that is accumulated above thirty (30) day shall be paid to the employees on a separate check in January of the following year for eligible employees.

SECTION 20. HEALTH & WELFARE

Effective and thereafter, the Company will pay a portion of the cost of Medical/Dental/Vision insurance coverage for the employee and his eligible dependents. Eligible employees will be responsible for paying twenty-five (25) percent of the cost of the plan assessed through payroll deductions.

The contributions set for the herein shall be pre-taxed, therefore, coverage elections are subject to the restrictions of Section 125 of the Internal Revenue Code,

as set forth in Coca-Cola Enterprises Bargaining Employees Health and Welfare Plan.

Dependents are defined as follows:

- A wife or husband of an eligible employee.
- Any unmarried child from birth through age eighteen (18) or an eligible employee.
- An unmarried child under the age of twenty-four (24) of an eligible employee, if the child is a full time student.

The Company shall have the right to contract from time to time with whatever insurance carrier or service provider it deems appropriate to provide the above coverage provided the coverage is the same as or greater than existing coverage. All coverage hereunder shall be subject to compliance by the employee with the terms and conditions of any policies of insurance and rules and regulations hereunder. The descriptions set forth in this Section are informational only and the terms of the policies shall govern all eligibility and claims. If changes in the law increase the cost of the Benefit Plan, the Company reserves the right to re-open the Agreement for the purposes for negotiating Benefit Plan revisions and/or changes in employee contributions.

All regular full-time employees shall become eligible for coverage under the Health and Welfare Plan the first day of the month following eighty-four (84) calendar days after the date of hire.

1. An employee's Health and Welfare coverage shall cease as follows:

- a) In the event of an approved Military Leave of Absence, coverage shall cease one (1) year from the date of such leave. To continue coverage while absent from work for an approved Military Leave, an employee shall be required to make the contributions required of employees under the collective bargaining agreement.
- b) In the event of an occupational illness or injury, coverage shall cease after eight-four (84) days due to the illness or injury. To continue coverage while absent from work for an occupational illness or injury, an employee shall be required to make the contributions required of employees under the collective bargaining agreement.

- c) In the event of an employee qualifies for continuous unpaid leave under state and/or federal FMLA, coverage shall cease after eight-four (84) days due to the illness or injury. To continue coverage while absent from work for a qualified event, an employee shall be required to make the contributions required of employees under the collective bargaining agreement.
- d) In the event of a personal leave of absence, coverage shall continue for the duration of the personal leave of absence subject to durations defined herein. To continue coverage while absent from work due to a personal leave of absence, an employee shall be required to make the contributions required of employees under the collective bargaining agreement.
- e) In the event of layoff, termination, resignation, labor dispute or if an employee ceases to be an active employee for reasons other than illness, injury, layoff or approved leave of absence, coverage shall cease on the last day worked.
- f) After eligibility for coverage ceases, an employee shall be eligible for benefits continuation under CORBA.
- g) An employee who elects to opt out of the Company insurance plan shall receive \$600.00 per year allocated out each pay period. The Company reserves the right to require applicable documentation of coverage to qualify for this provision.

SECTION 21. PENSION

- a) Effective April 8, 2007, the contribution for the driver/loader classification to the Western Conference of Pension Trust Fund (WCTPTF) shall be increased \$0.10 per hour for a total contribution to the Western Conference of Pension Trust Fund and \$0.05 for the merchandiser classification.
- b) For probationary employees, the Employer shall pay an hourly contribution rate of \$0.10 (including PEER/84) per hour during the probationary period as defined in Section 13, but in no case for a period longer than ninety (90) calendar days from an employee's first date of hire. Contributions shall be made on the same

basis as set forth in this Article. After the expiration of the probationary period as defined in Section 13, but in no event longer than ninety (90) calendar days from the employee's first date of hire, the contributions shall be increased to the full contractual rate.

- c) The contributions required to provide the Program for Enhanced Early Retirement will not be taken into consideration for benefit accrual purposes under the Plan. The additional contributions for the PEER 84 must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.
- d) The above contributions will be paid for each hour for which an employee is required to be compensated including, but not limited to, full day guarantees, vacation, sick leave and jury duty. No contribution will be made on overtime hours.

Contribution Amounts

	<u>4/8/07</u>	<u>4/8/08</u>	<u>4/8/09</u>	<u>4/8/10</u>	<u>4/8/11</u>
Drivers/Loaders	\$1.64	\$1.74	\$1.83	\$1.93	\$2.02
PEER	<u>\$0.11</u>	<u>\$0.11</u>	<u>\$0.12</u>	<u>\$0.12</u>	<u>\$0.13</u>
Total Rate	\$1.75	\$1.85	\$1.95	\$2.05	\$2.15
Merchandisers	\$0.96	\$1.00	\$1.05	\$1.10	\$1.16
PEER	<u>\$0.06</u>	<u>\$0.07</u>	<u>\$0.07</u>	<u>\$0.07</u>	<u>\$0.07</u>
Total Rate	\$1.02	\$1.07	\$1.12	\$1.17	\$1.23

- e) The total amount due for each calendar month shall be remitted in a lump sum and not later than the twentieth (20th) day of the following month. The Employer agrees to abide by such rules as may be established by the Trustees of said Trust Fund to facilitate the prompt and orderly collection of such amounts, and the accurate reporting and recording of such amounts paid on account of the employees.

Failure to make the payment herein provided, within the time specified, shall be a breach of this Agreement.

- f) Upon receipt of monthly reports from the Trust office, the Employer shall post upon the bulletin board normally used for notice to employees, the names of employees and the amount of contributions made by the Employer as required by this Agreement.

Acceptance of Trust:

The Employer covered by this Agreement accepts the terms and provisions of the Agreement and Declaration of Trust, as now constituted or hereafter amended, establishing the Western Conference of Teamsters Pension Trust Fund and agrees that the Employer Trustees named in the Agreement and Declaration of Trust, are and shall be its representatives, insofar as the Pension Trust Fund is concerned. The Employer agrees to execute a subscriber agreement and consents to be bound by the acts and terminations of the Trustees, including, without limitation, the establishment, maintenance, modification and termination of the Pension Plan, the amount and type of benefits of individual employees, and the method of funding and paying the benefits.

SECTION 22. MANAGEMENT RIGHTS

- a) The Employer reserves the right to sell its' products and merchandise to anyone it desires, to be resold by the purchaser in any manner he chooses without restraint or any interference from the Union.
- b) It is agreed that all rights which are ordinarily vested in and exercised by the Employer, shall continue to vest and be exercised by the Employer; however, such functions shall not be exercised contrary to any provision contained in the Agreement or a law. The Employer agrees to bargain with the Local Union on subjects of mandatory bargaining.
- c) Without limiting the generality of the foregoing, the sole and exclusive rights of Management which are not abridged and/or prohibited by this Agreement, include, but are not confined to, the right to hire, to maintain order and efficiency, to establish

reasonable rules, programs and equipment, to determine the extent and nature of all equipment, to determine the methods of delivery, to determine the general operations and locations to the business, including the number of shifts, the maintenance and dispatch of delivery schedules, the quality and quantity of work and standards of workmanship, the assignment and transfer of personnel in conformity with this Agreement and to lay off for lack of work.

- d) Any disputes arising under this article shall be subject to the grievance procedure.

SECTION 23. NO STRIKE/LOCKOUT CLAUSE

During the period of this contract, the parties in the interest of continuing a harmonious labor/management relationship agree that there shall be no strike, no lockout, nor economic action of any kind whatsoever for the life of this Agreement. It is further understood and agreed that the Union and its elected or appointed officers and business agents agree that during the term of this Agreement they will exert every reasonable effort to prevent any unauthorized strike, work stoppage, slowdown, suspension of work or; interruption of work that shall occur; the Union and its elected or appointed officers or business agents shall exert every reasonable effort to bring about normal resumption of work.

SECTION 24. GRIEVANCE PROCEDURE AND BOARD OF ADJUSTMENT

The parties agree that they will promptly adjust all complaints, disputes, differences or grievances arising between them involving questions or interpretation of any clause or matter covered by this Agreement, that there will be no suspension of work on account of such differences and that an earnest effort shall be made to settle such differences promptly. The Company will write-up all discipline within ten (10) working days (excluding Saturdays, Sundays, and holidays of the occurrence or date of knowledge of the cause for discipline. In the adjustment of such matters, the procedure shall be as follows:

- (1) If the aggrieved party is an employee, he shall endeavor to adjust the matter with the Employer

within three (3) working days after the occurrence of the event out of which the grievance arose.

- (2) If the Employer and the employee are unable to agree, then the employee shall submit the grievance to the Union representative who shall endeavor to adjust the matter with the Employer within an additional three (3) working days.
- (3) If the Union representative and the Employer are unable to adjust the matter, then the Union shall submit the matter in writing to the Employer within ten (10) working days (excluding Saturdays, Sundays, and holidays) from the date of the occurrence of the event, and if not so submitted within ten (10) working days, the grievance shall be deemed waived unless expressly extended by mutual agreement.
- (4) Following receipt of the written grievance, the Facility Manager or designee, the Union Business Representative and the Company's Director of Human Resources or designee shall meet to resolve the issue or if mutual agreeable the parties will convene a Board of Adjustment. If resolution at this step is not accomplished, the asserting party must notify the other party within five (5) working days following the date of said meeting, of its intent to arbitrate. Failure to comply with the time limitations shall constitute a conclusive waiver of the grievance.
- (5) Following receipt of notice from the asserting party of its desire to proceed to arbitration, the parties shall endeavor to mutually agree upon an arbitrator. Failing to mutual agree upon an arbitrator, the asserting party shall request a panel of seven (7) arbitrators from the Federal Mediation-Affiliation Service and upon receipt of the panel, the arbitrator shall be selected by deleting the names alternately until one remains.
- (6) Any time limits for the processing of grievances as set forth above shall be deemed mandatory requirements and failure to comply with any or all

specified time limits shall result in the grievance being deemed waived unless expressly extended by mutual agreement.

- (7) It is understood that neither the Board of Adjustment nor the arbitrator shall have the right to alter, amend, delete or add to any of the terms of this Agreement.
- (8) Any dispute involving a wage claim must be submitted to the Employer or his authorized bargaining representative within thirty (30) days of the occurrence upon which the wage claim is based. Failure to file a grievance within the thirty (30) day period shall render the wage claim null and void.
- (9) Each party shall bear the costs of their committee members and witnesses for arbitration. All jointly incurred arbitration expenses shall be borne by the losing party.

Discharge/Discipline

- a) The Employer shall not discharge nor suspend nor take any disciplinary action with respect to any employee without just cause. The progressive discipline procedure shall normally include a verbal warning, a written warning, and a suspension prior to discharge. Employees shall not be required to sign written reprimands.
- b) No warning notice shall be held against an employee after one-year (1) from the date of issuance.
- c) The Company will notify the Local Union of any suspension or termination within three (3) days of the occurrence of such action by FAX, e-mail, or regular mail.
- d) Major Offenses--No written warning notice of complaint need be given to an employee before discharge or suspension in cases such as theft, intoxication, dishonesty, drinking while on duty, illegal use of narcotics, carrying of unauthorized passengers, gross insubordination or deliberate and malicious destruction of Company property or the

property of another employee, or any similar type of offenses.

SECTION 25. PHYSICAL EXAMINATIONS

- a) It is understood that the costs of any physical or eye examination required by the Employer or any Governmental agency, as a condition of employment, including Class A drivers license renewal, shall be borne by the Employer. It is also understood that if the Employer requires or schedules any physical examination during an employee's shift, said employee shall be compensated for all lost time.
- b) There shall be a drug testing requirement when an employee has a work related injury that requires medical treatment or when an employee has an accident involving moving equipment (vehicle, forklift, pallet jack, etc.), with the exception of minor accidents as determined by management.

SECTION 26. LEAVE OF ABSENCE

- a) Any employee desiring a leave of absence shall secure written permission from both the Local Union and the Employer. Except as otherwise provided in this Section, the maximum leave of absence shall be for ninety (90) days and may be extended by mutual agreement between the Union and the Employer.
- b) An approved leave of absence shall not result in the loss of seniority rights. The Employer also agrees to abide by all applicable state and federal laws, including the Family Medical Leave Act, in approving any request for a leave of absence due to an illness or injury.

SECTION 27. PLANT CLOSURES

In the event the Company makes the decision to close the current facility in Stockton, Ca. and open a new facility within the jurisdiction of Local 439, the work which will

be the same as that done in the current facility, employees at the current Stockton facility will be allowed to follow their work to the new facility and will retain all rights of seniority. In the case of a merger with another facility within the jurisdiction of Local 439 who is under contract with Local 439, employees will be allowed to follow their work and have their seniority integrated into the new facility.

SECTION 28. PERSONAL VEHICLES

No employee, as a condition of employment, shall be required to use his/her personal vehicle for the delivery of any beverage product. Employees who otherwise are required to use their vehicles to perform their normal duties shall be compensated at the current I.R.S reimbursement rate.

SECTION 29. DUES CHECK OFF

- a) Upon receipt of a written assignment and authorization signed by the employee on a mutually acceptable form, the Employer agrees to deduct the regular monthly Union dues for the subsequent month from the pay of such employees. The amount deducted shall be in accordance with the Union Constitution.
- b) Payment shall be made to the Union on or before the fifteenth (15th) day of the calendar month following the deduction.
- c) The provisions of this Section shall be effective only for those employees who have attained seniority with the Employer. An employee's deductions shall begin in the first calendar month following receipt of the authorization card by the Employer.
- d) Should the Employer not deduct dues from any employee's pay because of either insufficient earnings or absence for any reason during the deduction period, it will be the sole responsibility of such employee to make the required dues payment directly to the Union office.
- e) The Union shall indemnify and save the Company harmless against any and all claims, demands, suits,

legal proceedings, or other forms of liability that shall arise out of or by reason of action taken or not taken by the Employer for the purpose of complying with any of the provisions of this Section or in reliance on any assignment furnished under any such provision. The provisions of this Section shall be effective only in accordance and consistent with applicable provisions of Federal and State law.

SECTION 30. SEPARABILITY CLAUSE

The provisions of this Agreement are deemed to be separable to the extent that, if and when a court of last resort adjudges any provisions of this Agreement in its application between the Union and the undersigned Employer to be in conflict with any law, such decision shall not affect the validity of the remaining provisions of this Agreement, but such remaining provisions shall continue in full force and effect, provided further, that in the event any provision or provisions are so declared to be in conflict with a law, both parties shall meet immediately for the purpose of renegotiations and agreement of provision or provisions so invalidated. The Union agrees to hold the Employer harmless in any and all actions rising out of the Employer's compliance with any provisions of this Agreement.

SECTION 31. PROTECTION OF RIGHTS

- a) It shall not be a violation of this Agreement and it shall not be the cause for discharge or disciplinary action in the event an employee refuses to go through or work behind any lawful, sanctioned, primary picket line, including the lawful, sanctioned, primary picket line of the Union party to this Agreement, and including such picket lines at the Employer's place of business.
- b) For the purposes of this paragraph, a sanctioned picket line shall be one in which is sanctioned by Joint Council of Teamsters No.38 and approved by General Teamsters Local No.439.

SECTION 32. INDUSTRIAL INJURY

- a) An employee injured or re-injured on the job who is ordered by the industrial doctor not to return to work for the remainder of the day of injury or re-injury shall be paid for the full day.
- b) Should the employee require additional medical treatment, he must always attempt to have his follow-up medical treatment outside his normal work hours. However, when this cannot be done and in order to meet the medical treatment requirements and the employee must schedule an appointment during work hours, he will be paid for actual hours worked that day and it shall not be counted as an absence.

SECTION 33. TIMEKEEPING SYSTEM

- a) The Company shall provide and maintain a timekeeping system for employees covered by this Agreement and shall require all employees to register on it properly. The employee shall be equally responsible for accurate daily punching in and out of the timekeeping system.
- b) Merchandisers must check in and out for daily work assignments from a phone located at the first and last account respectively. It is expressly forbidden for an employee to utilize any other location or cell phone to check in or out for daily work. Furthermore, sign in and out (written verification by store management) at each stop is mandatory.

SECTION 34. TERMS OF AGREEMENT

This Agreement shall remain in effect from April 8, 2007 through and including April 7, 2012, and shall be considered as renewed from year to year thereafter, unless either party hereto gives written notice to the other of its desire to have same modified for the succeeding year, and such notice must be given at least sixty (60) days prior to the expiration date of the contract.

FOR THE UNION:

General Teamsters Local 439

By: _____
Phil Rushing
Date _____

FOR THE EMPLOYER:

Coca-Cola Bottling Co.
of California, Stockton

By: _____
Elvin Cota
Date: _____