

**ADDENDUM TO MASTER AGREEMENT
NESTLÉ USA, BEVERAGE DIVISION
WAVERLY, IOWA
MAINTENANCE DEPARTMENT**



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Preamble

The following Addendum is by and between Nestlé USA, Beverage Division, hereinafter called the “Company”, and Local Union No. 650 and the Central Region of Teamsters, affiliated with the International Brotherhood of Teamsters, hereinafter called the “Union”, and covers only those employees located at Waverly, Iowa.

This Local Addendum is hereby made a part of the Central States Area Contract dated January 1, 1997, between the Local Unions and the Central Region of Teamsters, affiliated with the International Brotherhood of Teamsters, and the Nestlé USA, Beverage Division.

It is further understood that no other operation except the above named operation of the Company shall be bound by the terms of this Addendum.

This Addendum shall be in effect from January 1, 1997, and shall remain in effect until December 31, 2001, and shall be subject to the reopening provision of the Master Agreement.

ARTICLE 1 - SENIORITY

1.1 There shall be a separate seniority list for Maintenance Department employees. Maintenance Department seniority shall be the same as plant seniority.

1.2 Employees who bid from the Production Department to the Maintenance Department shall establish seniority in the Maintenance Department, and shall continue to accumulate plant seniority. Such employees must complete a waiting period of five (5) years from date of transfer to the Maintenance Department before exercising bidding rights back into the Production Department. Employees desiring to bid within Maintenance must complete a waiting period of three (3) years before exercising bidding rights again. This limitation shall not apply to shift bidding.

a. New hires into Maintenance must complete a waiting period of five (5) years from date of hire before exercising bidding rights into the Production Department. New hires wishing to bid within Maintenance must complete a waiting period of three (3) years. This limitation shall not apply to shift bidding

1.3 Employees who bid from the Maintenance Department to the Production Department shall establish seniority in the Production Department, and shall continue to accumulate plant seniority. Such employees must complete a waiting period of one (1) year from date of transfer to the Production Department before exercising bidding rights again. Employees bidding into Production Department Wage Bracket IA must complete a waiting period of three (3) years and a two (2) year waiting period for Wage Bracket I. These limitations shall not apply to shift bidding.

1.4 Employees shall be laid off and recalled from the Maintenance Department in accordance with plant seniority.

1.5 Employees laid off from the Maintenance Department may exercise plant seniority to be transferred to a job vacancy in the plant provided the employee is qualified to perform the job.

1.6 It is recognized that all around mechanical skills are required for Maintenance Mechanic jobs in addition to the basic or primary skills required to perform the work. Therefore there shall be no jurisdictional limitations on work assignments. Any employee in the Maintenance classifications may be assigned to any work performed within the department consistent with each employee's skill, ability and experience. Any dispute regarding such assignment shall be subject to the Grievance Procedure.

ARTICLE 2 - HOURS OF WORK AND OVERTIME

2.1 The following shall apply when the plant or a portion of the plant is scheduled to operate on a five (5) day workweek.

- (a) Eight (8) consecutive hours, exclusive of lunch period, shall constitute a normal day's work. Forty (40) hours consisting of five (5) consecutive days of eight (8) hours each within the calendar week Monday through Friday shall constitute a normal week's work.
- (b) Shifts shall be identified as Shift #1, Shift #2, and Shift #3, with shift starting times to be:
 - (1) Shift #1 to start at 8:00 a.m.
 - (2) Shift #2 to start at 4:00 p.m.
 - (3) Shift #3 to start at 12:00 midnight.
 - (4) Work schedules for Saturday and Sunday shall be posted on Thursday whenever possible.

This Section shall not be construed as a limitation on the Company's right to change shift starting times as may be necessary as a result of changes in plant operating requirements. In the event it becomes necessary to change shift starting time, the Company will notify the Union in advance.

- (c) Time and one-half (1-1/2) shall be paid for all hours worked on Saturday.
- (d) Double time (2X) shall be paid for all hours worked on Sunday.

2.2 Premium pay provided for under this Article for hours worked on Saturday or Sunday shall be in lieu of any daily or weekly overtime for such hours.

2.3 Saturday, Sunday and holidays shall be considered as beginning at the same hours as the employee's first shift of the workweek for purposes of determining the application of premium pay, payable for those days.

2.4 (a) Employees shall be given a paid fifteen (15) minute lunch period as near the middle of the shift as possible. The fifteen (15) minute lunch period shall be considered as time away from the employee's assigned work area.

(b) Employees shall be given a fifteen (15) minute rest period as near the middle of the half shift as possible, consistent with operating requirements. The fifteen (15) minute rest period shall be considered as time away from the employee's assigned work area.

ARTICLE 3 - HEALTH AND WELFARE

3.1 The Nestlé USA Comprehensive Group Medical, Hospital, Dental, Vision and Life Insurance Plan shall be effective May 1, 1984. Benefits set forth in the booklet "Group Insurance Plans" shall remain in effect for the term of the addendum.

3.2 Employees will be required to make a monthly co-payment according to the following schedule (1997 - \$5, 1998 - \$10, 1999 - \$15, 2000 - \$20, 2001 - \$25).

3.3 The Company shall make contributions, in addition to the employee co-payment, for an employee who is absent because of layoff for the month in which the layoff occurred and for the month following the month in which the layoff occurred providing employee co-payment is made..

3.4 The Company shall make contributions in addition to the employee co-payment, for an employee who is absent because of non-occupational illness or accident for the month in which the absence occurred and for a period of six (6) months following the month in which the absence occurred providing employee co-payment is made.

3.5 The Company shall make contributions in addition to the employee co-payment, for an employee who is absent because of occupational illness or accident until one of the following occurs:

- a. The case is settled;
- b. The employee takes employment elsewhere;
- c. The absence exceeds two (2) years.
- d. The employee stops co-payment during absence.

3.6 If an employee is granted a leave of absence and desires to have insurance coverage continued, the employee must pay to the Company, prior to the leave of absence being effective, sufficient monies to pay the required contributions for the period of the leave of absence.

3.7 Employees who are eligible for Retiree Medical Benefits will be required as a condition of eligibility, to make a co-payment according to the following schedule (1997 - \$85, 1998 - \$90, 1999 - \$95, 2000 - \$100, 2001 - \$105).

3.8 When an employee is laid off in a week in which the month end occurs, the remaining days in that week will be considered as time worked for purposes of benefit qualification.

ARTICLE 4 - HOLIDAYS

4.1 The following shall be recognized as holidays for purposes of this Addendum:

New Year's Day	Day after Thanksgiving Day
Good Friday	Day before Christmas Day
Decoration Day	Christmas Day
Fourth of July	Day before New Year's Day
Labor Day	Floating Holiday
Thanksgiving Day	

(a) The Company will notify the Union and employees prior to January 15, of each calendar year regarding the day to be recognized as the floating holiday at each plant location.

(b) The above holidays shall be recognized on the calendar day in which the holiday occurs, except that holidays which occur on Sunday shall be recognized on Monday unless the holiday which occurs on Sunday is the first holiday of two (2) consecutive holidays, in which event the holiday shall be recognized on the day on which it occurs.

ARTICLE 5 - CLOTHING

5.1 The Company shall furnish gloves and aprons where necessary. Where required by the Company, uniforms shall be purchased and laundered by the Company.

ARTICLE 6 - WEEKLY DISABILITY BENEFIT PLAN

Effective January 1, 1988 employees shall not be eligible for Weekly Disability Benefits until eligibility for Sick Leave Benefits have been exhausted.

Former Sick Leave Plan to be amended to eliminate coordination of Sick Leave Benefits and Weekly Disability Benefits to equal forty (40) hours weekly pay.

6.1 The plan will pay a weekly benefit equal to 66 2/3% of the employee's straight time weekly earnings up to a maximum of two hundred sixty dollars (\$260.00) (fifty-two dollars [\$52.00] per regularly scheduled workday).

6.2 Benefits commence on the first day of disability resulting from accident or on the eighth day of disability resulting from illness.

6.3 The benefits will be payable for a maximum of twenty-six (26) weeks (six (6) months) for any one (1) period of disability. When successive periods of disability occur, such periods will be considered as separate periods, if the disability is due to unrelated causes or are separated by at least four (4) weeks of active work. If an employee commences benefits prior to being laid off, benefits will continue during the layoff period until the employee is released by their medical physician.

6.4 The following disabilities are not covered:

- (a) Periods of disability resulting from occupational illness or accident.
- (b) Periods of disability when the employee is not under the regular care of a legally qualified physician.
- (c) Periods of disability resulting from accidental bodily injury or sickness caused by act of war or by participation in a riot.
- (d) Periods of disability resulting from an intentionally self-inflicted injury.

6.5 Probationary employees are not eligible for this benefit plan.

ARTICLE 7 - JOB BIDDING

7.1 If a permanent job vacancy occurs in a job classification or a new job classification is created, it will be filled in the following manner:

- (a) The job to be filled will be posted for five (5) working days in the plant. The job posting will include the following information: Job classification, shift, rate, primary maintenance knowledge prerequisites, skill and experience requirements.
- (b) An employee must meet the established requirements for the job in order to qualify as a bidder. Section 1.9 and Section 1.10 of the Production Addendum shall not apply. In the event there are no successful bidders then the Company may hire a new employee to fill the new or vacant job.
- (c) If the Company decides that an employee does not meet established requirements, the Company decision shall be subject to review by the Union.
- (d) If the Union Committee disagrees with the Company decisions, and the Company implements the decision, the Union may submit the question to the next scheduled Joint Area Committee meeting.

- (e) Job related tests or aptitude tests may be given to employees who bid for maintenance jobs provided such aptitude tests meet prevailing validation requirements.
- (f) The terms of this Addendum are not intended to reduce the flexibility of the Company to maintain adequate job coverage on all shifts and jobs. The Company shall determine the number of employees needed for any particular job shift classification.
- (g) An employee who bids and is awarded a maintenance job will receive a reasonable amount of time to demonstrate ability to perform the job. If after this time the employee fails to meet the requirements of the job, the employee will be transferred to an available job in the Production Department providing there is a vacancy. If no vacancy exists, such employee will displace the most junior employee in a job the employee is qualified to perform.

ARTICLE 8 - WAGES

8.1 The schedule of jobs and their brackets and the wage adjustments for all brackets are contained in separate attachments hereto and by this reference are made a part hereof.

ARTICLE 9 - VACATIONS

9.1 The Company will post a schedule of anticipated vacation time allotments for each calendar year, prior to January 1. Earned vacations that are not required to be taken during scheduled shutdowns may be taken during these time allotments. Employees may bid for vacation time in accordance with anticipated vacation allotments. All bids must be submitted prior to February 1, of the calendar year. The Company will schedule vacations in accordance with bids received, in accordance with seniority, consistent with anticipated operating requirements; however, the Company will make final decisions respecting vacation allotments. The Company will then post the schedule prior to February 15. Thereafter, employees may request available vacation allotments, and the Company will recognize the requests in the order received. For purposes of vacation scheduling, the Company will determine which calendar year the last week of December shall apply.

9.2 Employees who fail to submit bids by April 1, will be scheduled for available vacation allotments at the Company's discretion.

9.3 In the event of changes in anticipated operating requirements, the Company may increase vacation allotments previously established, and employees may request to change previously scheduled vacation time. The Company will give as much advance notice of change in vacation allotments as possible. Employees desiring to request such an additional allotment must submit a request within seven (7) days following the Company notice.

9.4 Vacation pay shall include night premium on the basis of night hours scheduled between 4:00 p.m. and 8:00 a.m. for the week in which vacation is to be taken.

ARTICLE 10 - GRIEVANCE PROCEDURE

10.1 Grievance as used in this Article is limited to a complaint or request of an employee which involves the interpretation or application of the specific provisions of this Addendum or Master Agreement. Both parties agree to keep the grievance procedure free of non-meritorious grievances.

10.2 Grievances as defined in Section 10.1 shall be handled in the following manner:

Step 1

The employee shall inform their immediate supervisor of the specific nature of the grievance and their desire to discuss the issue. To receive consideration at this step the employee must inform their immediate supervisor within seven (7) days of the occurrence or knowledge of the alleged violation. Failure to do so shall cause the grievance to be considered invalid. If the grievance is timely, the supervisor shall schedule a meeting with the employee, the department manager, and if the employee so requests, a committee person, within two (2) working days of the request. After this meeting, the supervisor shall inform the employee and the committee person of the decision within two (2) working days.

Step 2

If the grievance is not resolved or withdrawn in Step 1 and the employee desires to appeal to Step 2, the employee shall reduce the grievance to writing stating the specific sections of the agreement allegedly violated, the facts surrounding the grievance and the remedy requested. This written grievance must be signed by the employee and presented to the employee's immediate supervisor within two (2) working days of the Company's response in Step 1. Failure to do so shall result in the grievance being considered settled in Step 1. If the grievance has been properly and timely appealed to Step 2, the supervisor shall submit the written grievance to the appropriate department manager for further handling. The Human Resource Manager and the department manager involved with said grievance will hear and decide the grievance within ten (10) days of the appeal. The grieving employee shall be represented by the designated committee person(s). The Company shall have the authority to schedule this Step 2 meeting as best suited to operational requirements and Union representative availability. The Company shall give its decision within ten (10) days of such meeting.

Step 3

If the grievance is not resolved or withdrawn in Step 2, it may be submitted to the Joint Area Committee. Grievances submitted to the Joint Area Committee shall be filed on forms furnished by the Central Region of Teamsters within (10) days of the date the Step 2 decision is received. Copies of grievance notices submitted to the Joint Area Committee will be sent to the following parties:

1. Central Region of Teamsters
Food Processing and Dairy Division
8750 W. Bryn Mawr Avenue, Suite 500
Chicago, Illinois 60631

2. Nestlé USA, Beverage Division
Manufacturing Human Resources Manager
800 N. Brand Blvd.
Glendale, California 91203

10.3 Any decision reached by the majority of the members of the Joint Area Committee shall be final and binding on the parties.

10.4 Time limits set forth in this Article may be extended by mutual agreement between the respective representatives of the Company and Union.

LOCAL UNION NO. 650, AND THE
CENTRAL REGION OF TEAMSTERS
AFFILIATED WITH THE INTERNATIONAL
BROTHERHOOD OF TEAMSTERS

NESTLÉ USA,
BEVERAGE DIVISION
WAVERLY, IOWA

For the Union

For the Company

Plant Manager

WAVERLY IOWA
MAINTENANCE DEPARTMENT

REGULAR EMPLOYEES
WAGE RATES

BRACKET I	<u>1-1-97</u> \$13.78	<u>1-1-98</u> \$14.13	<u>1-1-99</u> \$14.63	<u>1-1-00</u> \$14.88	<u>1-1-01</u> \$15.13
TEMPORARY EMP.	<u>1-1-97</u> \$ 7.03	<u>1-1-98</u> \$ 7.03	<u>1-1-99</u> \$ 7.03	<u>1-1-00</u> \$ 7.03	<u>1-1-01</u> \$7.03

WAVERLY, IOWA
MAINTENANCE DEPARTMENT
JOB CLASSIFICATIONS

BRACKET I Maintenance Mechanic - Electrical
 Maintenance Mechanic - General
 Maintenance Mechanic - Packaging
 Maintenance Mechanic - Machinist

In setting forth the above classifications, it does not mean that it is necessary to have full-time employees in each classification.

MEMORANDUM OF UNDERSTANDING

This memorandum confirms the procedure to be followed for employees who request and are granted a leave of absence due to physical inability to perform a job which has become available as a result of a reduction or increase in the work force.

The affected employee shall be required to complete the attached request for consideration for a leave of absence. The request will be reviewed by the Company and either approved or not approved taking into consideration the requirements of the job or jobs listed by the employees and the physical limitations or disabilities of the individual employee. The request will then be forwarded to the Union for further review. Upon agreement by the Union, it will return one signed copy to the Company. This request, if approved, shall then remain in effect until revoked in writing by the employee or the Company.

The Company will make Health and Welfare contributions, in addition to the employee co-payment as listed in 3.2, for the month in which the employee is placed on leave of absence and the month following the month in which the employee is placed on leave of absence, providing employee co-payment is made.

This understanding shall not be construed to apply to any leave of absence granted for any reason other than approved leave of absence due to physical inability to perform a job which has become available as a result of a reduction or increase in the work force.

This Memorandum of Understanding shall remain in effect for the duration of the Master Agreement dated January 1, 1997.

For the Union Local No. 650 and the
Central Region of Teamsters
affiliated with the International Brotherhood
of Teamsters

Nestlé USA,
Beverage Division
Waverly, Iowa

For the Union:

For the Company:

By _____

Plant Manager

Date _____

Date _____

In the event of layoff or recall from layoff in accordance with seniority, I do not wish to be assigned to the following job(s) because I am unable physically to perform the work.

I am requesting that in the event of layoff or recall from layoff and the above listed job(s) are the only job(s) available, that I not be assigned to the job, and that I be considered for a leave of absence until my bid job is available, or until another job may become available for which I may be qualified and/or able to perform, or until I revoke this request in writing to the Company. In the event that my physical inability to perform this type of work is related to a medical condition which necessitated the services of a medical doctor, I understand that I will be required to submit medical evidence in support of this contention and in support of a contention that I am unable to resume such work.

Signed _____ Date _____
Employee

The Company has reviewed this request and the physical requirements of the above listed job(s) and it has been determined that this employee is physically able _____ unable _____ to perform the duties of the job(s).

The request is approved _____ not approved _____

Signed _____ Date _____
Nestle USA, Beverage Division
Dry Mix Division

Approved:

_____ Date _____
Local Union No. 650, and the Central Region
of Teamsters, affiliated with the International
Brotherhood of Teamsters

MEMORANDUM OF UNDERSTANDING

OVERTIME DISTRIBUTION PROCEDURE

1. DEFINITIONS

- (a) Scheduled overtime is defined as overtime which is posted on the employee schedule.
- (b) Unscheduled overtime is defined as overtime not posted on the employee schedule.
- (c) Employee's bid job is defined as the job the employee holds as the result of being awarded the job in accordance with the bidding procedure, has been permanently assigned to the job, or has been hired into the job.
- (d) Qualified employee is defined as an employee who has previously satisfactorily performed the job as a result of having;
 - 1. Held the job as a bid job.
 - 2. Been assigned and scheduled on the job.
 - 3. Been hired into the job.

2. PROCEDURE - MAINTENANCE DEPARTMENT

It is recognized that special skill, ability, and experience may be required for performing maintenance work. Accordingly, overtime will be assigned on the basis of skill, ability and experience necessary to perform the work.

(1) (a) Scheduled Daily Overtime:

In the event more than one employee classified as General mechanic possesses the necessary skill, ability and experience; scheduled overtime will be rotated on a daily basis according to seniority, beginning with the most senior employee.

(b) Scheduled Weekend Overtime

Crews will be established on the basis of a balance of skills and ability required to perform the weekend maintenance work. The maintenance crews will be rotated on a weekly basis. In the event the weekend maintenance work necessitates employees in addition to the regular crew, such employees will be assigned in accordance with seniority and rotated.

(2) **Unscheduled Overtime:**

(a) **Daily**

Unscheduled daily overtime will be offered to the most senior employee possessing the necessary qualifications assigned to the shift where the overtime is available.

Employees in the classification Package Mechanic will be scheduled in accordance with the skill, ability and experience required to perform the work involved.

(b) **Weekend**

Unscheduled weekend overtime will be offered to the most senior employee possessing the necessary qualifications, beginning with employees whose bid shift is Shift No. 3, except that overtime which becomes available after 8:00 a.m. will be offered to employees on the shift where the overtime is available.

(c) **Work in Progress**

When a work assignment has been started but remains unfinished at the end of a work shift and said work in the judgement of the Company would require overtime to complete, the Company will give the overtime opportunity necessary to complete such work in progress to the employee who is already working this assignment before (2) (a) (b) is applied.

(3) **Requirements to Work Overtime**

Employees are required to work overtime as assigned.

- (a) In the event circumstances necessitate that overtime work be performed and the Company is unable to assign the overtime to employees as designated above, because such employees are not available, then the overtime will be assigned to an available employee considered by the Company to be best qualified to perform the work.
- (b) Employees who are in a training period for a job will not be eligible for overtime assignment within that job until the training period has been completed unless the overtime is used as part of the training period.

3. OVERTIME ASSIGNMENT ERRORS

- (a) In the event the Company inadvertently makes an error in the assignment of overtime, the error will be corrected by future overtime assignment to the first affected employee who notifies the Company of the error. The overtime assigned to the affected employee shall be scheduled overtime. The assignment will be made within thirty (30) days of the error and the affected employee will be paid at the overtime rate of the original assignment.

- (b) An affected employee who has reason to believe that his lack of overtime assignments may have been the result of a pattern of favoritism or harassment by a supervisor, may request a review of the circumstances involving the assignments. In the event it is proved that the assignments were affected thereby, the employee will be paid an amount equal to the actual number of hours worked during the last overtime assignment.

This Memorandum of Understanding shall remain in effect for the Term of the Master Agreement dated January 1, 1997.

Local Union No. 650
and the Central Region
of Teamsters, affiliated with the
International Brotherhood of Teamsters

Nestlé USA,
Beverage Division
Waverly, Iowa

By _____

Plant Manager

Date _____

Date _____

May 27, 1997

Darrel Buchholz
Teamsters Local 650
P.O. Box 2426
Waterloo, IA 50704

Dear Darrel:

RE: Letter of Understanding - Master Agreement, Article 5 - Leave of Absence

The following Letter of Understanding is being presented in an effort to resolve the issues surrounding the Company's proposed language changes to Article 5 of the Master Agreement. The proposed changes were made due to a number of positions being vacant for more than six (6) months while employees remained on leave of absence. This forces the Company to fill these vacancies with either displaced employees or by using overtime, causing in some cases undue hardships on fellow employees.

The objective is to fill the position in the most economical and productive manner until said employee returns from leave or is removed from the seniority list.

AGREEMENT

It is agreed upon that when a job remains vacant due to an employee's leave of absence which is more than six (6) months, the Company may fill such position with a qualified person. If no qualified employee is available, the Company may fill the position through assignment from available employees who, in the sole judgment of the Company, would be best qualified to fill the position until said employee returns from leave or is removed from the seniority list. If the latter, said job will be filled through the job posting procedure and the employee assigned to the job would be reassigned to their bid job.

For Example:

1st shift Lift Truck Operator has been on a leave of absence for six (6) months. There are no qualified Lift Truck Operators available to fill the position. The company does have a Bulk Products Handler available and assigns the employee to fill the position. This employee was chosen due to already driving a lift truck which minimizes the training costs and maximizes the skills already learned to productively perform the tasks of the position.

Agreed upon by:

Darrel Buchholz
Teamsters, Local 650
Waterloo, Iowa

Date

William E. Simonis
Nestlé USA - Beverage Division
Waverly, Iowa

Date