

**AGREEMENT**

**between**

**PACTIV CORPORATION  
City of Industry**

**and**

**UNITED FOOD AND COMMERCIAL WORKERS' UNION  
Local No. 1167**

**TERMS OF AGREEMENT**

**March 1, 2007 – February 28, 2011**

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## **AGREEMENT**

**THIS AGREEMENT, made the first (1<sup>st</sup>) day of March 2007, by and between PACTIV CORPORATION – CITY OF INDUSTRY, located at 14505 Proctor Avenue, City of Industry, California, 91746 (hereinafter referred to as the “Employer”) and the UNITED FOOD & COMMERCIAL WORKERS’ UNION, LOCAL 1167, affiliated with United Food & Commercial Workers’ International Union (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, said parties do agree with each other as follows:

#### **ARTICLE 1 – RECOGNITION AND UNION SECURITY**

A. The Union shall be the sole bargaining representative of the Employer’s production, maintenance, shipping and receiving employees, located at 14505 Proctor Avenue, City of Industry, California 91746, but excluding supervisory, office clerical, professional, guards and other employees, in all matters of collective bargaining.

B. All employees shall, as a condition of employment, pay to the Union the initiation fees and periodic dues lawfully required by the Union. This obligation shall commence on the thirty-first (31<sup>st</sup>) day following the date of employment by the Employer who is signatory to this Agreement, or the effective date of this Agreement, or date of signature, whichever is later.

#### **ARTICLE 2 – CHECK OFF**

A. The Employer shall deduct from the pay from each employee all Union dues that include initiation fees, assessments, and weekly dues as they respectively become due and payable. Deduction shall be made only upon the employee’s delivery to the Employer of a written authorization to do so. All deductions shall be forwarded to the Union no later than the tenth (10<sup>th</sup>) day of the month following the month in which such deductions were made.

B. 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 this Article.

#### **ARTICLE 3 – HOURS OF WORK**

A. The workweek begins at 7:00 AM Monday and ends at 7:00 AM the following Monday. The workday is a 24-hour period running from 7:00 AM one day to 7:00 AM the following day. The workweek and workday may be different for some individuals or departments. 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 workweek to include any five (5)

consecutive days in the workweek defined above, with the exception of a single shift schedule which may have staggered days to accommodate a 4<sup>th</sup> shift, 24/7 schedule. Any work performed beyond eight (8) hours in any day, and forty (40) hours in any workweek, shall be paid at the rate of one and one-half (1 ½) times the straight time hourly rate.

B. Double time (this twice the hourly rate) will be paid under the following conditions: Working on the seventh (7<sup>th</sup>) consecutive day in any workweek schedule and provided that the employee has worked forty (40) hours in the workweek and at least eight (8) hours on the sixth (6<sup>th</sup>) consecutive day of work and, for all hours worked beyond twelve (12) hours in any shift.

Note: If an employee is released from work for Company convenience prior to eight (8) hours of work on their sixth (6<sup>th</sup>) consecutive day of work, and has at least forty (40) straight time hours worked in the rest of the week, they shall qualify for double-time on the seventh (7<sup>th</sup>) day.

C. All work performed on Sunday shall be subject to a premium of one dollar (\$1.00) per hour. The Sunday premium shall be paid in addition to any other overtime and shift premium provisions of this Agreement.

D. Nothing in this Article should be construed as a guarantee of hours of work.

#### **ARTICLE 4 – MINIMUM SHIFT**

A. An employee reporting on his regular shift who has not been notified that there will be no work available for him, shall be guaranteed a minimum of four (4) hours work or the equivalent of four (4) hours pay at his straight time rate. The Employer, at no reduction in the regular hourly rate of the employee, may assign such employee to whatever work is available during these four (4) hours. The payment provided for herein shall not be required where Acts of God or conditions beyond the control of the Employer prevent it from providing work or prevents the giving of notice to employees not to report.

B. In the event of a 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 an event, each such employee shall be paid not less than four (4) hours at his straight time hourly rate. The Employer, at no reduction in the regular hourly rate of the employee, may assign such employee to whatever work is available during these four (4) hours. For the purpose of this Agreement, "downtime" during the work day is compensable.

C. An employee called back to work after leaving the plant at the end of his work shift, or called to work on a non-scheduled work day shall receive, in such instances, a minimum of two (2) hours of pay, at his current hourly rate. It is agreed that employees in the Maintenance Department who are required to be on call for non-scheduled work days and/or holidays shall receive two (2) hours pay, at their regular rate, per each non-scheduled work day and/or holiday. These hours shall be considered as time worked for the purposes of calculating overtime.

## ARTICLE 5 – WAGES

A. The classifications and minimum hourly rates of pay under this Agreement shall be as set forth in Appendix A which is attached hereto, and is expressly made a part of this Agreement.

B. The Employer shall grant the following increases to all employees with the exception of newly hired employees who have not completed their probationary period:

Effective March 5, 2007	3% wage increase for all classifications.
Effective March 1, 2008	3% wage increase for all classifications.
Effective March 1, 2009	3% wage increase for all classifications.
Effective March 1, 2010	2.5% wage increase for all classifications.

C. Employees continuing in their job classification after receiving the starting rate who continue to make normal progress will receive a twenty-five cents (\$.25) per hour increase periodically until they reach the top wage rate of their classification. The periodic increases will occur in sixty (60) day increments, unless such increases are tied to completion of Company required training. If training completion is required, then such increases will be granted to employees in the first full pay week following the successful completion of training.

Note: If a test is required to establish qualifications in a classification, and an employee fails the required test, the employee will not qualify to receive the sixth (6<sup>th</sup>) day incremental increases addressed above. The employee will qualify to receive the incremental increase upon successful completion of the required test, and at such time the employee will begin receiving the incremental increase from the date of the passed test. Employees will be given reasonable opportunities to take the required tests and employees will be allowed to retake a failed initial test two times (for a total of three attempts) within a sixty (60) day period. Employees who do not pass the required tests within the sixth (6<sup>th</sup>) day period will be disqualified from the position.

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

E. There shall be a twenty-two cents (\$.22) per hour, per employee, bonus in addition to the regular rate of pay for each hour worked on the second (2<sup>nd</sup>) shift (swing) of any work day. There shall be a thirty-two cents (\$.32) per hour, per employee, bonus in addition to the regular rate of pay for each hour worked on the third (3<sup>rd</sup>) shift (graveyard) of any work day.

F. Any employee who is assigned to lead work responsibility shall be considered a Team Lead person and shall be paid seventy cents (\$.70) per hour above the maximum of the rate range of the employee's regular job classification. Team Lead positions may be filled at the Company's discretion by assignment subject to the employee's willingness to accept such assignment. Team Leads may be used in any department where lead duties are desirable. Team Leads will perform regular duties in addition to their lead duties. Team Lead positions may run for indefinite periods of time and may be filled or vacated at the Company's discretion.

Note 1: Team Lead persons shall not have the authority to discipline employees.

Note 2: If a Team Lead is assigned on a regular basis to a position they find undesirable, the Team Lead will be allowed to relinquish the Team Lead position and return to the classification and shift they held prior to assuming the Team Lead role if their seniority is such to allow them to do so. If their seniority is not sufficient to allow such a move, then the Team Lead will be allowed to bump the least senior employee in the Team Lead's previous classification if their seniority is sufficient to do so. If the Team Lead does not have sufficient seniority to bump the least senior employee in their previous classification, the Team Lead will be allowed to move to a Packer position. Team Leads who choose to relinquish the Team Lead position retain no rights to move back to the Team Lead position at any time.

G. For the purpose of calculating holiday, vacation, funeral leave, and overtime pay, an employee's straight time hourly rate shall be defined to include shift bonuses and Lead person bonuses to the extent they are being paid to the employee at the time such pay is due.

H. In the event of an overpayment of wages to an employee through clerical error, and, provided the Company acts promptly upon discovery of such error, the Employer will recover the overpayment through a reasonable repayment schedule. The maximum period the Employer may "go back" to recover an overpayment shall be six (6) months. Only the repayment schedule shall be subject to the grievance and arbitration process.

I. Employees who are receiving rates that are higher than their classified rate as contained in the contract shall not receive across the board increases until their rates become equal to the rates contained in the contract. Employees who are red-circled on the date that the contract calls for an across the board wage increase will receive a lump sum equal to two thousand eighty (2080) hours times their red-circled rates times the percentage increase granted across the board. Such lump sums do not roll up or increase any other benefits such as overtime.

J. Where it is mutually agreed that an employee has not been paid properly, the employee shall be paid the following week after the Company and the Union agree on the discrepancy, but no later than the second (2<sup>nd</sup>) week.

K. Effective August 1, 2002, the Employer has the option of bi-weekly payroll and mailing checks directly to employees' home. Direct deposit is available when authorized by the employee.

## **ARTICLE 6 – SENIORITY**

A. 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 six (6) months.

B. 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.

C. Newly hired employees of the Employer, except the Maintenance employees, will have a sixty (60) calendar day probationary period. Maintenance employees will have a ninety (90) calendar day probationary period. By mutual agreement of the Employer and Union, the probationary period of any employee not making normal progress may be extended an additional thirty (30) calendar days; however, the employee shall acquire all other rights and benefits of the Agreement beginning with the extension starting date. For employees who satisfactorily complete the probationary period, their seniority date becomes their employment date. If two (2) or more employees have the same date of employment, the one (1) with the lowest clock number is the most senior. Termination of an employee in their initial probationary period, which does not include any extensions, is not subject to the grievance and arbitration process.

D. Reductions in Force – Layoffs and Recalls

1. If the workforce is to be either reduced or increased, the Company will attempt to provide notice to the employees and the Union of the impending layoff or recall as soon as possible. Failure to notify either group will have no effect on the layoff or recall, or the Company's right to layoff or recall. The resulting layoffs will be on the basis of their plant seniority provided the employees being retained or recalled are qualified to immediately, without further training, perform the functions necessary to the efficient and safe operation of the plant. Employees will be recalled in the reverse seniority order in which they were laid off, provided the employees being retained or recalled are qualified to immediately, without further training, perform the functions necessary to the efficient and safe operation of the plant.

Note a: Maintenance employees will be exempt from bumping by an employee in any other classification affected by a layoff or recall. Further, an employee may not bump up to a higher-rated job classification to avoid being laid off or when being recalled. If qualifications are relatively equal, when the Employer decides to reduce the number of employees regularly assigned to that job classification, the least plant seniority employee will be affected. If the employee in the affected classification has sufficient seniority he or she will displace the least senior employee in any lower rated classification he or she previously held on a regular basis and satisfactorily performed, or the least senior Packer. The employee displaced by the affected employee will follow this same procedure until the last displaced employee is laid off or placed in an available opening.

Note b: Employees in Maintenance classifications will be recalled to their department in seniority order, as long as the recalled employee has the required skills and ability to immediately perform the required work.

Note c: Recalled employees will be given a short "refresher" period, not to exceed three (3) days, to familiarize themselves with the position, if they are being recalled to a position in which they did not leave but are qualified to perform at the time of the recall. If, in the opinion of the Company, a recalled employee cannot successfully demonstrate the ability to perform the

functions necessary to the efficient and safe operation of the plant, which may include passing an operational test, the employee will be placed back on the layoff list in seniority order.

2. Employees who are laid off shall individually notify the Company immediately of any changes of address. Such notification shall be given to the Human Resources Department in writing at the City of Industry office. Failure to provide such notice may preclude an employee from being recalled.
3. Temporary employees will not be utilized if employees are on layoff unless the work to be done is temporary in nature and the employees on layoff have been given an opportunity to perform such work. If no current employees are available to perform such work then temporary workers may be utilized by the Company while permanent employees are on layoff.
4. If an employee utilizes their seniority to bump to a lower classification, they will receive the top rate of the job to which they bump or their current rate of pay, whichever is lower. The rate will be effective at the time the employee begins working in the new classification.

E. Job Openings. When the Employer decides to fill a permanent opening in a job classification, a job opening notice will then be posted as follows:

1. The job opening will be posted for ten (10) calendar days.
2. The job posting will indicate the job classification, rate of pay, qualifications (the qualifications are intended to reflect in general the duties of the job posting and are not intended to be interpreted as being all-inclusive), number of openings and shift.
3. A copy of each posting will be provided to the Union at the time of the initial posting.
4. Prior to permanent filling, during such a posting period, the Employer may assign an employee temporarily to the opening. Such temporary assignments shall not exceed forty-five (45) days. The successful bidder will be moved to the new job within forty-five (45) calendar days.
5. During this period, employees who wish to be considered for the vacancy shall submit their names to Human Resources on the Job Bid form. The employee's signature on the Job Bid form will be binding on the employee to accept the position if offered.
6. Where skill, ability, knowledge and experience related to the work of the job classification are relatively equal in the judgment of the Employer, the senior applying employee will be appointed.

7. Employees who are unsuccessful bidders will be informed of that fact and the reason why they were not selected.
8. In the event the Company determines there is no present employee who is qualified to fill a vacancy, then the Company may fill such vacancy by hiring from another source.
9. The Company will attempt to move employees in a timely fashion in accordance with changing operating needs and the administrative requirements of the promotion and transfer.
10. The employee shall be given a reasonable period to qualify for the job. Should the incumbent fail to qualify within a reasonable amount of time as determined by the Company, the employee will be transferred back to his/her original classification at the rate at which the employee would have been if not promoted to the higher classification.
11. Any dispute arising under this Article shall be subject to the grievance procedure.
12. An employee may change his or her job classification to a job classification with a higher top rate of pay through the posting procedure no more frequently than once each six (6) months except as provided below.

An employee may change his or her job classification to a job classification with the same or lower top rate of pay through the job posting procedure or through a voluntary demotion no more frequently than once each twelve (12) months except as provided below. Employees who exercise this option will immediately drop to the top of the lower classification's pay rate when they begin work in that classification.

The restrictions in movement to other job classifications shown above do not apply to cases in which the Company reduces the number of employees regularly assigned to a job classification or to cases of mutual agreement between the Employer and the Union.

13. Under normal circumstances, an employee transferred or promoted to a new job classification with a starting wage rate higher than the employee's present wage rate, will immediately begin being paid at the starting rate of the new classification. If the starting rate of the new, higher classification is actually lower than the employee's present wage rate, the employee continues at their present wage rate and receives periodic increases based on sixty (60) day increments or meeting the training/testing requirements of the position, until such time as they reach the maximum rate of the classification. If, through the job posting procedure or the layoff/recall procedures, an employee enters a job classification with a top wage rate lower than the employee's present wage rate, the employee will begin receiving the top rate for that lower rated classification when they begin work in that classification.

14. It is understood, however, that where such transfers or promotions to jobs in a higher labor grade are made under circumstances where the employee so transferred or promoted does, in the judgment of the employer, exceed the minimum requirements of the job classification, then such employee may be assigned a rate higher than the minimum rate for such classification.
15. Employees working in a lower paid classification who are temporarily transferred to a higher paid classification for which they are qualified shall be paid the minimum rate of the classification they are transferred to, or receive a fifty-cent (\$.50) premium above their current pay rate for all hours worked in the higher paid classification or, if the employee previously held the classification and was fully qualified to perform the work, they would receive the previous rate they held while in the bid position, whichever is higher. This premium will not exceed the top rate of the job the employee is temporarily working, and if it does, then the rate is capped at the top rate of the classification.

Note: If an employee is temporarily transferred to a higher rated position for the purpose of training that requires testing to establish qualifications, the employee must have passed the required testing procedures in order to qualify for the higher rate of that position. If the employee has not passed the required testing procedures, the employee will continue to receive their regular rate of pay for the first thirty (30) working days in the higher classification. After thirty (30) working days in the higher classification, the employee will be moved to the minimum rate of the higher classification and will maintain that rate for time worked in that job until such time as they successfully complete the required testing procedures. Employees will be given reasonable opportunities during the training process to take the required tests, and employees will be allowed to retake a failed test two times (for a total of three attempts).

F. Maintenance Department – Entry and Training.

1. Entry into the Maintenance Department effective following the ratification of this Agreement will be either by assignment, provided the employee is agreeable to such assignment, or by hiring from outside. Vacancies in the Maintenance Department will be posted for ten (10) working days, and the job requirements will be listed on such posting. The following criteria, among others, may be used in the selection of Maintenance Department personnel:
  - a. Company designated maintenance aptitude, interest, job performance and skills evaluation test.
  - b. Physically able to perform all types of plant maintenance work.
  - c. Willing and able to perform elevated work.
  - d. Willing and able to regularly work overtime and emergency call-in or call-back work.

- e. Willing and able to take formal trade school courses as selected by Management and to take such courses on a continuing basis.
  - f. Must have satisfactory safety record, as determined by the Company.
  - g. Must have no more than five (5) attendance points at any time during the application process.
  - h. If all of the qualifications are equal, plant seniority will be the deciding factor on selection for entrance into the Maintenance Department for plant employees. If the Company determines that no current employees meet the qualifications necessary to fill the open position, the Company may hire from outside the plant.
2. Following March 1, 2007, employees that are newly placed in the Maintenance Classification Training Grades 1 through 3 must advance through the three (3) training grades or be disqualified. Time spent in each training grade will be approximately as follows:

Training Grade 3 – Third Year  
Training Grade 2 – Second Year  
Training Grade 1 – First Year

An employee with obvious maintenance skills may be advanced at a faster rate. Advancement through the training grades will be based on Management's judgment of the employee's maintenance skills and job performance.

Employees disqualified from the Maintenance Department within their first forty-five (45) days in the program will be returned to their previous classification. If the employee is disqualified following their initial forty-five (45) day period, then the employee will be allowed to bid back into the plant into vacant positions, or will be allowed to move into the Packer classification, at the starting Packer rate, if there is a position available. If there are no positions available in the Packer classification, the employee will be placed in a layoff status, subject to all the terms and conditions such status requires under this Agreement.

Note: Employees entering the Maintenance Department who are new to the Company are subject to a ninety (90) day probationary period, as found in Article 6(C) of this Agreement. Probationary period employees who do not successfully complete their probationary period will be terminated, and are not subject to the provisions noted in the paragraph above.

3. Maintenance employees may take or be required to take formal trade school courses applicable to the plant maintenance work. Such courses must be approved by Management, in writing, prior to enrollment. The Company will pay

for tuition, books and supplies (but not for time spent at such courses) only after successful completion of said course, which shall mean a grade of "C" or better for courses that are graded, or a "pass" for courses which are "pass/fail".

Section Note: Employees interested in entering the Maintenance Department may indicate their interest by signing the job posting. An employee, who, in Management's judgment, does not satisfy the criteria of paragraph A above, may be disqualified from testing and/or selection.

G. Seniority shall be terminated under the following circumstances:

1. Voluntary Quit.
2. Discharge for cause.
3. The employee has been off work because of any reason, except for military service (subject to the Uniformed Services Employment and Reemployment Rights Act of 1994) or layoff, for a period equal to their length of service or twelve (12) consecutive months, whichever is less. This may be extended by up to three (3) months by the Company on a case-by-case basis depending on an anticipated return date. In no case will the total allowed time out of work exceed fifteen (15) months.
4. Been on layoff for more than sixteen (16) consecutive months.
5. Failure to return at the end of a leave of absence.
6. Failure to return to work within ten (10) calendar days of the mailing date of the recall notice sent by the Employer. 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 forty-eight (48) hour period shall maintain his seniority rights. The Employer shall call said employee for the next opening, consistent with the provisions of this Article.
7. Falsifying reason for a leave of absence.

H. Overtime. Employees are responsible for covering overtime in their own job classification. The Employer will post a voluntary overtime sign up sheet on which employees may write their desire to work overtime consecutive with their shift in their classification and other classifications in which they are fully qualified. As soon as practical before the overtime is to occur, the supervisor, or his or her fill-in, will assign the overtime to the senior volunteering employee in the classification in which the overtime will occur. If there have not been enough volunteers from this classification, a fully qualified volunteer from another classification who volunteered his/her name on the sign up sheet may be assigned. Employees may only volunteer and be selected to work overtime in a classification other than their current

classification; if no employees from that classification volunteer. An employee may only work overtime in a different classification, for which they are qualified, if there is no need for volunteers in their present classification. If there is an insufficient number of volunteers, the junior employee or employees if more than one (1) is necessary with the required skills, in the classification and department, on the designated shift must accept the assignment. If the overtime assignment above would require the junior employee to work beyond twelve (12) hours, the overtime will be performed by the next employee in the reverse seniority order subject to the same conditions above.

Note: When the Employer schedules work on an employee's day off or holiday, and an employee accepts the work on said day, his duty to the Employer is the same as it would be on a regular workday and subject to the same rules. Except, however, the Employer will attempt to notify the employee no later than twenty-four (24) hours prior to scheduled overtime and similar notice for holidays and non-scheduled work days. Employees who sign up for overtime which has not received final approval and that is to follow their scheduled day(s) off or is to occur on their day off are required to verify the need for such overtime by contacting their supervisor at least one (1) hour prior to the start of the anticipated overtime. If the overtime is not needed and the employee has failed to verify the schedule, the employee will not qualify for any reporting pay.

I. Transfers. If an employee is temporarily transferred for any reason to a lower rated classification, then he should receive the higher rate of pay for a period of thirty (30) days. Thereafter, if said employee is retained in the lower paid classification, he shall receive the hourly rate of pay applicable to the said lower rated classification.

J. Temporary Transfers. To provide for flexible and efficient operations, temporary vacancies of up to twelve (12) consecutive weeks which the Company determines are necessary to fill, may be filled with any employee. Temporary vacancies which exceed twelve (12) consecutive weeks will be filled by posting a temporary bid, which shall be awarded to the senior employee based on seniority and qualifications. Employees who bid into a temporary position under this Article will be required to return to their previous position, if their seniority and skills allow, when the employee who vacated the temporary position returns to work. If the employee is unable to return to their previous position because their seniority does not allow such a move, the employee will be allowed to exercise the same rights as if he or she were subject to a layoff, as covered in Article 6(D).

K. Temporary Employees.

1. The Employer temporarily uses individuals from various agencies to cover vacations, leaves of absence, and periodic increased workloads. These individuals are not employees of the Employer.
2. Each agency temporary person may be used for no more than one hundred and twenty (120) consecutive calendar days.

3. Agency temporary personnel will not be utilized to displace or deny promotional opportunities to regular employees, but may be used to reduce the need for required overtime by regular employees.
4. Agency temporary personnel will not be used if an employee is pending layoff and can perform the required work.
5. Regular employees on layoff will first (1<sup>st</sup>) be given an opportunity to return for temporary work before an agency temporary individual is used. Rejection of the opportunity to return to work temporarily by the regular employee will not alter that employee's recall status.
6. Upon request, the Employer will notify the Union at intervals of thirty (30) days or more of the status of agency temporary personnel.
7. The requirement of thirty (30) days employment by the Employer prior to Union membership is waived if the person has performed agency temporary assignments in the plant for thirty (30) days or more.
8. Agency temporary personnel will wear badges or similar items identifying them as such.

L. Creation of New Job Classifications.

If a new job classification is created, or a current classification is significantly modified, the Company may establish an initial or new rate for such classification and, if requested by the Union, shall after no more than ninety (90) working days of job experience, negotiate with the Union for a permanent rate for such classification. Such negotiated rate will be retroactive to the date that the job was established. If the negotiation of such rate reaches an impasse and the parties are not able to reach a mutual agreement, the matter shall be immediately submitted for mediation by the Federal Mediation and Conciliation Service (FMCS) or another alternative dispute resolution process that may be agreed to by the parties. If this process does not resolve the issue, the rate discussion will be deferred to the next regular negotiation of the Labor Agreement.

Note: To provide for greater flexibility in the workforce, the term "job classification" often encompasses a wide variety of different "jobs". Such jobs may require significantly different skills, abilities and job requirements even though they are placed within the same job classification at the same rate of pay. This section does not apply to a newly created job that, in the Company's opinion, falls within the scope and is to be included in an established job classification. If the Company adds a new job classification or adds a new position to a current, existing classification, the Company will inform the Union of such addition(s). If requested by the Union, the Company will agree to discuss any additional classification(s) or positions(s) prior to establishment of the classification(s) or position(s).

## ARTICLE 7 – HOLIDAYS

A. New Year's Day, All President's Day, Good Friday, Memorial Day, Fourth (4<sup>th</sup>) of July, Labor Day, Veteran's Day, Thanksgiving Day, Friday after Thanksgiving Day, the Day before Christmas Day and Christmas Day, are recognized holidays and shall be paid at the employee's straight time hourly rate.

Holidays in a continuous seven (7) day department shall be observed on the actual calendar date of the holiday. The following applies in all other departments. When a holiday falls on a Saturday, the holiday will be observed on the preceding Friday; when a holiday falls on a Sunday and Monday, the holiday will be observed on Monday and Tuesday; or, on Friday and Saturday, the holiday will be observed on Thursday and Friday; or, should the holidays fall on a Saturday and Sunday, the holiday will be observed on the preceding Friday and the following Monday.

B. 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, two times (2x's) their straight time hourly rate for all hours worked.

C. Pay for Holidays Not Worked.

1. An employee who is not required to work on a holiday shall be paid holiday pay for that holiday equivalent to eight (8) hours at his regular straight time hourly rate. The employee will be ineligible to receive pay for the unworked holiday if:
  - a. The employee has failed to complete all scheduled hours of work on both his last scheduled workday before the holiday and his first scheduled workday after the holiday.
  - b. The employee has failed to work at least one (1) day in the workweek in which the holiday falls, except when the employee is on vacation.
  - c. The employee is on strike or locked out.
  - d. The employee is scheduled to work on a holiday and fails to work as scheduled.
  - e. The employee is on layoff or inactive status and is granted his earned vacation during a week in which a holiday falls, he will not qualify for holiday pay as provided in paragraph A of this section. However, an exception to this will occur when an employee is about to be subject to a layoff, but is able to go directly from a work status to a vacation status instead of being laid off.

2. An employee absent from work who qualified for Funeral Leave or Annual Military Training benefits will qualify for holiday pay; however, such holiday Pay will be used to offset payments due under these benefits.

D. 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 a holiday.

E. A holiday where the employee qualifies for holiday pay shall be considered as time worked for the purpose of computing overtime.

**ARTICLE 8 – VACATION**

A. The vacation year shall be a calendar year starting January first (1<sup>st</sup>).

**Full Vacations.**

1. Vacation earning begins after completion of one (1) year of service as a regular, full time employee of the Company. From that time forward, vacation is earned at one twelfth (1/12) the vacation eligibility amount for each complete month of active employment (not to include time off work for leaves of absence of any kind) in the calendar year. The chart below shows vacation eligibility for completed years of service. Such full vacation will be earned on January first (1<sup>st</sup>) each year to be taken between January first (1<sup>st</sup>) and December thirty-first (31<sup>st</sup>) and will be based on the completed years of continuous service by the employee as of January first (1<sup>st</sup>) according to the following schedule:

<u>Years of Service</u>	<u>Amount of Vacation</u>
1 Year	40 Hours
2 years through 6 years	80 Hours
7 years through 14 years	120 Hours
15 years through 24 years	160 Hours
25 years or more	200 Hours

2. An employee will be eligible for one (1) week (40 hours) of vacation when they work past their first anniversary. An employee shall be eligible for the additional week of vacation starting the following January first (1<sup>st</sup>) when he has worked past his 2<sup>nd</sup>, 7<sup>th</sup>, 15<sup>th</sup>, and 25<sup>th</sup> employment anniversary date.
3. Vacation pay for full vacations will be based on the employee's regular straight time classification rate, including the applicable shift premium and Team Lead bonus. One (1) week of vacation will be based on a forty (40) hour week. Employees will be given their vacation pay in their regular paycheck.
4. If an employee utilizes all of their vacation during the year and leaves the Company's employment thereafter, the employee will be required to reimburse the Company for the portion of their vacation that was taken but not yet earned during

that calendar year. Anytime the Company advances vacation to the employee, that employee shall be required to sign a written agreement, on a form approved by the Department of Labor, stating that if the employee leaves the Company's employment prior to the end of the year, the employee will be required to reimburse the Company for the portion of his vacation that was taken but not earned during that calendar year.

5. Earned vacation hours will be rounded to the nearest hour. In the application of the above, the earned hours shall not exceed the hours eligible under paragraphs one (1) and two (2) above.
6. Allowed vacation must be taken in the year of eligibility. Hours not taken shall be paid out and not carried forward to the next year unless agreed to in writing by the Company.

B. Vacation pay shall be paid at the beginning of the vacation periods, if requested in writing by the employee. This will only apply to full week requests. If the employee does not request early vacation pay, then such pay shall be in the regular pay cycle. Employees who are terminated or who quit will be paid all earned vacation regardless of the cause of termination. Vacation pay will not be counted as time worked for purposes of computing overtime.

C. Employees shall receive an additional day's pay for each holiday that falls during a vacation period.

D. The following process will be used to schedule vacation:

1. On October fifteenth (15<sup>th</sup>) of each year the Company shall post a notice requesting employees entitled to vacations to specify their choice of vacation period in line with their plant seniority. Employees will be allowed to schedule only full weeks of vacation during this period of time, and are required to schedule all mandatory full weeks of vacation during this period. Employees will not be allowed to submit seniority based scheduling requests with the Human Resources Department for the following year after December fifteenth (15<sup>th</sup>). Such lists shall be posted December thirty-first (31<sup>st</sup>). These assignments may be modified, changed or cancelled by the Company as determined by business needs. The approved list shall cover the period from January first (1<sup>st</sup>) through December thirty-first (31<sup>st</sup>) of each year. Employees who schedule their vacation during this period will have their vacation schedule established as a preferred period, and shall be the last vacations cancelled or moved if necessary.
2. Employees who request single day vacations after January first (1<sup>st</sup>) will be scheduled on a first-come, first-serve basis, subject to Management's approval. Employees will be restricted to scheduling their single day vacations no more than ninety (90) days in advance of the intended day or days. Employees will be restricted to a total of eighty (80) hours of single day vacation, if they have a minimum of eighty (80) hours of allotment. Employees who schedule vacation

under #2 will be the first vacations cancelled if necessary. Cancellations will be by seniority.

3. Employees must provide at least thirty (30) days notice to cancel any scheduled vacation.
4. The Employer reserves the right, during any year, upon thirty (30) days notice, to shut the plant down for a one (1), two (2), or three (3) week period at which time eligible employees will be assigned their vacation period, with the exception of employees employed in any department required to work during that period who shall take their vacations on an individual basis by mutual agreement between the employee and the Employer. Such individual selection shall be in accordance with the preference of the employees, subject to seniority, provided, however, that the Employer may limit the number of persons in any department who can be on vacation at any particular time.
5. Employees are allowed to only schedule and/or take vacation in weekly increments, with the exception that employees with at least eight (80) hours of vacation will be allowed to schedule eighty (80) hours of individual daily vacations, in eight (8) hour blocks, during the calendar year.

E. Employees entitled to more than two (2) weeks vacation shall take the third (3<sup>rd</sup>), fourth (4<sup>th</sup>), and fifth (5<sup>th</sup>) weeks at a time mutually agreed upon, which may not be consecutive with their other vacation. However, the Employer will make an effort to grant allowed vacation consecutively.

F. In all cases, the scheduling of vacation is at the discretion of the Company and vacation schedules must be approved by the Company prior to the taking of the vacation time. Vacation schedules are subject to change based upon the business needs. The Company will attempt to provide as much notice as possible to employees whose vacation is being changed or cancelled.

G. Pay in Lieu of Vacation.

1. Pay in lieu of vacation may be granted to an individual employee at the employee's option. Holiday pay is not added to vacation paid for under this section. Employees who exercise this option do not receive time off for the vacation which is paid. The Company reserves the right to accept or deny this request.
2. Employees who request pay in lieu of vacation must do so on the Pay In Lieu Of Vacation form and return the form to Human Resources. Such vacation, if granted, will be paid in the employee's regular paycheck. Pay in lieu of vacation will be paid at the employee's regular hourly rate including shift differential and Team Lead pay, if applicable.

3. Employees who wish to request pay in lieu of vacation may request up to fifty percent (50%) of their allotted vacation between January first (1<sup>st</sup>) and June thirtieth (30<sup>th</sup>). The employee may request the remaining fifty percent (50%) of their allotted vacation from July first (1<sup>st</sup>) through December thirty-first (31<sup>st</sup>).

### **ARTICLE 9 – LEAVES OF ABSENCE**

A. Leaves of absence up to sixty (60) calendar days, without loss of seniority and without pay, may be granted (except for gainful employment elsewhere) by the Human Resources Manager or his designee. All leaves of absence must be requested in writing, and presented to the Human Resources Manager or his designee. The Union will be notified in writing of any such leaves granted.

1. The employee will give five (5) days notice prior to the required effective date of the leave of absence, except under emergency conditions.
2. Leaves of absence shall be provided in accordance with the California Family Rights Act, the Family Medical Leave Act, and the California Pregnancy Leave Act, so long as such laws are in effect. Family and Medical Leave (FMLA) for which an employee is eligible or becomes eligible during the absence period, is used concurrently with other leaves of absence granted by the Employer unless prohibited by law. The Family and Medical Leave hours available are calculated by counting backwards twelve (12) rolling months from the present absence. Employees applying to use FMLA for reasons other than their personal serious illness must use up to five (5) eligible vacation days before the FMLA becomes effective. Employees granted a non-FMLA medical or personal leave of absence must use all available vacation pay prior to being approved for a leave of absence.
3. In no way shall the combined time off for medical and/or personal leaves of absence in any two (2) consecutive years exceed the employee's total length of service or one (1) year, whichever is the lesser, unless authorized in writing by the Company.

Notwithstanding the limitations as to the length of leaves of absence provided herein, leaves of absence due to occupational injury may be extended to a maximum of fifteen (15) months for those employees who have two (2) or more years of accumulated service.

Leaves of absence due to occupational injury for those employees who have one (1) year but less than two (2) years of accumulated service may be extended to seven and one half (7 ½) months.

B. Leaves of absence for illness, including maternity, shall be confirmed by a doctor's certificate. During such leave, all other rights and benefits such as tenure, insurance eligibility, and seniority shall be continued as under other leaves of absence. All Leaves of Absence that may be eligible for FMLA may be administered through a 3<sup>rd</sup> party provider.

1. In no case shall a leave of absence be permitted for a longer period than is provided under the general leave of absence policy, of one (1) year.
2. The employee shall give the Employer at least five (5) calendar days notice before returning to work.
3. Unless otherwise prohibited by Federal or State leave laws, the Employer reserves the right to require the employee to submit to a medical examination at the Employer's expense prior to returning to work. The examination and findings of the doctor or on-site OHN will be limited as to the fitness of the employee to return to his or her regular work assignments.
4. The Employer may require up to five (5) working days notice before scheduling an employee back to work from an approved leave of absence. Employees returning to work from a medical leave must deliver, to the on-site OHN, a complete medical release which must include the employee's anticipated date of return to work.

C. Requests for leaves of absence shall be in writing on a form provided by the Employer, who shall aid any employee in completing such form. The form shall include the requested time off, the date of expected return, and the reason for the leave.

Note: If an employee is going to make a request for an extension of a leave of absence, the request must be made by the employee in writing to the Human Resources Department, and the request must include the requested extension time and the expected date of return. The Company shall either accept or reject the request, and if it is accepted, the Company will provide a written authorization to the employee. A copy of such written authorization for leaves of absence or extension of leaves of absence shall be given to the employee and a copy mailed to the Union.

D. Union Leave.

Upon two (2) weeks advance notice to the Employer, the Employer agrees that employees will be allowed the necessary period of leave, not to exceed two (2) weeks within a calendar year, without pay, to attend conventions, meetings, etc. Such leaves shall be limited to no more than four (4) employees total at any given time. In departments with ten (10) employees or less, only one (1) employee will be released under this agreement.

Note: The two (2) weeks of leave referred to in this section does not apply to the negotiating committee when in session to negotiate the Labor Agreement.

E. Funeral Leave Pay.

1. To be eligible for funeral leave pay, employee must have completed his probationary period.

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) consecutive days of paid funeral leave within a period of fourteen (14) consecutive calendar days beginning with the date of the death, provided he returns to work after such absence, subject to all the conditions of paragraphs 1, 2, 3, and 4 of this section. One (1) of the days must be the day of the funeral.

NOTE: Employees may make a written request to the Human Resources Department to allow for non-consecutive days off for funeral leave. The written request must include the reasons for the request, the relative's name and date of death, as well as the anticipated date of the funeral. Such requests will be reviewed by the Human Resources Department and employees will be provided with a response to their request as soon as possible, but not later than seventy-two (72) hours. If the Company denies the request, the Company will provide the employee with written justification of the denial. Employees continue to be limited to their three (3) days of funeral leave under this Note.

3. For the purposes of this section, immediate family is defined as only including the employee's husband, wife, mother, father, son, daughter, sister, brother, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparents, grandchildren and current step-parents.
4. Funeral pay may be contingent on the employee furnishing proof of death.

## **ARTICLE 10 – HEALTH, WELFARE, HOSPITALIZATION & PENSION RETIREMENT FUND**

### A. Group Insurance Programs.

1. The Group Insurance Program for bargaining unit employees at the Pactiv City of Industry plant is a separate document and shall remain in effect during the term of this Labor Agreement. This plan shall include medical coverage, dental coverage, vision coverage, life insurance and AD&D. Pactiv reserves the right to unilaterally modify any of the benefit plan provisions at any time, including but not limited to changing carriers, changing benefit levels, and/or modifying employee contribution levels or amounts. Employees will be required to contribute twenty percent (20%) of the premium costs for their Health and Dental benefits, which will be adjusted each January to reflect the increase or decrease in the premium costs.

The employee's contribution shall be made on a pre-tax basis.

2. The Employer' group insurance plan shall also provide Life Insurance and Accidental Death and Dismemberment (AD&D) Insurance in the amount of twenty thousand dollars (\$20,000) to its eligible employees. The Employer shall pay the full cost of this benefit during the term of the Collective Bargaining Agreement.

3. Dental Plan. The Employer shall provide dental insurance benefits to its eligible employees and their eligible dependents. The dental insurance plan's summary plan description is incorporated by this reference into the Collective Bargaining Agreement.

The Employer will continue paying its eighty percent (80%) medical and dental contributions up to six (6) months for disabled employees who cannot work at the plant or for a period equal to length of service for employees with less than six (6) months of service. Employees will be required to continue to pay their portion of the premium, and any employee who fails to make their required contributions will have the insurance ended, and the Company obligation to continue to contribute to the insurance will be nullified.

4. Vision Plan. The Company will offer a vision plan at the open enrollment period for all hourly City of Industry employees in 2007, and for the year 2008. This plan will be 100% employee paid, and will be the same plan which is offered to the salaried staff.

B. Insurance Providers and Coverage Changes.

The coverages found in "A" above may be provided under one or a combination of the following as determined by the Company: (1) a self-insured arrangement maintained by the Company, or (2) a contract with one or more insurance carriers, HMOs, PPOs, or other health care provider system, network or alliance. The selection of a specific PPO, HMO, insurance carrier, network or alliance will be at the Company's option and may be changed by the Company during the term of the Labor Agreement. Pactiv reserves the right to unilaterally modify any of the benefit plan provisions at open enrollment time each year, including but not limited to changing carriers, changing benefit levels, and/or modifying employee contributions levels or amounts. City of Industry employees will be offered the Standard Medical and Dental plans, and any changes made to the City of Industry medical or dental plans will be consistent with changes to the Standard Medical Plan.

- C. Pension Retirement Fund. On August 1, 1978, the Employer agreed to join and be bound by all of the provisions of the Agreement of Trust of what is now the Employer's – Local 1167 Joint Pension Fund, which is hereby part of this Agreement, including any modifications or amendments thereto and further agreed that the Trustees are authorized to represent the parties to this Agreement and the employee beneficiary thereto.

1. Effective August 1, 2000, the Employer shall increase his contribution to a total of thirty cents (\$.30) per hour for all hours worked. The following increases to the Pension Fund will be made:

On April 1, 2007:	Increase contribution by \$0.10/hour
On March 1, 2008:	Increase contribution by \$0.09/hour
On March 1, 2009:	Increase contribution by \$0.09/hour
No Increase in 2010	

2. It is agreed that the above obligation exists without the necessity of executing any additional written instrument.
3. All payments required by this Article 10 shall be made on or before the fifteenth (15<sup>th</sup>) of each month covering the preceding calendar month. The Employer will provide a statement showing the names of the employees and their hours during the month for which the payments are made upon request of the Trustees.
4. In any event, in addition to any and all remedies herein provided, if the Employer fails to make payments of such monies, the Trustees or the Union shall be authorized on behalf of the workers to institute suite and recover all such payments which will become due and payable hereunder from the Employer after one (1) week's default in payment, irrespective of the cause thereof.
5. The Union shall have the right to examine the payroll records, social security and withholding tax and unemployment insurance returns of the Employer for the purpose of verifying the correctness of the payment remitted by the Employer or to determine the amounts due from the Employer hereunder.

D. Employer's – Local 1167 Joint Pension Fund.

1. The Employer's - Local 1167 Joint Pension Fund hereby certify that the Trust is in compliance with all applicable State and Federal regulations and that copies of all filings with the Department of Labor and Internal Revenue Service of the Trust Indenture, Employer on the dates required by law.
2. At no time shall the Trustees permit the Pension Fund to subject the contributing Employers to surcharges, excise tax, or any other penalties unless required by law. In the event the Pension Fund ever is determined to be endangered or critical under the terms of the Pension Protection Act, the Company shall have the right to re-open the provisions of this Article to negotiate what Rehabilitation Plan (RP) or Funding Improvement Plan (FIP) schedule to adopt, and how to pay for any possible surcharges or contribution increases. In the event an agreement cannot be reached within forty-five (45) days, the parties agree that the default schedule shall be adopted.

E. Savings Plan (401K). Effective May 1, 2007, the Employer agrees to match fifty-percent (50%) of each employee's contributions to maximum of two (2%) Employer match for the employee. Employees may contribute from one-percent (1%) to sixteen-percent (16%). No waiting period for present employees with one (1) or more years of service to participate. New hires and present employees with less than one (1) year of service must

have one (1) year of service. Employees vest in Employer contributions at twenty-percent (20%) per year for five (5) years. Employee contributions are before tax. Employer contributions will be made in conjunction with the requirements set forth in the plan.

### **ARTICLE 11 – INJURY ON THE JOB**

A. In an employee is injured while employed by the Employer, he or she shall be allowed a 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.

B. For each injury on the job wherein the employee is not able to return to his/her regularly scheduled shift, the employee will be paid at his/her regular rate for all regularly scheduled hours absent, due to the injury, on the date of the injury.

C. The Employer may use an onsite Occupational Health Nurse (OHN) for case management purposes, to administer basic First Aid, to administer emergency First Aid, and to assist employees with rehabilitation. In addition, the OHN may be used for general care, to provide information to the Corporate Medical Director, as well as the administration of drug and alcohol tests.

### **ARTICLE 12 – MANAGEMENT RIGHTS AND RESPONSIBILITIES**

A. Except as in this Agreement otherwise specifically and expressly (but not by inference or implication) provided, the Employer retains the exclusive right to exercise its legal and customary functions of management including, among other things, the following functions which are recognized as belonging exclusively to the Employer: The right to hire, fire (subject to the terms of the Agreement), direct and schedule the working force; to plan, direct and schedule operations; to discontinue or reorganize or combine any department or branch or operations regardless of any consequent reduction or other changes in the working force; to lay off in accordance with the seniority provisions of this Agreement; to promote, to transfer, to discipline, or dismiss employees for just cause; to determine the products to be manufactured or handled and the plant or facility at which they are to be manufactured or processed; to establish reasonable production schedules; to introduce and/or improve methods, processes, and means of production; to assign employees to work and designate the duties of the employees; to establish and maintain standards; to maintain efficiency; to determine general business practices and policies, to determine the number of employees it shall employ at any time and the qualifications necessary for any job it has now or creates in the future; and to make any decisions which, in the opinion of management, the efficient operation of the plant requires and in all respects, to carry out the ordinary and customary functions of management, whether or not exercised by the Employer prior to the execution of this Agreement.

B. The failure of the Company to exercise any function, power or right reserved or retained by it, or the exercise of any power, function or right in a particular manner shall not be deemed a

waiver of the right of the Company to exercise such power, function, authority or right or to preclude the Company from exercising the right in some other manner so long as it does not conflict with the express provision of this Agreement.

### **ARTICLE 13 – DISCIPLINE, DISCHARGE, AND SHOP RULES**

A. No employee shall be discharged, suspended, or disciplined except for just cause. Just cause shall include, but not be limited to, being under the influence of, or the use or possession of alcoholic beverages or narcotics on the premises; habitual or excessive tardiness; excessive absenteeism; chronic illness or continuing inability to perform job functions; misappropriation or misuse of the Employer's or another's property; falsification of time records or time cards; gambling or fighting on the premises; refusal to follow supervisor's orders; insubordination; possession of weapons; leaving the job or work area during working hours without permission; interference with other employees on the job; jeopardizing the safety of employees; use of the Employer's property without permission; smoking in areas or at times when smoking is prohibited; disclosing confidential information; negligence or intentional destruction of the Employer's property; incompetence, violation of posted rules, and violations of the Critical Safety Rules.

B. Subject to the subsection of C hereof, the Employer may continue and may from time to time make such rules and regulations as it may deem necessary and proper for the conduct of its business, provided however that the same are not inconsistent with any of the expressed provisions of this Agreement. Employees shall observe such rules and regulations.

C. Except for mandated Safety Rules, the Employer shall give the Union advance written notice to any rules or regulations the Employer hereafter proposes to adopt, which shall concern the conduct of employees and which may subject any employee to penalty for non-compliance therewith.

Note: If the Union does not advise the Employer within two (2) weeks of receiving such notice of its disapproval or approval of such proposed rule or regulation, such proposed rule or regulation may be put into effect at the expiration of such two (2) week period.

D. It is agreed that any employee regularly employed by the Company shall not perform work for companies competing with Pactiv, except by specific authorization from Pactiv. Violation of this provision shall be grounds for immediate dismissal. The decision as to the penalty for violation of this provision shall not be subject to the grievance and arbitration procedure. The union may arbitrate the factual question of whether or not there was a violation of this provision, but the arbitrator has no authority under this Agreement to set aside the Company's disciplinary decision if the employee is found to be in violation of this provision.

E. The Company expressly reserves the right to test employees to detect the presence of illegal drugs, prescription controlled substances which have not been prescribed by a registered physician, or alcohol. Such test will be administered when a reasonable suspicion exists and observation of performance suggests that an employee is under the influence of such substances. Under the influence will be defined as having a detectable level of illegal drugs or

prescription controlled substances and four-one hundredths (.04%) blood alcohol. Refusal to submit to the test will be grounds for discharge. Employees will be required to submit to a drug and alcohol test as part of the Lift Truck Operator Certification/Recertification process. The complete drug and alcohol policy is a separate document.

## **ARTICLE 14 – GRIEVANCE / ARBITRATION PROCEDURE**

A grievance is a believed violation of an interpretation or application of this Agreement. The person filing the grievance will identify it as a grievance. This procedure is intended to provide for the prompt adjustment of grievances by the Employer and Union following a prompt and impartial investigation and thorough discussion without the necessity of either party seeking recourse to the provisions of the Arbitration procedures as outlined in paragraph (B) below.

A. Grievance Procedure. The Union or any member of the Bargaining Unit shall have the right to present his or her grievance in accordance with the procedure described herein, containing the steps set forth below, with or without a representative of the Union, free from interference, coercion, restraint, discrimination or reprisal.

In order to facilitate the prompt handling of grievances, any employee alleging a violation of this Agreement must file his grievance within ten (10) calendar days of the alleged violation except in the case of discharge and/or suspension, which time limit for submission of the grievance shall be ten (10) days from the notice provided below. Any grievance not responded to within the time limits contained herein Article 14 from the last response of the Employer shall be deemed to be settled on the basis of the last decision made and shall be eligible for further appeal only by mutual consent. Failure of any employee and/or the Union to submit a grievance within the time limits below shall be an absolute waiver of the particular grievance. The time limits stated herein of Article 14 may be extended by mutual agreement between the Employer and the Union.

The Employer shall notify the Union in writing of all discharges or suspensions of employees within five (5) calendar days of the effectiveness of such discharge or suspension, together with reasons therefore. If the Union desires to contest any suspension or discharge, it must notify the Employer in writing within ten (10) calendar days after receipt of notice from the Employer. A grievance meeting regarding the termination of an employee shall automatically be submitted to the third (3<sup>rd</sup>) step of the grievance procedure.

Step 1: The aggrieved employee, either with or without his Union Steward, shall meet with his department supervisor or his designated representative to discuss the grievance. If no satisfactory agreement is reached among them, then the grievance shall be reduced to writing and within five (5) calendar days of the meeting be submitted to Step 2.

Step 2: The Union's Shop Steward or the Union's designated representative shall submit the written grievance to the Human Resources Manager. A meeting between the aggrieved employee, the Union's Shop Steward, and the Department Manager or his designated representative shall be held within ten (10) calendar days of receipt of the written grievance.

The Department Manager shall give his written answer within five (5) calendar days from the meeting.

Step 3: If the grievance is not settled at Step 2, it shall be submitted to Step 3 within ten (10) calendar days from receipt of the Department Manager's answer. A meeting between the aggrieved employee, a Union official, Shop Steward, Human Resources Manager, and the Plant Manager (or their designated representatives) shall be held within ten (10) calendar days from receipt of the Union's request for a Step 3 meeting. The Plant Manager shall give his written answer within ten (10) calendar days from the meeting date. If no satisfactory agreement is reached, then the Union may submit the grievance to arbitration within thirty (30) days from the date of the Employer's Step 3 response.

B. Arbitration. The arbitration shall be before an arbitrator selected from a panel of arbitrators furnished by the Federal Mediation and Conciliation Service. A letter signed by either the Employer or the Union will be sent to the Federal Mediation and Conciliation Service (FMCS) requesting the FMCS to submit to each party an identical list of seven (7) names. The parties shall select there from one (1) arbitrator by alternately deleting names from the list until the last name remains, the parties drawing lots to determine who shall be entitled to the first (1<sup>st</sup>) deletion. 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 without back pay, or make the employee whole as he deems just.

1. The arbitrator shall not have the right to add to, subtract from, or modify any terms of this Agreement, but will only have authority to rule on the issues before him. His ruling shall be consistent with the terms of this Agreement. The expenses of the arbitration shall be borne equally by the Employer and the Union.
2. The jurisdiction and authority of the Arbitrator shall be confined exclusively to the interpretation or application (or both) of the express provisions of this Agreement. The Arbitrator shall have no authority to add to, detract from, alter, amend, or modify any of the terms of this Labor Agreement, to impose on either party a limitation or obligation not explicitly provided for in this Agreement or to establish or change any wage rate or wage structure. The Arbitrator shall not hear or decide more than one (1) grievance without the express written consent of the Company and the Union. The decision of the Arbitrator adjudicated within his jurisdiction and authority shall be final and binding on the Union, the Company, and the employees.
3. A grievance shall not be arbitrable if the events giving rise to the grievance occur following the expiration of the Labor Agreement.

C. Payment for Time in Grievance Meetings or Arbitration.

1. Grievance Meetings (Pactiv Employees Only): The Company will pay the grievance committee's regular straight time rate for time spent in grievance meetings that occur during the committee's normally scheduled work day, (to a

maximum of three (3) employees at any given meeting) and count such time for purposes of computing overtime. If the grievance meeting occurs during an employee's day off or off hours, such time will not be compensable under this Labor Agreement, nor shall such time count as time worked for the purposes of computing any overtime. The parties agree that in order to minimize overtime payments, grievance meetings may be scheduled during off days and off hours.

2. Arbitration: The Company has no obligation under this Labor Agreement to compensate any employee in any way, for time spent in preparation for, or participation in, any arbitration or other legal proceeding. In addition, under this Labor Agreement, the Company has no obligation to count such time as time worked for the purposes of computing any overtime, for any employee.

### **ARTICLE 15 – SHOP STEWARD**

A. The Employer agrees that Shop Stewards, during the term of office, shall have top seniority. Such seniority shall only be effective concerning layoffs and may not be invoked for promotion.

B. Shop Stewards and members of the Union Committee shall be permitted to adjust grievances or complaints during working hours without loss of pay provided, however, that no Shop Steward or member of the Union Committee shall leave his regular work for the purpose of adjusting grievances or complaints without first (1<sup>st</sup>) reporting to and obtaining permission of his Supervisor. Such permission will be granted unless it interferes with production or any important operation in progress at that time. Upon entering a department other than his own, a Shop Steward or member of the Union Committee, must first (1<sup>st</sup>) report to the Supervisor of such department, stating his reason for being there. Time spent in handling grievances or complaints shall not be unreasonable or excessive.

C. The Union may designate a reasonable number of Union Stewards from among non-probationary, regular employees of the Company, who are bargaining unit members. Newly appointed Shop Stewards will be recognized as such seven (7) calendar days after written notice is received by the Company's plant operations.

### **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 (1<sup>st</sup>) notify the Plant Manager and/or the Human Resources Manager, or authorized Employer Representative, of his presence. Such visits shall not interfere with plant operations, and such representative will be required to comply with all of the plant rules and regulations (including safety apparel). If the Union is in violation of this Article, the parties will agree to meet and discuss the issues surrounding the alleged violations. If following this discussion, the Union continues to fail to comply with the limitations and rules set forth in this Article, the Employer will disqualify the representative from access to the plant. If the Employer disqualifies a Union representative under this section, the decision is subject to the grievance and arbitration procedure.

## **ARTICLE 17 – SUPERVISORS**

A. The Employer agrees that it will not designate any employee as Supervisor for the purpose of excluding them from the Bargaining Unit.

B. It is agreed that a supervisor who is promoted from the Bargaining Unit shall retain the seniority that he has accumulated at the time of the promotion. If he should be transferred back to the Bargaining Unit, the time he worked as a supervisor will not be added to his seniority.

C. Supervisors and Technicians shall be permitted to perform work regularly assigned to employees covered by this Agreement, providing such work is performed in conjunction with the employees under their direct supervision during regularly scheduled hours. The above limitation shall not apply (1) in such emergency circumstances that precludes the services or availability of Union employees, (2) instruction or training of employees, (3) testing of materials and production, (4) in such event of necessary clean-up, and (5) in the event of an inspection (examples: AIB or OSHA).

## **ARTICLE 18 – REST PERIODS**

Employees shall receive two (2) ten (10) minute rest periods each day; one (1) rest period before lunch and one (1) rest period after lunch break. Employees who are scheduled to work more than two (2) hours of overtime at the end of their regularly scheduled shift shall be given an additional ten (10) minute rest period, within the first (1<sup>st</sup>) two (2) hours, if requested.

## **ARTICLE 19 – NON-DISCRIMINATION**

Both the Employer and the Union agree that there shall be no discrimination in any way against any employee or applicant for employment for reason of sex, race, creed, color, national origin, age, disability, veteran status, or Union membership activity. Notwithstanding any other provision of this Agreement, the Employer may take any action it deems necessary to comply with the Americans With Disabilities Act. Such actions shall not be used as evidence of precedent or past practice in any subsequent situation. The Employer shall not displace senior employees out of jobs that they currently hold in order to accommodate employees or applicants under the Americans With Disabilities Act. The Employer shall notify and confer with the Union prior to taking any action in order to fulfill its obligations under the Americans With Disabilities Act. The above shall be subject to the Grievance and Arbitration procedure included in this Agreement.

## **ARTICLE 20 – NO STRIKE – NO LOCKOUT**

During the term of this Agreement, there shall be no strikes, slowdowns, picketing, stoppages of work or boycotts by the Union or its members. There shall be no lockout by the Employer during the term of this Agreement.

## **ARTICLE 21 – 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 the Employer, and placed thereon by agreement between the Employer and the Union.

## **ARTICLE 22 – INDEPENDENT VALIDITY**

A. 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, 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. In such event, the Employer and the Union will meet to negotiate the lawful substitute to the invalidated portion.

B. When words of male gender are used in this Agreement, they shall be construed to also include the female gender.

## **ARTICLE 23 – HEALTH AND SAFETY**

It is specifically agreed that compliance with all State and Federal Laws relating to working conditions, safety and health, shall be an integral part of this Agreement. Uniforms for the Maintenance categories will be supplied by the Employer, free of charge, subject to present practices. Employees will be reimbursed up to seventy dollars (\$70.00) once per year for the purchase of Company approved steel-toes safety work boots. In order to be reimbursed for the amount of the purchase, the employee must provide a receipt for the safety boots. The Company will keep the receipt. Upon receiving the reimbursement from the Company, the employee will be required to sign an agreement stating that if they leave the Company within ninety (90) days of being reimbursed for their boots, they will be required to reimburse the Company the full amount of the reimbursement amount, and the Company may withhold this amount from the employee's final paycheck. Employees will only qualify for reimbursement following successful completion of their probationary period.

## **ARTICLE 24 – COMPLETE AGREEMENT**

This Agreement signed by the parties, represents the complete agreement between the parties and shall supersede and replace all prior agreements and understandings, verbal or written, expressed or implied, between the parties hereto and shall constitute the entire agreement between the parties. Past practices, customs, privileges, procedures and understandings may be changed by management unless specifically prohibited by an express provision of this Agreement. This Agreement may be amended only by mutual agreement of both parties that is manifested in a written agreement signed by both parties, in writing, in duplicate, so that a copy may be retained by both the Company and the Union.

**ARTICLE 25 – NEGOTIATING COMMITTEE**

The Negotiating Committees of both the Employer and Union, will be limited to ten (10) members including the chief shop steward in the Union’s Committee. The Union’s Committee representation shall be limited to no more than two (2) employees from any department, subject to Employer production requirements at the time of the meetings. The number of Union and Employer official representatives will be mutually agreed upon.

**ARTICLE 26 – DURATION**

A. This Agreement shall remain in full force and effect to and inclusive of February 28, 2011. This Agreement shall be automatically renewed from year to year unless either party gives a sixty (60) day written notice prior to the expiration date to the other of its desire to terminate, modify, or amend all or part of said Agreement.

B. During negotiations (even after the terminal date), the Agreement shall remain in force and effect. However, either party may cancel the Agreement by giving the other party ten (10) days written notice after said terminal date provided, however, the arbitration clause herein shall not be used to confer upon any arbitrator or other third (3<sup>rd</sup>) party the authority to impose a settlement with regard to any matter in negotiations between the parties which could properly be the subject of negotiations.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of the day first (1<sup>st</sup>) written above.

For the Union:  
*UFCW Local 1167*

For the Company:  
*Pactiv Corporation*

\_\_\_\_\_  
Bill Lathrop  
President

\_\_\_\_\_  
James G. Oas  
Plant Manager

\_\_\_\_\_  
Susan Culbertson  
Human Resources Manager

**APPENDIX A – WAGE SCHEDULE**

	<b>1<sup>ST</sup> Payroll Period Following Ratification</b>	<b>3/1/2008</b>	<b>3/1/2009</b>	<b>3/1/2010</b>
<b>PACKER</b>				
<i>Top Rate</i>	\$12.28	\$12.65	\$13.03	\$13.36
<i>Start Rate</i>	\$11.12	\$11.45	\$11.79	\$12.08
<b>HELPER</b>				
<i>Top Rate</i>	\$12.72	\$13.10	\$13.49	\$13.83
<i>Start Rate</i>	\$11.25	\$11.59	\$11.94	\$12.24
<b>LABELING PROCESS OPERATOR</b>				
<i>Top Rate</i>	\$13.52	\$13.93	\$14.35	\$14.71
<i>Start Rate</i>	\$11.81	\$12.16	\$12.52	\$12.83
<b>THERMOFORMING OPERATOR</b>				
<i>Top Rate</i>	\$17.32	\$17.84	\$18.38	\$18.84
<i>Start Rate</i>	\$16.24	\$16.73	\$17.23	\$17.66
<b>THERMOFORMING SETUP OPERATOR</b>				
<i>Top Rate</i>	\$21.19	\$21.83	\$22.48	\$23.04
<i>Start Rate</i>	\$18.42	\$18.97	\$19.54	\$20.03
<b>SCRAP OPERATOR</b>				
<i>Top Rate</i>	\$17.43	\$17.95	\$18.49	\$18.95
<i>Start Rate</i>	\$15.43	\$15.89	\$16.37	\$16.78
<b>EXTRUSION MATERIAL HANDLER</b>				
<i>Top Rate</i>	\$17.43	\$17.95	\$18.49	\$18.95
<i>Start Rate</i>	\$15.43	\$15.89	\$16.37	\$16.78
<b>EXTRUSION OPERATOR</b>				
<i>Top Rate</i>	\$18.38	\$18.93	\$19.50	\$19.99
<i>Start Rate</i>	\$16.07	\$16.55	\$17.05	\$17.48

	<b>1<sup>ST</sup> Payroll Period Following Ratification</b>	<b>3/1/2008</b>	<b>3/1/2009</b>	<b>3/1/2010</b>
<b>EXTRUSION SETUP OPERATOR</b>				
<i>Top Rate</i>	\$21.19	\$21.83	\$22.48	\$23.04
<i>Start Rate</i>	\$18.73	\$19.29	\$19.87	\$20.37
<b>MATERIAL HANDLER</b>				
<i>Top Rate</i>	\$16.67	\$17.17	\$17.69	\$18.13
<i>Start Rate</i>	\$15.36	\$15.82	\$16.29	\$16.70
<b>LOADER</b>				
<i>Top Rate</i>	\$16.87	\$17.38	\$17.90	\$18.35
<i>Start Rate</i>	\$15.56	\$16.03	\$16.51	\$16.92
<b>MAINTENANCE TRAINEE</b>				
<i>Top Rate</i>	\$18.89	\$19.46	\$20.04	\$20.54
<i>Start Rate</i>	\$14.80	\$15.24	\$15.70	\$16.09
<b>GENERAL MAINTENANCE</b>				
<i>Top Rate</i>	\$22.33	\$23.00	\$23.69	\$24.28
<i>Start Rate</i>	\$21.13	\$21.76	\$22.41	\$22.97
<b>ELECTRO-MECHANIC</b>				
<i>Top Rate</i>	\$26.17	\$26.96	\$27.77	\$28.46
<i>Start Rate</i>	\$24.76	\$25.50	\$26.27	\$26.93