

AGREEMENT

Between

**WESTERN STATES REGIONAL JOINT BOARD
LOCAL 289A**

AND

**MARSHALLS DISTRIBUTION CENTER
3000 South 55th Avenue
Phoenix, Arizona 85043**

July 1, 2023 – July 1, 2026



Local 289A Negotiating Committee

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AGREEMENT

AGREEMENT, made and entered into as of the 1st day of July 2023 by and between Marshalls Distribution Center, for its Distribution Center located at 3000 South 55th Avenue, Phoenix, Arizona hereinafter referred to as the “Employer”) and Western States Regional Joint Board, Local 289A (hereinafter referred to as the “Union”).

WHEREAS, the Union represents a majority of the Employees in the unit hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual promises of the parties set forth, the parties hereto agree as follow:

ARTICLE 1. RECOGNITION

1. The Employer recognizes the Union, Local 289A Workers United, Western States Regional Joint Board, as the sole and exclusive bargaining agent for all of the Employer's full-time and regular part-time general warehouse Employees employed in the distribution center in Phoenix Arizona, excluding all office clericals, managers, professionals, supervisors, maintenance mechanics and technicians, data center Employees and loss prevention Employees.

ARTICLE 2. SCOPE OF AGREEMENT

1. This contract shall apply to all general warehouse workers, as described above, in the distribution center only (exclusive of retail stores) of the Employer located at 3000 South 55th Avenue, Phoenix, Arizona.

ARTICLE 3. HIRING OF EMPLOYEES

1. The Employer shall have the sole and exclusive right to select and hire its Employees. Once each month, the Employer shall email a spreadsheet to the Union's Administration Department and Union Representative, listing all current Employees covered by the Agreement stating the full name, employee ID

number, home address, phone number, last four digits of social security number, whether dues deductions are active, whether PAC deductions are active, job classification, hourly wage rate, shift, and hire date.

- a. As part of the Company orientation process, the Company will include a Union Orientation on Company time, and on premises, for no more than one hour.
- b. Such orientation will be scheduled communicating with the Union Rep or Chief Shop Steward.

ARTICLE 4. UNION SECURITY

1. A member of the Union shall be deemed to be in good standing only if his/her initiation fees if any and periodic fixed dues or service fees, as applicable are not in arrears. Employees covered by this Agreement shall, to the extent permitted by Arizona law, become members of the Union on or after the thirtieth (30th) day following the beginning of their employment, or the execution of the effective date of this Agreement, whichever is the later, but not before completion of the Employee's trial period.
2. The Employer will provide the Union headquarters a monthly list electronically of all terminations, resignations, leaves and any other reason an Employee is not paying due that has an authorization card on file.
3. The Employer agrees to post the following notice prominently in its facility:

NOTICE TO ALL EMPLOYEES

This shop is being operated under the terms of an agreement with Workers United, Western States Regional Joint Board (WSRJB). All wages, hours and other conditions of employment are regulated by the terms of this Agreement. Good labor-management relations are in the best interest of Employees as well as the Company and Union.

ARTICLE 5. CHECK OFF OF DUES AND PAC

1. The Employer, where legally so authorized by an individual Employee in writing, agrees to deduct service fees weekly from the wages or salary of such Employees and remit the same to the Union, not less than once a month, by the fourteenth (14th) day of the following month.
2. Sums so deducted by the Employer shall be held in trust by the Employer for the benefit of the Union.
3. The Employer shall provide for payroll deduction for all Employees who voluntarily authorize such deduction as a contribution to the Workers United for Political Power Campaign Committee, OR ANY SUCCESSOR THERETO. All payroll deductions to the Workers United for Political Power Campaign Committee shall be based on written authorization cards signed by the Employee.
4. The Employer shall make the deduction for the Workers United for Political Power Campaign Committee for each payroll period or other designated work period worked by the Employee who has authorized the deduction. The Employer shall promptly transmit the amounts deducted from the Employees' paychecks for the Workers United for Political Power Campaign Committee, in a separate transmittal from dues, to Workers United for Political Power, 920 S Alvarado Street, Los Angeles, CA 90006, accompanied by a CD or other computer-readable list of the names, addresses, and last four digits of social security numbers of all Employees for whom PAC deductions was made together with the date and amount of that deduction.
5. Workers United shall indemnify, defend, and save the Employer harmless against any and all claims, demands, suits, or terms of liability that shall arise out of and by reason of an action taken by the Employer in reliance upon PAC payroll deduction cards submitted to the Employer.
6. The Employer will continue to recognize authorization of Union dues and voluntary political contributions by employees' written signature, or electronic signature, to the extent permitted by law.

ARTICLE 6. TRIAL PERIOD

1. A training period is hereby fixed at thirty (30) calendar days; with an additional sixty (60) calendar days to evaluate new Employees covered by this Agreement.

During the first thirty (30) calendar days the Employer may discharge such new Employees without cause, without notice to the Employees or the Union, and without the consent of the Union.

2. Between the thirty-first (31st) and ninetieth (90th) calendar day, the Employer will notify the Union of discharges and said discharges will be subject to grievance, but not to arbitration. The Employer and Union will mutually agree to any extensions of training periods above 90 days.
3. Thereafter, any discharge may be subject of arbitration hereunder.

ARTICLE 7. RIGHT OF VISITATION

1. Official representatives of the Union will be permitted access to the building where its members are employed, for the purpose of observing if the conditions of this Agreement are maintained, and for any other reasonable purpose arising out of the operation of this Agreement, providing there is no interference with the business of the Employer. Union must notify management upon arrival.

ARTICLE 8. TEMPORARY EMPLOYEES

1. The Employer, at its discretion, may employ temporary Employees. Such temporary Employees may be hired at any time during a calendar year.
2. Should any temporary general warehouse Employees remain in the Employer's employ for any consecutive twenty (20) weeks period, then such Employees shall therefore be deemed covered by the terms of the Agreement.
3. Overtime and voluntary time off – Temporary Employees shall not be given the opportunity to work overtime or take VTO until all regular Employees on the same department and shift are first given the opportunity to accept such overtime or take VTO.
4. Temporary Employees with more than thirty (30) days shall be subject to transfer out of their departments before regular Employees are involuntarily transferred.

5. Upon date of employment with the Company, the Company will waive the training period and the Employee will be covered by the terms of the collective bargaining agreement.
6. The Employer will provide the Union's Chief Steward with a list of names, shift assignments, job classifications and start date as hired at orientation.

ARTICLE 9. PART TIME EMPLOYEES

1. Part time Employees are intended to supplement full time schedules and not intended to diminish the employment opportunities of current and future full time Employees.
2. Part time Employees shall work less than a thirty (30) hour work week on their designated shifts.
3. Part time Employees shall be subject to the No Fault Attendance Policy on a pro-rated basis.
4. Part time Employees shall not be entitled to medical insurance or any other benefit.
5. If there are job openings for full time Employees, part time Employees shall be entitled to such job openings before temporary or new Employees are hired. A part time Employee who converts to full time employment shall retain their original date of hire for all seniority purposes under the contract.

ARTICLE 10. PAYMENT ON APPEARANCE FOR WORK

1. Any Employee who is scheduled to work and who reports to work shall receive a minimum of one-half (1/2) day of pay at the applicable 6-week average rate of pay. If, however, work is not available due to circumstances beyond the control of management, and management has provided notice to Employees at least one (1) hour before the start of the shift, then there shall be no payment on appearance for work. The Employer shall utilize the Emergency Notification System (ENS), or other means of communication, to notify Employees.

ARTICLE 11. WAGES

1. **General Wage Increases.** All Employees covered by this Agreement, who have completed the trial period of ninety (90) calendar days of employment as of the indicated dates, shall on those dates receive the indicated increases:

a. General wage increase.

- i. July 1, 2023: See “Side Letter: One-Time Wage Adjustments”
- ii. July 1, 2024: \$0.50 increase to hourly base wage and additional \$0.25 increase to the hourly base wage for associates hired 7/1/2019 and prior.
- iii. July 1, 2025: \$0.50 increase to hourly base wage and additional \$0.25 increase to the hourly base for associates hired 7/1/2018 and prior.

2. **Incentive Tables.**

Year 1 (July 1, 2023 - June 30, 2024)

Hire Year	7/1/17 & Before	7/1/17-6/30/18	7/1/18-6/30/22	New Hire
99.5 - 104.49%	1.55	1.30	1.05	0.40
104.5 - 109.49%	1.60	1.35	1.10	0.45
109.5 - 114.49%	1.65	1.40	1.15	0.50
114.5 - 119.49%	1.70	1.45	1.20	0.55
119.5 - 124.49%	1.75	1.50	1.25	0.60
124.5 - 129.49%	1.80	1.55	1.30	0.65
129.5 - 134.49%	1.85	1.60	1.35	0.70
> 134.49%	1.90	1.65	1.40	0.75

Year 2 (July 1, 2024 - June 30, 2025)

Hire Year	7/1/17 & Before	7/1/17-6/30/18	7/1/18-6/30/23	New Hire
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99.5 - 104.49%	1.55	1.30	1.05	0.40
104.5 - 109.49%	1.60	1.35	1.10	0.45
109.5 - 114.49%	1.65	1.40	1.15	0.50
114.5 - 119.49%	1.70	1.45	1.20	0.55
119.5 - 124.49%	1.75	1.50	1.25	0.60
124.5 - 129.49%	1.80	1.55	1.30	0.65
129.5 - 134.49%	1.85	1.60	1.35	0.70
> 134.49%	1.90	1.65	1.40	0.75

Year 3 (July 1, 2025 - June 30, 2026)

Incentive Table	
99.5 - 104.49%	1.55
104.5 - 109.49%	1.60
109.5 - 114.49%	1.65
114.5 - 119.49%	1.70
119.5 - 124.49%	1.75
124.5 - 129.49%	1.80
129.5 - 134.49%	1.85
> 134.49%	1.90

*Newly hired workers in training will be eligible to earn incentives upon completion of thirty (30) days of employment.

Employees in positions not eligible for incentives (on a permanent basis) will earn an additional \$0.50. Any non-incentive eligible employee who moves to an incentive eligible position during the life of this Agreement shall lose the additional \$0.50. Vice versa any incentive eligible employee who moves to a permanent non-incentive position will receive the additional \$0.50 (in lieu of earning in the incentive tables).

3. **Bid Jobs.** Upon successfully bidding into the following jobs, the employee will receive the indicated hourly increase:

- a. AC/QC: \$0.60 per hour
 - b. Driver: \$2.75 per hour
4. **Premium Pay.** Employees working in the following departments or job functions will be paid the indicated additional premium:
- a. Receivers: \$1.50 per hour
 - b. LUD: \$0.50 per hour
 - c. Shipping: \$1.25 per hour
 - d. Union Analysts: \$3.50 per hour
 - e. Coach Trainers: Earn 135% incentive rate whenever Coach Training
5. **Shift Differentials.** Employees assigned to the following shifts as their regular shift will earn the indicated additional differential:
- a. B Shift: \$1.50 per hour
 - b. C Shift: \$1.25 per hour
 - c. Before establishing any additional shift, temporary or permanent, terms for that shift will be mutually agreed by the parties.

ARTICLE 12. HOLIDAYS

1. During the term of this Agreement, all Employees employed more than thirty (30) calendar days and covered hereunder shall be entitled to receive a day's pay at the Employee's regular base rate of pay for the following holidays:

A & C SHIFT (Monday – Thursday)

- New Year's Day
- Memorial Day

- July 4th
- Labor Day
- Thanksgiving Day
- Christmas Day
- Personal Days

B & D SHIFT (Friday – Sunday)

- New Year's Day
- Easter
- July 4th
- Christmas Day
- Personal Days

NOTE: See Holiday grid below.

2. If work is performed on a legal holiday, Employees shall receive one (1) day's holiday pay plus time and one-half (1-1/2) for the number of hours worked. Employees shall be eligible for paid holidays provided he/she worked the last scheduled day before and after the holiday.
3. If VTO is offered and accepted by the Employee and a holiday falls within the VTO, the qualifying day is the day before the start of the VTO and the scheduled workday after the VTO period. Should the Employee report to work on the qualifying day and is offered VTO the same day, he/she has met the qualifier in order to receive holiday pay.
4. If a major flash flood or wind storm causes an Employee to report late for work, but within a reasonable time after the start of a shift, on his/her regularly scheduled day before or after a holiday, said Employee will be considered to have worked his/her full scheduled day for purposes of holiday pay.
5. The day on which a Personal Day may be taken is subject to Employer approval, (which will not be reasonably withheld), and the request for a Personal Day must be made at least twenty-four (24) hours in advance, or the end of the previous shift, whichever is later.

6. If an Employee is absent that day before and/or day after the holiday due to bereavement leave, approved intermittent day of FMLA leave, Union business of no more than one (1) week, or jury duty, the Employee will be paid for the holiday provided he/she worked the last scheduled day before and after said absence.
7. New hires, during their first year of employment, if hired between January 1st and May 31st will be entitled to all designated Personal Days for their year of hire, and if hired between June 1st and August 31st will be entitled to half the designated Personal Days for their year of hire (partial numbers will be rounded up to full numbers).
8. Employees must work and not arrive more than fifteen (15) minutes late on their regularly scheduled day before or after the holiday, in order to receive holiday pay.

A & C Shift	2023	2024	2025	2026
New Year	X	Monday 1/1/24	Wed. 1/1/25	Thursday 1/1/26
Memorial Day	Monday 5/29/2023	Monday 5/27/24	Monday 5/26/25	Monday 5/25/26
4 th of July	Tuesday 7/4/2023	Thursday 7/4/24	X	X
Labor Day	Monday 9/4/2023	Monday 9/2/24	Monday 9/1/25	Monday 9/7/26
Thanksgiving Day	Thurs. 11/23/2023	Thursday 11/28/24	Thursday 11/27/25	Thursday 11/26/26
Christmas Day	Mon. 12/25/2023	Wed. 12/25/24	Thursday 12/25/25	X
Personal Days*	4	3	4	5

B & D Shift	2023	2024	2025	2026
New Year	Sunday 1/1/2023	X	X	X
Easter	Sunday 4/9/2023	Sunday 3/31/24	Sunday 4/20/25	Sunday 4/5/26
4 th of July	X	X	Friday 7/4/25	Saturday 7/4/26
Christmas Day	X	X	X	Friday 12/25/26
Personal Days*	5	6	5	4

*As indicated above Employees will receive for each year 3 Personal Days plus the additional Personal Days converted if the indicated holidays fall outside the shift's regular workweek. Additionally, effective July 1, 2023, and moving forward, associates will be granted two (2) Diversity Days per calendar year which may be used for Veterans Day or Juneteenth. The Diversity Day is subject to 2 weeks advance notice. There will be no restriction as to the number of employees by department if appropriate notice is given. If not used for Veteran's Day or Juneteenth, the Diversity Day may be used as a Personal Day, subject to advance notice and management approval.

ARTICLE 13. VACATION

1. The vacation period shall be based on anniversary date. Vacations with pay will be granted each year to covered Employees who will, on their anniversary year date of employment, have the required length of active employment, as follows:
 - a. Employees, upon completion of one (1) year's active service will, on their anniversary date of employment be eligible for two (2) week vacation, of which one (1) week can be taken as individual days.
 - b. Employees, upon completion of five (5) years' active service will, on their anniversary date of employment, be eligible for three (3) weeks' vacation of which two (2) weeks can be taken as individual days.
 - c. Employees, upon completion of ten (10) years' active service will, on their anniversary date of employment, be eligible for four (4) weeks' vacation, of which three (3) weeks can be taken as individual days.
 - d. Requests for vacation time shall be subject to approval by the facility manager, but shall not be unreasonably denied.
 - i. During January 1-15th of each year requests will be accepted. Requests will be awarded in order of seniority by department and shift for the dates of February 1st of the current year through January 31st of the following year; after that period, requests will be approved on a first-come, first-served basis.
2. Whenever a holiday falls within an Employee's vacation period, and either occurs on a day in the Employee's regularly scheduled workweek or is a guaranteed

legal holiday, the Employee shall be granted an extra day of vacation or an extra day's pay, at the option of the Employer.

3. Vacation pay shall be based on the Employee's six-week average hourly rate of pay.
4. Eligibility for vacation time shall not accrue during cumulative leaves of absence, excluding paid sick time or personal days, which exceed thirty-one (31) days in an Employee's anniversary year, including worker's compensation leave and leaves under the Family and Medical Leave Act.
5. Upon termination, any unused accrued vacation will be paid out to the Employee.

ARTICLE 14. SICK LEAVE

1. During the first year of employment, employees covered by the Agreement shall accrue one (1) hour of paid sick leave for every 30 hours worked not to exceed 40 hours. Employees are not eligible to use the paid sick leave until they have completed 90 days of employment.
 - a. Upon completion of one (1) year of employment, on each anniversary date the employee will receive their full allotment of forty (40) hours of paid sick leave.
 - b. On an Associate's 9-year anniversary date and each anniversary thereafter, the employee will receive their full allotment of fifty (50) hours of paid sick leave for A and C shift and forty-eight (48) hours for B and D shift.
2. All hours can be used in one (1) hour increments.
3. The Union and the Employer understand and agree that this paragraph supersedes and waives the provisions of Proposition 206 – The Fair Wages and Healthy Families Act that addresses earned paid sick time.
4. Sick days may be carried over from year to year for a maximum of Forty (40) hours.

ARTICLE 15. AUTHORITY TO ACT FOR THE UNION

1. It is understood and agreed that only the following are authorized to act as agents of the Union in the administration of this Agreement, and in dealing with and determining any questions which may arise there under or in the relations between the Employer and the Union:

Regional Director

Assistant Regional Director

District Manager

Representative (to be designated by name, in writing to the Employer)

However, the right is reserved to the Union to substitute a different agent, or agents, or add new agents at any time during the life of this Agreement by serving upon the Employer notice, in writing, of such change or addition of agents of the Union.

2. No one shall be deemed an agent of the Union unless designated as such by the Union, in writing. Neither the shop steward nor any shop committee shall be deemed or construed to be an agent of the Union unless designated in writing as such an agent.
3. The Employer upon advance notice by the Union shall grant reasonable time off for designated Employees to attend Union conventions, conferences or to conduct other specified Union business. Such notice will be given no less than 24 hours in advance, or in the case of multiple days of time off, 72 hours in advance.

ARTICLE 16. HOURS WORKED

1. The days of work shall be:

A Shift Monday - Thursday 4:00 AM – 2:30 PM

(Split start time of 3:45 AM and 4:00 AM – Split end time of 2:15 PM and 2:30 PM. *Departments will be notified of the applicable start and end time of the shift in the department in which they are assigned to. Any changes to departments will be communicated to Associates no less than 30 days in advance of the change.)

Break: Fifteen (15) minutes paid within the first portion of the shift provided the Employee is scheduled to work at least six (6) hours or more that day

Lunch: Combined – 30 Minutes Unpaid and 15 minutes paid to satisfy 2nd break

C Shift Monday – Thursday 3:00 PM – 1:30 AM

Break: Fifteen (15) within the second portion of the shift provided the Employee is scheduled to work at least six (6) hours or more that day.

Lunch: Combined – 30 Minutes Unpaid and 15 minutes paid to satisfy 1st break

Note: B Shift associates working overtime during C Shift on Thursdays will follow the shift designated break/lunch schedule.

B Shift Friday - Sunday 5:00 AM – 5:30 PM

Break: Fifteen (15) within the first portion of the shift provided the Employee is scheduled to work at least six (6) hours or more that day

Lunch: 30 Minutes Unpaid and 5 minutes paid

Break: 15 minutes within the second portion of the shift

Note: C Shift associates working overtime during B Shift on Fridays will follow the shift designated break/lunch schedule.

D Shift Friday – Sunday

The company agrees to notify the Union 30 days in advance of the schedule for a permanent D Shift.

Break: Fifteen (15) within the first portion of the shift provided the Employee is scheduled to work at least six (6) hours or more that day

Lunch: 30 Minutes Unpaid

Break: 20 minutes within the second portion of the shift

Said hours may be varied by the Employer so that work will start or extend two (2) hours to fit the needs of the business, this change cannot exceed more than one (1) week, and shall be by mutual agreement.

2. The Employer shall have the right to implement additional alternative regular scheduled work weeks that may include regular scheduled weekend work. The Employer shall provide to the Union, in writing, a reasonable notice of their intention to implement any additional alternative regular scheduled work weeks, but in no event less than thirty (30) days' notice. The Company and the Union agree to negotiate over the terms and conditions of the new shift(s) and the effects of such changes on the terms and conditions of employment of bargaining unit Employees based on the formula as listed in #1 above. If the Employer and the Union reach impasse, the issues in dispute, except for the Employer's right to implement alternative regularly scheduled work weeks, will be brought to Arbitration.
3. In the course of the work day the Employer shall designate a one (1) ten (10) minute break, which shall be during the first (1st) portion of the shift, provided the Employee is scheduled to work at least six (6) hours or more that day. The Employer shall designate a one (1) fifteen (15) minute period break during the second (2nd) portion of the shift.

ARTICLE 17. JOB POSTING AND BIDDING

1. Bidding Eligibility.

- a. Once bids are awarded, the Employee who is awarded the bid is given the opportunity to accept or decline the bid.

- b. Employees currently in any bid position may not apply for another position for a period of at least six (6) months.
- c. Employees may not have received a Second (2nd) or Final Written Warning.
- d. Employees must meet the minimum job qualifications posted with each Job Bid.
- e. Employee must have completed a minimum of thirty (30) calendar days of employment to be considered.

2. Job Posting and Bidding Procedures.

- a. All Bid Jobs will be posted on the Employees Information Bulletin Board for a full seven (7) calendar days and will list position(s), eligibility requirements for applying, and the job qualifications.
- b. At the end of the seven (7) calendar day posting, the shop steward and HR shall be present when the box is opened and will review the bids.
- c. If no internal candidate applies for a particular Posted Bid Position, the Employer has the option of hiring from outside the Employer.

3. Job Bidding Administrative Guidelines.

- a. All Employees awarded a position should be given a thirty (30) calendar day trial period. Each Employee will be evaluated during and at the end of the training period. During their training period, an Employee that is currently receiving any bid and/or premium pay shall continue to receive that bid and/or premium pay until the Employee is certified in the new position.
 - i. An Employee that is awarded a position, as described above, shall have no more than sixty (60) calendar days to determine that they cannot perform the work and wish to return to their previous position. The Employer may fill the vacancy from the original posting, however, after sixty (60) days; a new posting will be required.

- b. Employees who do not meet standards during or upon completion of their trial period will not be awarded the higher rated job. The Employee shall be returned to his/her former position.
- c. Once assigned to a bid job, an Employee may not bid again for a period of at least six (6) months. If the Employee is disqualified by the Employer during the training period the Employee may not bid for the same job for a period of six (6) months, but may be eligible to apply for other higher paying bid jobs.
- d. When a bid position is posted Employees within the classification will be considered before all other Employees.

ARTICLE 18. TRANSFERS

1. **Employee Request for Transfer.** A transfer request form must be completed for each department or shift. A copy of the transfer request form will be given to the Employee stamped, received and dated. Requests will remain active for six (6) months.
 - a. All transfer forms will be submitted to HR for consideration.
 - b. If the Employee elects to cancel his/her request, he/she must write "cancelled" across the face of his/her copy.
 - c. There must be an opening in the department or shift for which the transfer is requested and the current department or shift must be able to transfer that Employee without affecting production. If it is necessary to hire or train a replacement, the Employee to be transferred may be required to wait a reasonable period. If more than thirty (30) days are required, the Company will partner with the Union.
 - d. Transfer requests will be granted by seniority.
 - e. Transfer eligibility is as follows:

- i. Employees must have completed a minimum of ninety (90) calendar days of employment to be considered.
 - ii. Employees must not be on a Final Written Warning.
 - iii. Employees who transfer to a different position must remain in that position for six (6) months.
 - iv. Employees who transfer to a different shift may request a department transfer on that shift without waiting six (6) months on a one time basis.
 - v. Employees who apply for a bid job.
- f. Employees may submit no more than one transfer form. Their most recent request will be considered the active request, canceling any prior request not yet processed.
- g. An Employee on a leave of absence will result in that Employee being skipped.
- h. Employees may elect to transfer back into their home department within forty-five (45) days if the new department is not a good fit. However, they are ineligible to request a transfer for a six (6) month period after returning to their home department.
2. **Hardship and Emergency Transfers.** The Employer will not unreasonably deny a transfer request made to accommodate personal hardship and/or family emergency.
3. **Transfer to Accommodate Operational Necessities.** Management will notify the affected Employee and the Union, by request, as to the type of transfer and record the following information: Employee's name, effective date of transfer, original and new department of each Employee, and date of hire. Employees transferred out of their department or shift will have the right to return before any new hires are assigned to or transferred into the department or shift by seniority for up to one (1) year.

ARTICLE 19. OVERTIME

1. Overtime Compensation.

- a. Employees on the eight (8) hour a day, forty (40) hours a week work week. Shall be compensated at the overtime rate of, one and one half (1 ½) times their regular rate of pay for all hours worked on their sixth (6th) day, and shall be paid twice their regular rate of pay for all hours worked on their seventh (7th) day of their regular scheduled work week.
 - b. Employees on the ten (10) hours a day, forty (40) hours a week work week, shall be compensated at the overtime rate of, one and one half (1 ½) time their regular rate of pay for all hours worked on their fifth (5th) day, and shall be paid twice their regular rate of pay for all hour worked on their sixth (6th) day or seventh (7th) day of their regular scheduled work week.
 - c. Employees on the twelve (12) hours a day, three (3) consecutive days, shall be compensated at the overtime rate of one and one-half times (1 ½) the regular rate of pay for time worked on their fourth (4th) day, and shall be paid twice their regular rate of pay for all hours worked on their fifth (5th), sixth (6th), or seventh (7th) day of their regular scheduled work week.
 - d. For purposes of calculating overtime, the workweek is Monday through Sunday for A and C shift, and Friday through Thursday for B and D shift.
2. Overtime shall be offered to Employees first by seniority within the department. Should these methods fail to produce the adequate number of Employees to perform overtime work, the Employer may ask for volunteers from the entire work force. In the event that either method fails to produce the needed amount of Employees, the Employer may mandate overtime by inverse seniority by department and then by building.
 3. The Employer will give a minimum of four (4) hours' notice before the end of shift for the five (5) days, eight (8) hours schedule, a minimum of five (5) hours' notice before the end of shift for the four (4) day, ten (10) hours' schedule, and minimum of six (6) hours' notice before the end of shift for the three (3) days, twelve (12) hour schedule for daily mandated overtime. For off-shift overtime, notice will be posted on Friday for eight (8) hour shifts, Thursday for ten (10) hour shifts and Sunday for twelve (12) hour shifts in compliance with the times set forth above.

Notice will be posted on the bulletin board in the front of the building.

4. **Overtime Posting.**

- a. **A & C Shift.** Overtime signup sheets each week will be posted for Fri/Sat/Sun overtime, on Monday at the beginning of C shift in all departments. Overtime will be offered by seniority according to a combined A & C seniority list.
- b. Signup sheet for A & C shift will be taken down on Wednesdays at the end of A shift.
- c. The mandatory overtime list will be posted on the overtime board on Thursday, no later than 8:00 AM for A Shift and 6:30 PM for C Shift. Within a reasonable time thereafter the combined overtime list will be posted in all departments.
- d. **B Shift Overtime.** Signup sheet each week will be posted for Mon / Tues / Wed / Thurs overtime, by Friday in all departments. Overtime will be offered by seniority.
- e. Signup sheets for B shift will be taken down on Saturday no earlier than last break.
- f. **B Shift Overtime.** Approval list will be posted before the first lunch on Sunday.
- g. If D shift is needed, the company will partner with the Union.
- h. Associates approved for voluntary or mandatory overtime will be highlighted.
- i. As per Article 10 Appearance Pay, cancelation of overtime shall be given as soon as possible.
- j. An employee with an approved vacation or personal day falling on the first or last day of their regular workweek will not be required to work on their regular days off immediately preceding or following that day, respectively.

ARTICLE 20. DAILY LAYOFF PROCESS

1. **Daily Layoff Process.** The following steps will be taken:
 - a. Release Temporary Employees.
 - b. Release Probationary Employees.
 - c. VTO will be offered to all Employees.
 - d. Employees working overtime from another shift will be laid off in accordance with Article 10.
 - e. The remaining Employees that are not needed will be laid off by inverse seniority by department.
 - f. Management reserves the right to retain Employees in key positions out of seniority order based upon business need and partnership with the Union.
2. The Employer will utilize the jointly developed forms, that all supervisors will use uniformly, to record Employees taking Voluntary Time Off (VTO). The forms will be turned in daily to the Payroll Department allowing access by Stewards.

ARTICLE 21. LAYOFF AND RECALL

1. Short term layoffs, expected to last six weeks, shall be by plant seniority by the department and by the shift. This time frame may only be extended by mutual agreement. Long term layoffs, expected to last six weeks or more, will be by plant seniority by shift. If a short-term layoff should convert to a long term layoff, the senior Employees will be recalled to displace the equivalent number of junior Employees in the facility on that shift. Employees may displace junior Employees on another shift, but will not be required to do so.
2. Notice of layoff shall be made available by the Employer to the affected Employee by noon of the business day preceding the layoff, if practicable; otherwise, notice shall be made available on the day of such layoff. Employees will be advised at the time of layoff to ensure their telephone and mail contact information is accurate.
3. Layoffs and recalls shall be on a shift by shift basis.

4. Shop stewards shall be deemed to have greater seniority than all other Employees during layoff or recall.
5. Employees who perform no work for 12 months shall be terminated.
6. In layoffs seniority shall prevail provided the Employees retained are qualified to fill the position.

ARTICLE 22. NO STRIKE PROVISION

1. The Union agrees that it will not call, authorize, or ratify a strike or stoppage during the life of this Agreement, except for the Employer's failure to submit to Arbitration or to comply with the decision of an Arbitrator. Should an unauthorized strike or stoppage of work by covered Employees occur, the Union obligates itself, within twenty-four (24) hours after receipt of notice thereof from the Employer, solely to endeavor in good faith to bring about the return to their work of the covered Employees who have stopped work. Upon failure of such Employees to return to work within the said twenty-four (24) hours, the Employer may, at its option, consider that all or any of the Employees have abandoned their employment. Should the Employer reemploy any such Employees, it shall reemploy all of them, and shall treat all alike and shall not discriminate among them.
2. Compliance by the Union in good faith with this provision shall be deemed full compliance with the Union's obligations hereunder.
3. As an alternative to submitting the matter to arbitration, pursuant to Article 21 hereof, the Employer shall also have the option of terminating this Agreement upon failure of the Union to comply with this Paragraph.

ARTICLE 23. NO LOCK-OUT PROVISION

1. The Employer agrees that it will not order, authorize, or ratify a lockout during the life of this Agreement. Should the Employer cause a lockout, or should there result a lockout for any other reason, notice thereof shall be given by the Union to

the Employer. Thereupon, the Employer obligates itself, within twenty-four (24) hours after receipt of such notice, solely to endeavor in good faith to have the lock-out terminated and to cause the reemployment of the Employees.

2. Upon the failure of the Employer to do so within twenty-four (24) hours, the Union, upon failure to reach an Agreement with the Employer, shall have the option of terminating this agreement with respect to the Employer, or of submitting the matter to Arbitration pursuant to Arbitration Article 21 hereof.

ARTICLE 24. GRIEVANCE PROCEDURE

There is a window in which a grievance must be settled, or the grievance is eligible for advancement to arbitration.

1. The definition of a grievance will include but not be limited to the following a violation of the contract, state or federal law, past practice, Employer policy, and/or change in a condition of employment. A grievance may also be filed due to the administration, application and interpretation of the above mentioned.
2. The Union must notify management of a grievance within seven (7) working days of having knowledge or reasonably should have had knowledge for the grievance. This verbal notification should be given to the supervisor over the area or Employees in question. The Supervisor will then immediately notify the Area Operations Manager (AOM) of the appropriate Employer representative where the issue had been generated.
3. An information request or an examination of records will be made in writing and must be submitted to the Human Resources (HR) department. These requests will be processed within a reasonable time, no more than ten (10) calendar days, unless additional time is needed and mutually agreed upon. The HR department can authorize the release of the information request or the examination of records. Requests that refer to a specific grievance will indicate the grievance number to which it corresponds. Requests will be numbered and integrated into the grievance numbering system.
 - a. **Grievance Step #1.** Within seven (7) working days of the Supervisor being notified, the grievance shall be discussed with the Steward, Grievant(s), Area Operations Manager and Supervisor or their designee.

The Area Operations Manager will notify the respective supervisor(s) of the Steward, and the Grievant(s) as to the date, time, and location of the grievance meeting. Following the grievance meeting, the Area Operations Manager (AOM) or their designee will give a verbal answer to the Shop Steward within seven (7) working days. If the first step answer is not acceptable to the Union and/or grievant then, within seven (7) working days of the receipt of the answer, the grievance will be reduced to writing and submitted to Human Resources and the Assistant General Manager (AGM) or their designee for that shift. The Steward and Supervisor will sign a "Notice of Step One" form and a copy of the Step One form will be attached to the grievance upon submittal to HR and the AGM.

- b. **Grievance Step #2.** Upon receipt of the written grievance, the Assistant General Manager or their designee will within seven (7) working days, schedule a meeting with the appropriate parties, including the Chief Steward, Shop Steward, grievant (s) and AOM (if necessary). A verbal agreement will be reached between the parties at to the date of the meeting. Following the second step meeting, the Assistant General Manager (AGM) or their designee will provide a written second step answer to the Shop Steward within seven (7) working days. The Shop Steward will either accept the answer, and the grievance will be considered resolved, or the Shop Steward will reject the answer and process the grievance to step 3 of the grievance procedure, and will provide response within seven (7) working days of the resolution response.
 - i. In order to resolve grievances at the lowest possible step, both Company and bargaining unit witnesses may be present during the course of the second step meeting so that a thorough investigation of the facts can be known to both the Company and the Union.
- c. **Grievance Step #3.** If a satisfactory resolution is not reached in Step # 2, the Union representative will schedule a 3rd step meeting with the appropriate HR representative or their designee. A verbal agreement will be reached between the two (2) parties as to the date. The Union representative is responsible for providing an itinerary, which follows a numeric system, to the Human Resources Business Partner II (HRBP II) or their designee, and/or the Sr. Human Resources Business Partner or their designee at least seven (7) days prior to the scheduled meeting. The Employer shall respond in writing to the Chief Shop Steward or the Union

Representative within seven (7) calendar days from the date of the meeting, unless more time is needed and mutually agreed upon. If the Employer fails to respond in writing within twenty-one (21) calendar days of third (3rd) step meeting, the grievance will automatically be granted to the Union. The Union then has thirty (30) calendar days from the date of receipt of the third (3rd) step meeting response to notify the Employer of its intent to arbitrate, unless more time is needed and mutually agreed upon.

- d. **Pre-Arbitration.** The Union may schedule a pre-arbitration meeting with a Employer representative that has the authority to make a decision within seven (7) working days if the Union decides to take a case to arbitration.
 - i. There will be a sequential numeric tracking system for grievances and information request.
 - ii. For example, the grievances will begin with the year 2013 and the numerical number of the grievance, 2013-001, 2013-002, 2013-003, etc.
 - iii. The Employer and the Union representative involved must mutually agree upon any extensions to the time limits of the grievance procedure.
- e. **Resolution.** When a settlement is reached, the settlement will be reduced to writing at all steps of the procedure, including arbitration.
 - i. If a member of Management is unavailable at their respective grievance step level, and their absence will impede the timeline of the grievance procedure, then the grievance will be moved to the next level.

4. **ARBITRATION.**

- a. Should any dispute or difference arise between the Employer and the Union as to the meaning, application, performance or operation of any provisions of this Agreement, either the Employer or the Union may give to the other notice thereof, within a reasonable period of time and an earnest effort shall be made promptly to adjust such dispute or difference between the parties. If the matter cannot be adjusted within fourteen (14) working days, thereafter, unless said time is mutually extended by the parties, the

same must be submitted to an Arbitrator designated by both parties from the panel of arbitrators listed below. The arbitrator shall not have the power to add to or subtract from, or otherwise modify any of the terms of the Agreement. The arbitrator shall render a written decision within thirty (30) days of the conclusion of the hearing, explaining the basis of his or her award. The decision or award of the arbitrator shall be final, binding, and conclusive upon the parties and enforceable in a court of competent jurisdiction. The costs of arbitration shall be shared equally by both parties.

- b. Except as expressly provided to the contrary in this Agreement, it is the intention and agreement of the parties that the procedure established in this Agreement for the adjustment of disputes shall be the exclusive means for the determination of all disputes, complaints or grievances specified herein, including arbitrability, expressly including all strikes, stoppages, lockouts, and any and all claims, demands or acts arising there from. As long as this Agreement has not been terminated in accordance with its terms, neither party shall institute any proceedings in a court of law or equity other than to compel arbitration, as provided in this Agreement, or to enforce an award of an arbitrator. This provision shall be a complete defense to any action instituted contrary to this Agreement.

ARTICLE 25. 401 (K)

1. Employees will be eligible to participate in The TJX Companies, Inc. General Savings/Profit Sharing Plan (also known as the TJX 401(k) Plan) in accordance with and subject to plan terms as in effect from time to time. For the avoidance of doubt, Employees of Arizona Merchants, Inc. who participate in this plan are currently eligible to receive a matching contribution of 75% of eligible pay deferred under this plan. More information can be found in the summary description plan.

ARTICLE 26. MEDICAL PLAN

1. Workers will become eligible after 60 days of employment.
2. Rates will be as follows:

Rates	Year 1	Year 2	Year 3
Option 400 Single	\$29.70	\$31.20	\$32.75
Option 400 Family	\$83.85	\$88.05	\$92.45
Option A-Plus Single	\$46.20	\$48.50	\$50.95
Option A-Plus Family	\$128.80	\$135.25	\$142.00
Consumer Choice Single	\$14.50	\$16.00	\$17.50
Consumer Choice Family	\$47.50	\$50.50	\$53.50
Dental Single	\$4.00	\$4.00	\$4.00
Dental Family	\$10.45	\$10.45	\$10.45
Short Term Disability	No cost to the <u>Employee</u>	No cost to the <u>Employee</u>	No cost to the <u>Employee</u>

3. Associates may choose to enroll in Dental plans regardless of enrollment in Medical plans.
4. Rates for Vision and Long Term Disability are subject to carrier rates.
5. Temporary employees will become eligible for medical benefits no later than reaching thirteen (13) weeks of employment, in compliance with the Affordable Care Act.

ARTICLE 27. LEAVE OF ABSENCE

1. Any unpaid leave of absence to be granted an Employee by the Employer for the reasons provided and defined in the Family and Medical Leave Act (FMLA) but for no other matters may be taken intermittently and up to twelve (12) work weeks in a twelve (12) month period. To be eligible for FMLA leave an Employee must have worked 1,250 hours during the twelve (12) month period prior to the leave request, and must have worked for the Employer for a total of twelve (12) months.
2. Requests for unpaid leaves of absence for valid personal matters shall not be granted for less than five (5) working days nor more than thirty (30) calendar days, except that at the discretion of the Employer it may be renewed for an additional period of thirty (30) days. Employees must be employed for at least ninety (90) days to be eligible for such leave of absence. All such requests shall be in writing by the Employee with approval in writing by the Employer, and such approval shall not unreasonably be denied. The Employer will not deduct vacation nor no-fault attendance points for such personal leave unless requested by the employee.
3. If leave is requested the Employer may require proof of necessity.
4. Eligibility for paid vacation time shall not accrue during Leave of Absences that is not covered by the FMLA or Military leave. All such LOA's will result in the proration of vacation time for all time out on LOA when they cumulatively exceed 30 days.
5. Employees shall be responsible for continued premium payment contributions during the period of their leave of absence. Said payments may be made when they return to work.
6. Employees having reached maximum medical improvement that cannot be reasonably accommodated under the ADA will be terminated.
7. Military Leave.

- a. The Employer will provide pay differential to prevent an active Employee from incurring a wage loss while fulfilling Military Reserve Duty for up to two (2) weeks and/or Temporary Active Duty for up to two (2) weeks.
 - b. The Employee called to reserve or temporary active duty must present, to the Employer, his/her military orders in advance of the leave and complete the required company Request for Leave form. Upon return to work after the leave, the Employee must present military payroll documents so that the Employer can calculate the pay differential.
 - c. The Employer and Employee shall be governed by the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA) as amended, and the applicable state and federal regulations.
8. **Parental Leaves of Absence.** An employee who is benefit eligible and has been employed by the Employer for twelve (12) or more consecutive months, both as of the birth/adoption date, is eligible for four (4) weeks of paid parental leave, paid at 100% of pay, including incentive earnings, if any. Incentive earnings during paid parental leave will be based on the Employee's average incentive earnings over the preceding 12 month period. Paid parental leave applies to Employees who become new parents through the birth or adoption of a child, age 17 or younger, including birth mothers, biological fathers and adoptive parents. Leaves will run concurrent with FMLA and state or local leave laws.

ARTICLE 28. BEREAVEMENT

1. In the event of a death in the Employee's immediate family member the Company will provide any eligible Employee on A or C shift with four (4) paid days bereavement leave, and on B or D shift with three (3) paid days bereavement leave. Immediate family is defined as parents, spouse, domestic partner, sibling, child (adopted, foster, step), grandparents, and grandchild, including step and in-law relations.
2. In the event of a death of the employee's parent, child, or spouse, upon the employee's request the Employer will approve up to two (2) workweeks unpaid leave and/or available vacation time in addition to the paid bereavement days;

additional unpaid time may be approved at management's discretion.

3. Bereavement will normally commence immediately after the Employee is notified of the death of an immediate family member unless the Employee requests a later date for extenuating circumstances. The Company reserves the right to request proof.

ARTICLE 29. JURY DUTY

1. If an Employee is called to jury duty, the Employer will make up the pay difference between jury duty pay and his or her regular 6-week average base rate of pay for up to thirty (30) calendar days. If, after completion of the first day of work, an employee is called to jury duty, the Employer will make up the pay difference between jury duty pay and his or her regular base rate of pay for up to thirty (30) calendar days. To be eligible for jury duty pay an employee must submit his or her jury duty pay stub to his or her supervisor. Employees must provide a minimum of forty-eight (48) hours notice of their call to jury service and show the Employer their Court summons. Employees will be provided opportunity as necessary to contact the Court at the prescribed times to determine the necessity of service to the Court.

ARTICLE 30. DISCHARGE AND DISCIPLINE

1. No Employee covered by this Agreement shall be discharged or disciplined except for just cause, except that summary discharge may result for acts which include, but are not limited to: intoxication, gross misconduct, violation of the drug and alcohol-free workplace policy, violation of the weapons policy, work place violence, theft, and insubordination.
2. Except for provisions as set forth in Paragraph 1, no Employee shall be discharged after completion of the ninety (90) day probationary period without the application of disciplinary steps as set forth below:
 - a. Performance and Conduct:
First offense: 1st Written Warning

Second offense: 2nd Written Warning
Third offense: Final Written Warning
Fourth offense: Discharge

3. Just cause for the application of disciplinary steps shall include any violation of published rules and regulations.
4. If Employees fails to call in and fails to show up to work for three (3) consecutive scheduled days the Company will consider it job abandonment and therefore terminate employment as a voluntary resignation.
5. Beyond thirty (30) calendar days, new hires may not be discharged for their performance in a department until they have completed the training hours allotted for that department.
6. The oldest written warning in an Employee's file shall be removed from the active discipline process if the Employees complete six (6) months of warning free employment.
7. The Company will make a good faith effort to provide translation services upon associate request.

ARTICLE 31. NO FAULT ATTENDANCE

There shall be a No-Fault Attendance Policy in effect for all Employees who may be absent as set forth below:

1. Eleven (11) A & C / Nine (9) B & D days of absence in each calendar year of this Agreement may be taken without stating a reason, all of which may be divided into increments as follows.
2. Included in the Eleven (11) A & C, a total of four (4) can be used in full (1) day increments and seven (7) in quarter (1/4) increments / Included in the Nine (9) B & D days a total of two (2) can be used in full (1) day increments and seven (7) can be used in quarter (1/4) increments.

3. Full Days and Quarter Days

a. Full Days. Full day absence shall count as one (1) absence.

b. Quarter Days.

i. Tardy arrivals to work of one (1) minute to half the shift, or late from a meal break or leaving work early one (1) minute to the end of the shift, shall count as two (2) quarter points.

ii. Tardy arrivals to work on one (1) minute to two (2) hours (A & C)/ 3 hours (B & D) at the beginning of the shift or late returns to work from a meal break of one (1) minute to two (2) hours (A & C) / 3 hours (B & D), to the end of shift shall count as one (1) quarter point.

4. No Fault Attendance is based on calendar year and renews on the first of January.

5. Termination of employment will occur once an Employee has exceeded the number of days of absence indicated in 31.1 or increments thereof per 31.2.

6. The following absences shall be excluded from the No Fault Attendance Program:

a. paid benefit days (such as paid vacations and personal days, paid holidays, paid sick time, and paid bereavement leave);

b. approved leaves of absence under Article 24 including approved personal leaves of absence and approved medical leaves of absence.

c. leaves of absence for jury duty service, whether or not compensated under Article 26;

d. approved leaves taken to attend USCIS (formerly known as INS) appointments supported by documentation.

7. Associates may clock in up to five (5) minutes late returning from lunch without incurring no-fault; however, such time before clocking in will not be paid.

ARTICLE 32. SHOP STEWARD AND COMMITTEE

1. The Union shall have the right to certify to the Employer Employees to be designated as Shop Steward and other Employees to be designated as members of the Shop Committee.
2. There shall generally be one shop steward per major department per shift. The parties will agree upon the number of such departments, and will adjust with changes in headcount or structure of the facility.
 - a. Shop Stewards will only serve in the department for which they are appointed by the Union except the Union may appoint additional shop stewards, limited to the number of different languages spoken, who speak languages other than English to act in the place of regular shop stewards when needed.
 - b. When a shop steward is absent the Chief Shop Steward on that shift will designate an assistant steward, the Union President or Vice President, as designated by the Union may act in their place.
3. The Union will notify the Employer of the stewards in writing.
4. Employees must request a Shop Stewards presence if they choose to have representation during the discussion of a grievance, discharge or investigatory interview. Employees will be notified of their rights to have a steward present during the discussion of a grievance, discharge or investigatory interview. If a department steward is not available or does not speak the Employee's primary language, and the Employee requests a specific steward, the Employer will make a good faith effort to make that steward available.
5. Stewards may not conduct Union business other than the investigation and handling of grievances during working hours and will notify their supervisors who will not unreasonably deny permission to leave their work area for such purpose. Stewards will notify their supervisor upon returning to their work area.

ARTICLE 33. STRIKES OF WORKERS UNITED, SEIU AFFILIATES

1. It shall be considered a breach of this Agreement on the part of the Union or any individual bargaining unit Employee, if any bargaining unit Employees refuse to enter upon the premises of the Employer against whom an affiliate of Workers United Union representing another Employer's facility, is conducting a bona fide strike.

ARTICLE 34. EXAMINATION OF RECORDS

1. The Union shall have the right at all reasonable times and upon reasonable notice to the Employer to investigate only such books and records of the Employer as are necessary in order to ascertain whether the provisions of this Agreement are being fully complied with. The Employer shall have the right to have its representative accompany the Union representative upon such investigation. An Arbitrator shall have the right, upon his own motion, to institute any such investigation.

ARTICLE 35. NO DISCRIMINATION

1. The Employer and Union agree that each employee shall be treated with dignity and respect.
2. There shall be no discrimination in hiring or in terms and conditions of employment because of race, color, national origin, religion, sex, sexual orientation, gender, gender identification or expression, marital status, military or veteran status, political beliefs, ancestry, genetic information, age, disability, or any other legally protected status by state and/or federal law.

ARTICLE 36. HEALTH AND SAFETY

1. It is hereby agreed that the Employer and the Union recognize the importance of the health and safety of Employees. To that end, there shall be a joint

representative Health and Safety Committee (or committees for various shifts), the number of members to be jointly determined but which will include representatives from all shifts. The committee shall meet monthly. The Employer and the Union shall each appoint a co-chair of the committee who shall jointly be responsible for preparing agendas for the meetings, ensuring follow-up and actually chairing sessions. The Health and Safety Committee shall be notified of all accidents occurring on site. Accident investigations shall be conducted jointly as per current policy and the findings reported to the safety committee. The committee shall make recommendations for procedures to prevent such accidents in the future.

2. The committee shall review incidents of industrial accidents and potential safety hazards. The Committee, based upon its review, shall recommend, to the General Manager, ways and means to improve the safety of working conditions.

ARTICLE 37. MANAGEMENT PREROGATIVES

1. Except as otherwise provided in this Agreement, it is understood and agreed that the Employer is entitled to all rights, privileges and prerogatives of management.

ARTICLE 38. INVALIDITY OF PART OF AGREEMENT

1. It is understood and agreed that, if any provision of this Agreement, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this Agreement, or the application of such provision to other persons or circumstances, shall not be affected thereby, but shall separately and severally continue in full force and effect. With respect to any provision held invalid, the parties shall meet for the purpose of agreeing upon a substitute provision.

ARTICLE 39. ENGINEERED STANDARD RULES

1. **Discontinuance of production standards.** Once production standards have been established, they may not be changed except in accordance with the following provisions. If Marshalls Phoenix AZ decides to discontinue any or all production standards, the Union shall be afforded at least sixty (60) days' written notice specifying the reasons for the discontinuance. If such discontinuance would result in any bargaining unit member forfeiting any pay, the Union and Marshalls Phoenix AZ will commence bargaining, provided that the affected Employees earnings would be red circled until the negotiations are completed.
2. **Changes in Production Standards.** Any method, equipment layout or safety changes will cause the standards and methods to be reviewed and this review will be communicated to the local Union and affected Employees and will be provided in writing to the Union Analysts and Chief Steward. The Employer will provide a detailed elemental breakdown with normal times for each element for the proposed and current standard for the job, highlighting by means of a separate analysis or comparison chart exactly what methods, conditions or specifications have changed and providing all supporting documentation for these changes. If the Union successfully challenges the standard, the affected Employees will be notified.
3. **Union and Employees access to information about production, quality and production standards.** Individual Employees shall be provided with a current copy of the preferred work methods in English and job aids written in two languages (English and Spanish). This information will also be contained in a binder located in each department. Employees shall also, within twenty-four (24) hours of request, receive a copy of their production reports which shall include any and all downtime, normal times for any job they have performed and all other information necessary to verify that their weekly efficiency have been correctly calculated.
4. **Access of Union engineer to facility.** The Union shall be able to bring, with advance notice, its own engineer to the facility. Besides having access to all OSHA-required information and information related to any method changes and including receiving copies of all written policies for downtime/indirect time, the Union engineer shall have the right to observe, conduct time studies, interview Employees, supervisors, and managers. In addition, the Union reserves the right to bring its own engineer into the facility, with advance notice, in the event of a

challenged standard, or a new or discontinued standard.

5. **Production standards to reference best practices.** The Employer and the Union agree it is in everyone's best interest to develop production standards which references the best practices, OSHA regulations and ergonomic design principles. These principles shall be incorporated in elemental breakdowns, job write-ups, and preferred methods. None of these shall require an Employee to violate an established health or safety standard. A Joint Committee position will be established to monitor and review engineered standards, and best practices.
6. **Downtime and off-standard conditions.** Written instructions will be provided to each Employee, in English and Spanish for downtime, indirect or off-standard time. All Employees under production standards will have a copy of the policy including all updates in English and Spanish. The local Union will also receive a copy of these instructions. When an Employee experiences downtime beyond the built-in unavoidable delay allowance, this downtime will be reported via AIL. Employees will self-record indirect entries electronically during their shift. Any adjustment or non-approval of the employee's original entry will be communicated to the associate with the reasons for the change. The employee will be provided an opportunity for signoff acknowledging any changes, and will have the opportunity to submit a grievance.
7. **Procedure for challenging production standards.** Before the Union can challenge any individual standard established pursuant to this section, there must be a fair trial of thirty (30) calendar days. These days need not be consecutive. During such time, the contractual grievance time limits are suspended. If after the fair trial, the Union believes the standard is unfair, the Employer will provide all documentation concerning how the standards were developed and all daily production reports of all Employees who have worked under this standard during the fair trial period, as well as any similar documentation under pre-existing but related standards. The joint engineered standards committee will have ten calendar ten (10) days to review the information and make a recommendation. If unresolved by the committee, the challenge will proceed to step three in the grievance procedure.
8. **Employee Training.** All Employees who will be working under standards, including temporary Employees, will receive appropriate training in work methods and how production standards work. The Employer will pay for this training and training materials will be provided in two (2) languages (English and Spanish).

- a. The Union and the Employer will work to establish a certified Coach Trainer in all areas to assist in an Employee's training; also the Union and the Employer agree that only experienced Employees will be allowed to train, and a Coach Trainer who transfers to another department must be methods trained before acting as Coach Trainer in the new department. The trial period is ninety (90) days for newly hired associates.
 - b. **Newly Hired.** Newly hired workers in training will be eligible to earn incentives upon completion of thirty (30) days of employment.
 - c. **Current Workers.** Current workers who are in training for a new job function will not move to the new incentive pay until they complete their training cycle. Employees may, at their discretion, opt out of standard protected training time paid at their previous six (6) week's average for the opportunity to immediately earn incentive pay.
 - d. **Re-Training.** Workers who are qualified and/or trained for a particular job function but have not performed job function for at least ninety (90) days will be afforded the opportunity on request to work their initial order in the transferred area on Protected time during which they will be paid their six (6) week's average, in areas that do not process orders, those same Employees will be afforded two hours of indirect time in the transferred area except for team areas. Any Employee returning from a Leave of Absence / VTO / Vacation will be given retraining in accordance with the training period.
9. **Union Analysts.** The Union and the Employer agree to have two (2) Union Analyst that will be trained in the entire process from methods to elemental standard and KVIs. These Employees will be chosen by the Union, with the Union and Employer jointly approving. Included in this Employee's roles will be to ensure standards are applied fairly. They will work with the Employer engineer on all reviews. These Employees will be paid by the Employer. The Employer will train and equip these Employees based on the recommendations of the Employer and the Union engineers.
10. **Average Pay.** Average pay is your rolling six (6) week average pay, including your base wage plus incentive.
11. **Paid Time Off.** Pay for all paid time off for Employees who are measured under Engineered Standard will be based on the Employee's average pay for the prior

six (6) weeks.

12. **Payment of Incentives for Indirect Time.** Incentive pay for Employees who are measured under Engineered Standard but have only indirect time for a pay period will be based on the Employee's average pay for the prior six (6) weeks.
13. **Overtime.** Overtime will be based on the Employee's hourly wage including the weekly incentive.
14. **ES Focus Committee.** The ES Focus Committee meetings will be held on a monthly basis with periodic method audits conducted as part of meeting.
15. **Go Live.** Incentives will go live in a department once the department standards have been validated and reviewed with Joint Committee.
16. **Discipline.** Engineered Standards performance will be tracked separately from other discipline.
17. **PIP.** Prior to any change to procedures of the Performance Improvement Plan (PIP), the Company and Union will meet to discuss such changes.

ARTICLE 40. ENTIRETY OF AGREEMENT

1. It is mutually agreed and acknowledged that this agreement represents the entire agreement of the parties and shall not be amended unless specific written agreement signed by both parties.

ARTICLE 41. EXPIRATION AND RENEWAL

This Agreement shall be in effect from July 1, 2023, to and including July 1, 2026, and shall continue from year to year thereafter, unless either party shall give written notice to the other party at least sixty (60) days prior to the expiration date of July 1, 2026, or at least (60) days prior to any subsequent date of July 1st any succeeding year of its desire to alter, amend, or terminate this Agreement.

In WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the date heretofore set forth by their duly authorized representatives.

Marshalls Distribution Center, Phoenix, AZ

By: *Rhianna Farmer*

Date: 10/5/2023

Rhianna Farmer

Western States Regional Joint Board, Local 289A

By: *J Mahoney*

Date: 10/5/2023

Jack Mahoney

UNION NEGOTIATING COMMITTEE

Lisa Lopez

Tuach Ruon

Trina Arciniega

Teresa Lopez

Moriah Espinoza

Yerena Ruiz

Sid Sinaei

Iliana Guerrero

Melissa Canales

Hasan Kadhim

SIDE LETTER: WALKING TIME

In the event of a need to adjust walking time for a department the parties will meet to discuss amending the memorandum of understanding on this matter by mutual agreement.

For the Employer:

For the Union:

Rhianna Farmer 10/5/2023

J Mahoney 10/5/2023

Rhianna Farmer

Jack Mahoney

SIDE LETTER: ONE-TIME WAGE ADJUSTMENTS

Start rate for new hires will be increased to \$18.50 an hour effective July 1, 2023. All associates hired as of July 1, 2023 will increase to \$18.50 as an hourly base rate, but no less than an increase of \$1.75, which is inclusive of any contractual general wage increase.

For the Employer:

For the Union:

Rhianna Farmer 10/5/2023

J Mahoney 10/5/2023

Rhianna Farmer

Jack Mahoney