

AGREEMENT

BETWEEN

**HomeGoods Distribution Center,
Tucson, Arizona**

AND

**Workers United
Western States Regional Joint Board, SEIU,
Local 289T**

October 1, 2022 – September 30, 2025



Local 289T Union Negotiating Committee

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AGREEMENT

AGREEMENT, made and entered into as of the 1ST day of October 2022 by and between H.G. MERCHANTS, INCORPORATED for its Distribution Center and Annex in Tucson, Arizona (hereinafter referred to as the (“Employer”), and the WESTERN STATES REGIONAL JOINT BOARD, WORKERS UNITED, SEIU, Local 289T (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 follows:

ARTICLE 1. RECOGNITION

1.1 The Employer recognizes the Union as the sole and exclusive collective bargaining agent and representative of the regular full-time and regular part-time warehouse employees, and all maintenance employed in the H. G. Merchants, Inc. Distribution Center only in Tucson, Arizona excluding all office, clerical, professional, confidential, loss prevention (security), managers and supervisors, for the purposes of collective bargaining with respect to the matters of wages, hours, and other terms and conditions of employment.

ARTICLE 2. SCOPE OF AGREEMENT

2.1 This contract shall apply to general warehouse workers employed in the following job functions in the Distribution Center (“the DC”) and the Annex building (“the Annex”) only (exclusive of retail stores) of the Employer located in Tucson, Arizona.

Ticketers	Selectors
Shippers	Layup
Receivers	Packers
Power Equipment Operators	Accuracy Control
Maintenance	Data Center
Pre-D	

and employees doing similar work. The above job titles are not intended to define job functions or limit the combinations and overlap of duties, but are only listed for the purpose of describing which employees are covered by this Agreement. The entirety of this Agreement applies to both the DC and Annex except where explicitly stated otherwise.

ARTICLE 3. HIRING OF EMPLOYEES

- 3.1 The Employer shall have the sole and exclusive right to select and hire its employees. The Employer shall send a written notice to the Union at the end of each business week stating name, address, salary, starting date, and job function of each new employee covered by this Agreement.

ARTICLE 4. CHECK OFF

- 4.1 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.
- 4.2 Sums so deducted by the Employer shall be held in trust by the Employer for the benefit of the Union.
- 4.3 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.

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.

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.

- 4.4 To further the parties' mutual goal of minimizing errors, a Union designee will be present when the Employer updates associates' union membership status in the payroll program, no less than once weekly, at a time mutually agreed by the Union and Employer. During that meeting, the Company will provide the following lists to the local Union leadership: new hire list, termination list, and a list showing all current associates and whether or not they are designated as a member.

ARTICLE 5. TRIAL PERIOD

- 5.1 A trial 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) working 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.
- 5.2 Between the thirty-first (31st) and ninetieth (90th) calendar days, the Employer will notify the Union of discharges and said discharges will be subject to grievance, but not to arbitration.
- 5.3 Thereafter, any discharge may be the subject of arbitration hereunder.
- 5.4 The Employer may not discharge an employee for exceeding the allowable occurrences of no-fault absence during the trial period if more than seven (7) working days, that the associate has been present at work, have passed after the employee completed thirty (30) calendar days.

ARTICLE 6. RIGHT OF VISITATION

- 6.1 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 representatives must notify management upon their arrival.

ARTICLE 7. PAYMENT ON APPEARANCE FOR WORK

- 7.1 Any employee who is scheduled to work and who reports to work shall receive a minimum of half (½) of the shift pay at the applicable base pay or 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 notify employees of work schedule changes via ENS.

ARTICLE 8. AUTHORITY TO ACT FOR THE UNION

- 8.1 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
Secretary-Treasurer
Distribution Division Director
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.

- 8.2 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.
- 8.3 The Employer upon advance notice by the Union shall grant time off for designated employees to attend Union conventions, conferences or to conduct other specified Union business as long as business conditions allow. The company will not unreasonably deny time off for union requests.

ARTICLE 9. OVERTIME

9.1 **Overtime Pay.** Employees who work all regular scheduled hours shall be paid at the following rate based on their regular rate of pay with earned incentive, according to the shift, beginning at the indicated number of hours worked during a work week:

- i. **A/C Shift:** Time and one-half after 40 hours, double time after 48 hours.
- ii. **B Shift:** Time and one-half after 36 hours, double time after 46 hours.
- iii. **D Shift:** Time and one-half after 33 hours, double time after 42 hours.

- iv. Should any other shift be established, overtime pay for the shift will be agreed upon in advance by the Employer and Union.

- v. For the purposes of calculating overtime pay, paid time off (including sick time, vacation, and personal days), VTO, and approved Union Business, will be counted towards hours worked. No-fault occurrences will not be counted as hours worked, but will not disqualify the employee from earning overtime or double time.

9.2 Qualified associates will be offered the opportunity to work overtime according to seniority order first within their home department, and then according to primary job function on the shift.

- a. In the event that this method fails to produce the needed number of workers, the employer may require overtime of qualified employees by inverse seniority according to primary job function within home department, then primary job function by shift.

- b. For purposes of overtime, the Annex will be treated separately from the DC.

- c. Part-time weekend shift associates cannot be required to work overtime.

9.3 For the purpose of calculating overtime, the following will be counted as days worked:

- a. Any day the employee is absent from work because of an injury at work and is sent out by the Employer that day.

- b. Any day on which the employee is sent home by the employer, for reasons other than the employee's conduct, before or after reporting to work, or after working any part of the shift.

- c. Any day the employee is absent from work to attend to approved Union business.
- d. All paid time off (includes paid sick time, vacation, and personal days), VTO, and approved Union Business.

9.4 Notice of Overtime:

- a. For overtime on a regularly scheduled workday, notice shall be served by the end of the employee's previously scheduled shift.
- b. For overtime on a day outside the employee's regular workweek, notice shall be served by the end of the second-to-last scheduled shift.
- c. All scheduled overtime that does not meet the above notification requirement shall be considered voluntary except in the case of an emergency beyond the control of management, such as equipment breakdown and exceptionally inclement weather.
- d. 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.

9.5 Part-time weekend shift employees will be paid at the rate of time and one-half for overtime over ten (10) hours on Saturday or Sunday or over forty (40) hours in a week. Part-time weekend shift employees will not be subject to Monday through Friday Mandatory Overtime.

ARTICLE 10. LAYOFF AND RECALL

10.1 Short term layoffs, expected to last six weeks, shall be by inverse seniority by the department and by the shift.

10.2 Long term layoffs, expected to last six weeks or more, will be by inverse 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 employee in the facility on that shift. Employees may displace junior employees on another shift, but will not be required to do so.

- 10.3 Notice of a short term layoff, as defined above, shall be made available by the Employer to the Union and 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. For a long term layoff, such notice will be made to the Union and affected employees at least one week preceding the layoff if practicable. Employees will be advised at the time of layoff to ensure their telephone and mail contact information is accurate.
- 10.4 Layoffs, furloughs, and recalls shall be on a shift by shift basis. For purposes of permanent layoff, short-term layoff, and recall, employees in the Annex and DC will jointly follow this Article without distinction, while voluntary time off (VTO) will be maintained separately for each building.
- In the event that the Employer terminates positions in the Annex, Annex associates will remain on their current shift when moved to the DC, and will be offered the opportunity to return to their previous department in the DC. In the event that the associate's seniority is less than all associates currently assigned to that department and no open positions are available in the department; in such situation they will be offered a choice of open positions and pay will be adjusted in accordance with Articles 11 and 24.
- 10.5 Shop stewards shall be deemed to have greater seniority than all other employees during layoff or recall at the department level.
- 10.6 In layoffs seniority shall prevail provided the employees retained are certified to fill the position.
- 10.7 Stewards will be present during layoffs and recalls. A senior employee may volunteer to take a temporary layoff without jeopardizing his/her rights under the recall policy. Once having opted for layoff, said senior employee must remain out of work for the duration of the temporary layoff period.
- 10.8 When employees are to be recalled, the Employer will notify the Union of the number of employees needed. During a three (3) day period, the recalls will be communicated by the Employer's Emergency Information Network as well as by three (3) attempts by telephone with union a steward present, and the Union will use this same three (3) day period to locate the employee, after which time the former employee will lose further recall rights.
- 10.9 Recalled employees will retain their original seniority for purposes of contractual wage increases and benefits (exclusive of holidays) for a period of no more than one (1) year. Employees recalled from regular layoff (not temporary/VTO layoff) will receive a pro-rated amount of no-fault.

ARTICLE 11. TRANSFERS

- 11.1 Employees may request a transfer to another department or shift, using the Transfer Request Form. All Transfer forms will remain active for a period of three (3) months from the date of submission. Sealed Transfer Box will be used to solicit names of employees interested in transferring to another job or shift. A shop steward must be present at the opening of the transfer box. A copy of the sign-up sheet for each transfer will be provided to the Union. The Employer will post available transfers for no less than seven (7) calendar days.
- 11.2 All transfers will be final and there will not be a trial period. Transferred employees must remain in the new department or shift for a period of six (6) months. Employees awarded transfer into the Layup department may return to their previous department within thirty (30) calendar days of the transfer and may not request another transfer for six (6) months.
- 11.3 Transfer requests will be awarded to eligible employees by seniority.
- 11.4 New associates will not be eligible to transfer until they have completed six (6) months of employment, except for a position with higher base pay.
- 11.5 Transfers will be denied if it has been less than six (6) months since last transfer or if the employee requesting the transfer has an active final written warning.
- 11.6 When operational needs require the temporary transfer of employees from one department to another, the Employer will transfer first by volunteers, then by temporary employees, and finally by inverse seniority. Exceptions will only occur when experience is a factor or employees are engaged in special work projects, based on approved ADA accommodations, or employees are in training. The Employer will make good faith efforts to avoid an involuntary transfer of a more senior associate into a department where a less senior associate is released on Voluntary Time Off during the same shift, and where such situations cannot be avoided the Employer will notify the Chief Steward as soon as practicable.
- 11.7 Employees may be temporarily transferred on a short term basis not to exceed thirty (30) days. The employee will be paid the higher of either the department transferred from or the department to which transferred.
- 11.8 Management reserves the right to delay transfer if such transfer will negatively affect production in a department, and must notify the Union immediately of any such delay. However, transfers shall not be unreasonably delayed.

ARTICLE 12. NO LOCK-OUT PROVISION

- 12.1 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.
- 12.2 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 Article 13 hereof.

ARTICLE 13. GRIEVANCE AND ARBITRATION

- 13.1 The parties recognize that the prompt adjustment of grievances is desirable, therefore should any difference arise as to the interpretation, application, performance or operation of any of the terms of this Agreement, it shall be raised within fourteen (14) calendar days from the day the incident occurred and settled according to the procedure set forth below.
- 13.2 Stewards will be permitted to contact Associates for the purposes of Union business when such contacts are deemed necessary by the Steward. A Steward will be notified within a reasonable time period that an Associate has a potential grievance which the Associate wishes to discuss with the Steward. Stewards will secure permission from their own Supervisors before leaving their section, and will also notify the Supervisors in the department that they are visiting before they contact the Associate. If the departure of the Steward would cause serious interference with operations the Supervisor will make arrangements for the Steward to leave his job as promptly as possible.
- 13.3 Stewards and employees shall be paid by the Employer for time reasonably spent during their regularly scheduled working hours in investigating, settling, presenting, and arbitration of grievances under this Article. In case of investigating a grievance the steward shall be paid for no more than thirty (30) minutes.
- 13.4 For the purposes of the Article, Union business is defined to mean investigation of a problem concerning pay or wage, hours of employment, or any other condition

of employment as stated in this Agreement. It is the mutual desire of the parties that any complaint of an employee should be adjudicated as quickly as possible and it is understood and encouraged by the parties that the employee should first give his/her immediate Supervisor an opportunity to adjudicate his/her complaint prior to filing a formal grievance.

13.5 **Grievance Step #1:** Within fourteen (14) calendar days of the time the employee has knowledge or reasonably should have had knowledge of the events giving rise to the grievance the employee may register the grievance with his shop steward. The grievance shall be taken up and discussed by the Area Steward, Associate, AOM, and immediate Supervisor within one work week. If the first step answer is not satisfactory, then within one work week of receipt of the answer, the grievance will be reduced to writing and copies given to the AGM and Human Resources.

13.6 **Grievance Step #2:** If a satisfactory resolution is not reached in Step #1, a meeting will be scheduled with the Chief Steward, Area Steward, Associate, and AGM. The meeting will be held within one work week of receipt of the written grievance. Management will give their written answer to the grievance, within one work week applicable to the shift, to the Chief Steward.

13.7 **Grievance Step #3:** If a satisfactory resolution has not been reached in Step #2, the grievance shall be scheduled for a Labor/Management meeting. The Employer shall respond in writing to the Business agent within one work week from the date of said meeting to each grievance scheduled.

- a. The indicated time limits within the grievance procedure will prevail unless there is agreement between the parties to the contrary.
- b. Management and Union's reply to a grievance at any step will be considered final, and the grievance closed, if not timely advanced to the next step on a non-precedent, not prejudicial basis. However, referrals to arbitration must be made within the time period set forth herein.
- c. The parties may mutually agree to extend the time limits set forth in the grievance procedure.
- d. All grievable terminations will go to step 3.

13.8 **ARBITRATION**

- a. Any request or notice for arbitration shall be made by either the Union or the Employer within two working weeks after the Employer's answer at the Step 3 meeting of the grievance procedure. If no request for arbitration is made by either the Union or the Employer during such ten (10) day

period, both parties shall be deemed to have waived their right to make such request and the grievance shall thereupon be closed for all purposes. Unresolved grievances must be submitted to an arbitrator designated by both parties. If the parties are unable to jointly designate an arbitrator, the arbitrator shall be selected from a panel of seven arbitrators provided by the Federal Mediation and Conciliation Service (FMCS). 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 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 cost 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, lock-outs, and any and all claims, demands, or acts arising wherefrom. 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 14. LEAVES OF ABSENCE

- 14.1 To be eligible for a leave of absence, except under the Family Medical Leave Act (FMLA) or other applicable law, an employee must be actively employed for a minimum of thirty (30) calendar days.
- 14.2 For leaves of absence defined and provided for under the FMLA, an employee must be actively employed for a minimum of one (1) year and worked 1,250 hours.
- 14.3 Requests for leave of absence, other than under the FMLA or other leaves mandated by law, shall not be granted for less than one regular workweek.
- 14.4 In no event shall any combination of leaves exceed eight (8) months in any twelve (12) month period, other than (a.) when greater leave is required to be granted by

law, or (b.) in the case of employees who are on Workers' Compensation leave of absence.

- 14.5 All leave of absence requests shall be in writing by the employee with approval in writing by the Employer, and such approval of initial requests and extensions shall not unreasonably be denied. If the request is denied the employee may request their union steward. An unpaid leave of absence, if no benefit time is available, will be granted to the employee by the Employer for the reasons provided and defined in the Family and Medical Leave Act or as otherwise required by law.
- 14.6 An approved leave of absence shall not result in the issuance of a No Fault "frequency" under the attendance policy.
- 14.7 Employees must pay their share of all benefit contributions during the approved leave period.
- 14.8 Medical Leaves of Absence. A medical leave of absence for non-job related illness or injury may be granted to employees for up to three (3) months without loss of benefits. However, a leave may be extended for an additional three (3) months. A physician's statement providing the basis for the leave request and extension will be required.
- 14.9 Personal Leaves of Absence. Associates are eligible to apply for a personal leave of absence after 30 days of employment. Requests for personal leaves of absence, other than under the FMLA or other leaves mandated by law, which should be requested 2 weeks in advance except in case of bona fide emergency, may be granted for up to thirty (30) calendar days except that they may be renewed for an additional period of thirty (30) days. If available an associate must use Sick time accrued before the leave begins to cover the leave.
- 14.10 An Employee who is benefit eligible and has been employed by the Employer for twelve (12) or more consecutive months 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 15. DISCIPLINE AND DISCHARGE

15.1 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; insubordination; possession, sale or use of illegal substances or alcohol or objects such as firearms or other weapons; theft; and no call no show for three (3) consecutive work days.

15.2 No employee shall be disciplined without the application of disciplinary steps as set forth below:

<u>First offense:</u>	first written warning
<u>Second offense:</u>	second written warning
<u>Third offense:</u>	final written warning
<u>Fourth offense:</u>	discharge

When an employee is suspended, the Employer will complete their investigation within three (3) days except when extended in writing by mutual agreement.

15.3 Just cause for the application of disciplinary steps shall include demonstrable cases of job errors, incompetence, or violation of rules and published regulations other than those which may result in summary discharge.

15.4 The oldest written warning in an employee's file shall be removed from the active discipline process if the employee completes six (6) months of warning free employment. No warning shall remain active past twelve (12) months of date received.

15.5 Disciplinary steps shall be applied and the employee notified within a reasonable period of the time the Employer has knowledge or reasonably should have had knowledge of the incident.

15.6 Bulk/PIT At-Fault Incidents/Violations (on file for 12 months):

<u>First offense:</u>	written warning and recertification
<u>Second offense:</u>	written warning and recertification (may be temporarily removed from equipment)
<u>Third offense:</u>	final written warning (may be permanently removed from equipment)
<u>Fourth offense:</u>	discharge

For multiple infractions within the same incident or observation, each infraction may be counted as a separate offense.

The following infractions may be moved immediately to a final written warning (may be permanently removed from equipment): Failure to report.

The following infractions will be considered Gross Misconduct: Horseplay, reckless driving.

ARTICLE 16. NO-FAULT ATTENDANCE

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

16.1 During each employee's anniversary year of this Agreement, the number of hours of absence indicated in the table below may be taken without stating a reason.

Shift	Total No-Fault Hours	Segments
A and C	110	15-minute: 32 1-hour: 102
B and D	108	15-minute: 32 1-hour: 100
Part-time Weekend	48	15-minute: 16 1-hour: 44

16.2 No Fault Attendance is based on a date of hire (anniversary).

16.3 Termination of employment will occur once an employee has exceeded the "Total No-Fault Hours" indicated in Section 16.1 during an anniversary year. Such termination may only be carried out within seven (7) working days, that the associate has been present to work, of the completion of the anniversary year in which no-fault hours were exceeded; however, any excess of no-fault hours from the prior anniversary year may be deducted from the new anniversary year's allotment.

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

- a. paid benefit days (such as paid vacations, paid holidays, paid sick time and paid bereavement leave);
- b. approved leaves of absence under Article XIV 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 XIV;
 - d. leaves of absence mandated by law, including FMLA leaves, military' leaves, worker's compensation leaves, and subpoenas to appear in court as a witness;
 - e. approved leaves taken to attend INS appointments supported by documentation.
- 16.5 Upon calling in an absence, available sick time shall be deducted unless the employee requests that a no-fault segment be used instead. If no sick time is available, a no-fault segment shall be used.
- 16.6 Associates may clock in up to five (5) minutes late returning from lunch without incurring no-fault nor disciplinary action; however, such time before clocking in will not be paid.
- 16.7 For new part-time weekend shift employees, the number of days of no fault absences will be applied on a pro-rata basis.

ARTICLE 17. SHOP STEWARDS AND COMMITTEE

- 17.1 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.
- 17.2 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 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.

- 17.3 The Union will notify the Employer of the stewards in writing.
- 17.4 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. In the event that the Employer interviews a bargaining unit employee regarding the investigation of a different employees' potential discipline, a Union Steward will be present for such interview, if available.
- 17.5 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.
- 17.6 Labor-Management Committee (LMC): The Union and the Employer shall meet regularly to discuss issues of mutual concern. The Union's LMC participants may meet for up to one hour preceding each LMC meeting on company time.

ARTICLE 18. STRIKES OF WORKERS UNITED, SEIU AFFILIATES

- 18.1 It shall not 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 19. EXAMINATION OF RECORDS

- 19.1 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 20. NO DISCRIMINATION

- 20.1 There shall be no discrimination in hiring or in terms and conditions of employment because of race, creed, color, national origin, religion, sex, sexual orientation, gender, gender identity and expression, marital status, military or veteran status, political beliefs, ancestry, genetic information, age, disability, or any other class protected by state and/or federal law. An employee with limited or no English speaking ability will be informed of his/her right to a translator when filing a grievance or when subject to disciplinary action.

ARTICLE 21. HEALTH AND SAFETY

- 21.1 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.
- 21.2 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 but will not use its findings as a basis for discipline.

ARTICLE 22. ETHNIC DIVERSITY AND CULTURAL ISSUES

- 22.1 The parties recognize that many recent immigrant workers are employed by the Company, and are a vital element to the success of the facility. While English is the primary language used in the workplace, the Company recognizes the right of employees to use the language of their own choice. Whenever practical, the Company will provide training materials, program announcements, and bulletin board notices to communicate in the principal languages of its employees.
- 22.2 Where there is a communication difficulty with an employee, on request and whenever practical, the Company will provide the employee with a translator, and will make a good faith effort to provide the employee with a translator of their

choice to facilitate communications.

ARTICLE 23. SUPERVISORS PERFORMING NON-SUPERVISORY DUTIES

- 23.1 Supervisory personnel will not be allowed to perform non-supervisory duties except in situations and circumstances as described below:
- a. Casual pick up of isolated waste and trash to comply with safety and cleanliness standards;
 - b. Where performance of a manual task is necessary for the purpose of preventing damage to goods, facility or other Company assets;
 - c. When necessary to demonstrate correct or new methods, or for other instructive purposes;
 - d. When necessary for experimental purposes, to determine the degree of difficulty involved with a given task; for example, a supervisor may want to determine personally how difficult it is for an employee to lift twenty (20) pound cartons from a pallet to a work table. A supervisor could perform this task for a short period of time, without the employee losing time;
 - e. When life or limb is endangered, supervisors may perform duties that would normally belong to members of the bargaining unit. The performance of these duties would be restricted to the duration of the emergency. Emergencies include, but are not restricted to, such things as fires, floods, accidents and injuries;
 - f. For the purpose of performing quality control checks on work. These confirmation checks are to determine the accuracy of previous quality control work performed by bargaining unit members and are not intended to replace or eliminate such work normally performed by Union employees; and,
 - g. When business needs, unusual circumstances, or staffing levels do not adequately cover business output, the employer, after consulting with the Chief Steward, may be allowed to use supervisory personnel to perform non-supervisory duties.

- 23.2 When a supervisor violates this Article, the most senior employee, working in the same department and shift where the violation occurred, shall be entitled to compensation in the form of additional overtime pay for each increment of time for which the violation occurred, no less than two (2) hours' overtime pay; or, if there is evidence of more than two (2) hours' violation, no less than four (4) hours' overtime pay; or, if there is evidence of more than four (4) hours' overtime pay, no less than ten (10) hours' overtime pay.

ARTICLE 24. JOB POSTING AND BIDDING

- 24.1 Notices announcing bid openings will be posted for no less than seven (7) calendar days, and will state positions available (including the number of open positions) and the shift on which the openings exist. Sealed bid boxes will be used to receive the names of employees interested in the bid, and a shop steward must be present at the opening of the bid box. The active employee bidding with the most seniority should be granted the opportunity to train in the higher rated job. Openings will be posted and bid simultaneously in both the Annex and DC.
- 24.2 An employee in training for a bid job should be given thirty (30) calendar days training period not to consist of less than 120 hours, unless the Employer and the Union mutually agree that the training should be terminated. During their training period such employees will drop to the bottom of the seniority list in the new job for the purposes of overtime only. If a promotion to a bid job is not made permanent that is, an employee does not complete the training period, the employee shall be returned to his/her former position.
- 24.3 An employee who fails to maintain the standards of the bid job may be returned to a non-bid job. Said employee shall lose the amount of increase received for the bid job.
- 24.4 Bids will be denied if it has been less than six (6) months since the last bid or if the employee requesting the bid has an active final written warning.

ARTICLE 25. NEW EMPLOYEE ORIENTATION

- 25.1 The Employer will arrange for all newly hired bargaining unit members to attend a Union orientation on company time and on premises, for no more than one (1) hour, within one (1) week of each new employee's date of hire. The Employer will notify the Union of upcoming orientations in a timely manner, with no less than 24-hour notice.

- 25.2 Such orientations will be scheduled in consultation with the Union Representative and Chief Shop Steward.

ARTICLE 26. UNION POSTING

- 26.1 The employer agrees to post the following notice prominently in its facility:

NOTICE TO ALL EMPLOYEES

This facility is being operated under the terms of an agreement with the labor union WESTERN STATES REGIONAL JOINT BOARD, WORKERS UNITED, LOCAL 289T. 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 associates as well as the company and Union.

AVISO A TODOS LOS EMPLEADOS

Esta planta trabajo bajo los términos de un Acuerdo con la Unión, WESTERN STATES REGIONAL JOINT BOARD, WORKERS UNITED, LOCAL 289T. Los salarios, horas, y otras condiciones de trabajo son regulados por los términos del Acuerdo. Las buenas relaciones laborales son para el beneficio de los intereses de los asociados, la compañía, y la Unión.

- 26.2 To ensure associates of their right to union representation per Section 17.4, the walls of Associate Relations office will contain a visible, legible posting reading: “Bargaining unit employees have the right to request a union steward be present during the discussion of a grievance, discharge or investigatory interview.”

ARTICLE 27. MANAGEMENT PREROGATIVES

- 27.1 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 28. NO STRIKE PROVISION

- 28.1 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.

28.2 Compliance by the Union in good faith with this provision shall be deemed full compliance with the Union's obligations hereunder.

ARTICLE 29. WAGES

29.1 **Increases.**

a. On the indicated effective dates in following table, employees who have completed thirty (30) days of employment will receive the indicated increase to their hourly base wage:

Effective date	10/1/2022	10/1/2023	10/1/2024
General Warehouse, Maintenance	\$0.50	\$0.25*	\$0.25*

*Any associate in an incentive-eligible department in which incentives have not yet gone live on 10/1/2023 or 10/1/2024 will be increased \$0.50 to their base wage rather than \$0.25. The additional \$0.25 increase(s) will be removed once the department goes live with incentives.

b. **Compression increases:** On a one-time basis, effective 10/1/2022 associates will received the following additional increase to base wage based on hire date:

Hired on or before 10/1/2021	\$0.75
Hired after 10/1/2021	\$0.25

29.2 **Hiring Rates.**

a. Newly hired General Warehouse employees will earn an hourly base wage of \$17.00.

- b. Newly hired Maintenance Utility employees will earn an hourly base wage of \$20.00; Mechanics will earn \$24.00; and Senior Mechanics will earn \$27.00.

29.3

Incentive Bonuses.

Performance %	Oct. 1, 2022	Oct. 1, 2023	Oct. 1, 2024
99.5% - 104.49%	\$0.40	\$0.65	\$0.90
104.5% - 109.49%	\$0.45	\$0.70	\$0.95
109.5% - 114.49%	\$0.50	\$0.75	\$1.00
114.5% - 119.49%	\$0.55	\$0.80	\$1.05
119.5% - 124.49%	\$0.60	\$0.85	\$1.10
124.5% - 129.49%	\$0.65	\$0.90	\$1.15
129.5% - 134.49%	\$0.70	\$0.95	\$1.20
134.5% and up	\$0.75	\$1.00	\$1.25

On a one-time basis, any *identified non-incentive eligible Associates will receive an additional \$0.25 to their base wage on 10/1/2022, \$0.25 on 10/1/2023, and \$0.25 on 10/1/2024. *These non-Incentive eligible Associates shall be identified as Maintenance, A/C, Data Center, Union Analysts, D shift, and Annex.

Any non-incentive eligible employees who move to an incentive eligible position During the life of this Agreement shall lose all increases paid as "non-incentive eligible" and receive the equivalent "incentive eligible" increase corresponding to those years of the Agreement. Vice versa, any incentive eligible employee who moves to a non-incentive position during the life of the Agreement gain the equivalent increase from their base pay raise to the non-incentive pay increase corresponding to those years of the Agreement. These measures would apply to any base wage increases provided under previous incentive based contractual agreements. At such time the building deems any of the previously identified non-incentive eligible departments to be eligible for incentives, any impacted Associates in those departments will lose all increases as identified above.

29.4

30-Day Increase: Employees shall receive a twenty-five cents (\$0.25) hourly wage increase upon completion of thirty (30) calendar days of employment.

29.5

Bid Job Classifications: Certified Forklift Drivers will earn an additional \$1.00 per hour. Accuracy Control associates will earn an additional \$0.50 per hour. All bid job classifications as identified in this Clause are subject to Article 24 “Job Posting and Bidding”.

29.6 **Premium Pay:** Employees will be paid a fifty cents (\$0.50) hourly premium for time working in Layup, Receiving, Shipping, and Pre-D.

29.7 **Shift Differentials:** Any employee working on the following shifts will be paid the indicated amount:

C Shift: \$1.25
B Shift: \$1.75
D Shift: \$3.00

2nd and 3rd shifts: \$1.00
Alternative 3rd Shift: \$2.00
Part-Time Weekend Shift: \$2.00

29.8 **Union Analyst premium.** Union Analysts will earn an additional \$1.25 an hour in addition to any applicable shift differentials and wage increases.

ARTICLE 30. HOLIDAYS

30.1 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 Shifts	2022	2023	2024
New Year's Day	X	X	Mon. 1/1
Memorial Day	Mon. 5/30	Mon. 5/29	Mon. 5/27
Fourth of July	Mon. 7/4	Tue. 7/4	Thu. 7/4
Labor Day	Mon. 9/5	Mon. 9/4	Mon. 9/2
Thanksgiving	Thu. 11/24	Thu. 11/23	Thu. 11/28
Christmas Eve	X	X	Tue. 12/24
Christmas Day	X	Mon. 12/25	Wed. 12/25

Personal Days* 3 4 2

B & D Shifts	2022	2023	2024
New Year's Day	Sat. 1/1	Sun. 1/1	X
Easter	Sun. 4/17	Sun. 4/9	Sun. 3/31
Fourth of July	X	X	X
Thanksgiving	X	X	X
Christmas Eve	Sat. 12/24	Sun. 12/24	X
Christmas Day	Sun. 12/25	X	X

Personal Days* 2 5 7

*As indicated above, employees will be granted an amount of Personal Days per calendar year equal to the number of Holidays falling outside their regular workweek. Additionally, effective January 1, 2023, and moving forward, associates will be granted two (2) Diversity Days per calendar year which may be used for (Juneteenth, and Veteran's Day). Diversity Days are 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 Juneteenth or Veteran's Day, each Diversity Day may be used as a Personal Day, subject to advance notice and management approval.

- 30.2 If work is performed on a holiday listed in this Article, employees shall receive one (1) day's holiday pay plus time and one-half (1.5) for the number of hours worked, based on the employee's six-week average hour rate of pay. Employees shall be eligible for paid holidays provided he/she worked the full scheduled shift before and after the holiday (the "qualifying days"), and absence of fifteen (15) minutes or less on those days will not prevent eligibility for paid holidays. In selecting employees to work on a holiday, the Employer will first seek volunteers in seniority order by department, and if the number of volunteers is insufficient, will follow inverse seniority order.
- 30.3 If Voluntary Time Off (VTO) is offered and accepted by the employee and a holiday falls within the VTO, the qualifying day(s) are 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.
- 30.4 The day on which a Personal Day may be taken is subject to Employer approval, which will not be unreasonably withheld, and the request for a Personal Day must be made at least twenty-four (24) hours in advance.
- 30.5 If an employee is absent the day before and/or day after the holiday due to bereavement leave, approved intermittent day of FMLA leave, or under the ADA or other applicable law, 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.
- 30.6 All part-time employees employed more than thirty (30) days and covered hereunder shall be entitled to receive a maximum of ten (10) hours at the employee's rate of pay for holidays when they fall on the employee's work schedule. Part-time weekend shift employees will also be eligible for Easter holiday pay.

- 30.7 New hires, during the first year of employment, if hired between January 1 and May 31 will be entitled to all designated Personal Days for their year of hire, and if hired between June 1 and August 31 will be entitled to half the designated Personal Days for their year of hire (partial numbers will be rounded up to full numbers).

ARTICLE 31. VACATIONS

- 31.1 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) weeks' vacation.
 - b. Employees, upon completion of five (5) year's active service will, on their anniversary date of employment be eligible for three (3) weeks' vacation.
 - c. Employees, upon completion of ten (10) years' active service will, on their anniversary date of employment, be eligible for four (4) weeks' vacation.
 - d. Requests for vacation time shall be subject to approval by the facility manager, but shall not be unreasonably denied. In any given department, at least one employee must be allowed to take vacation or personal day(s) each week, regardless of whether any employee is on a Leave Of Absence in the department.
- 31.2 Whenever a holiday falls within an employee's vacation period, the employee shall be granted an extra day of vacation at the end of the week preceding the vacation or beginning of the week following the vacation.
- 31.3 Vacation pay shall be based on the employee's six-week average hourly rate of pay.
- 31.4 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.
- 31.5 Employees that are unable to schedule their vacation before their anniversary date may request to carry over 1 week for up to 6 weeks after their anniversary date with the approval of the facility manager.

ARTICLE 32. SICK LEAVE

- 32.1 Employees shall accrue one (1) hour of paid sick time for every thirty (30) hours worked to a maximum of forty (40) hours paid sick time during the first year of service.
- 32.2 After the completion of one year of service on their anniversary date an employee will receive their full allotment of forty (40) hours paid sick time per the Agreement, and, effective October 1, 2020, fifty (50) hours paid sick time for A and C shifts, forty-eight (48) hours paid sick time for B and D shifts, after completing three (3) years of employment.
- 32.3 Paid sick time accrued may be carried over from year to year up to a maximum of fifty (50) hours.
- 32.4 Paid sick time may be used in hourly increments.
- 32.5 Part-time weekend shift employees shall accrue one (1) hour of paid sick leave for every thirty (30) hours worked not to exceed forty (40) hours. Employees are not eligible to use the paid sick leave until they have completed ninety (90) days of employment.
- 32.6 The Union and the Employer understand and agree that this Article supersedes and waives the provisions of Proposition 206 (Fair Wages and Healthy Families Act) that address earned paid sick time.

ARTICLE 33. HOURS OF WORK

- 33.1 The days of work for the A and C shift shall be ten (10) hours from Monday to Thursday inclusive, and the hours of work for A shift shall fall within the hours of 5 a.m. and 4 p.m. daily and for C shift, 3:30 p.m. and 4 a.m. daily.

The days of work for the B shift shall be twelve (12) hours from Friday to Sunday inclusive, and the hours of work for B shift shall fall within the hours of 4 a.m. and 6:30 p.m. daily.

The days of work for the D shift shall be eleven (11) hours from Friday to Sunday inclusive, and the hours of work for the D shift shall fall within the hours of 5:30 p.m. and 6:30 a.m. daily.

The hours for all shifts are inclusive of thirty (30) minutes for an unpaid lunch. 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 if required by business needs and after discussion with the union.

- a. Part-time weekend employees will work two 10-hour days (Saturday and Sunday) totaling 20 hours in the workweek that will fall between 5:00am and 7:30pm. When a part-time weekend employee works over 10 hours their second paid break will be 15 minutes.

33.2 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. 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.

33.3 In the course of the eight (8) hour shift work day the Employer shall designate a one (1) fifteen (15) 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) ten (10) minute period break during the second (2nd) portion of the shift.

In the course of the ten (10) hour (A and C shifts) work day, the Employer shall designate one (1) fifteen (15) minute break, which shall be during the first portion of the shift, provided the employee is scheduled to work at least eight (8) hours or more that day. The Employer shall designate one (1) fifteen (15) minute break during the second portion of the shift.

In the course of the twelve (12) hour (B) work day or the eleven (11) hour (D) work day, the Employer shall designate one (1) fifteen (15) minute break, which shall be during the first portion of the shift, provided the employee is scheduled to work at least eight (8) hours or more that day. The Employer shall designate one (1) twenty (20) minute break during the second portion of the shift.

ARTICLE 34. 401(K) PLAN

34.1 Employees will be eligible to participate in the Employer’s 401(K) Plan. Employees who participate in this plan will receive a matching contribution of seventy-five percent (75%) of eligible pay deferred under this plan.

ARTICLE 35. MEDICAL BENEFITS

35.1 The Employer will provide medical insurance to all employees in compliance with the Affordable Care Act, as well as dental insurance, vision insurance, basic life insurance, and short-term disability insurance, with the following weekly employee contributions:

PLAN	As of 10/1/2022	As of 10/1/2023	As of 10/1/2024
Consumer’s Choice Single	\$13.25	\$14.25	\$15.25
Consumer’s Choice Family	\$52.25	\$54.25	\$56.25
Option A+ Single	\$42.25	\$44.00	\$45.50
Option A+ Family	\$125.00	\$128.00	\$135.00
Dental Single	\$4.10	\$4.60	\$5.00
Dental Family	\$10.60	\$11.00	\$11.20
*Vision Single	\$1.08	\$1.08	\$1.08
*Vision Family	\$2.97	\$2.97	\$2.97
Short Term Disability	No contribution	No contribution	No contribution
Basic Life	No contribution	No contribution	No contribution
Long Term Disability	Associate pays 58% and company pays 42%		

* Associates costs for Vision coverage will be subject to insurance carrier rates.

35.2 Part-time weekend employees will not be eligible for insurance benefits.

ARTICLE 36. BEREAVEMENT LEAVE

36.1 In the event of a death in the employee's immediate family member the Company will provide any eligible associate working the eight (8) or ten (10) hour shift with four (4) days paid bereavement leave, and any eligible associate working the eleven (11) or twelve (12) hour shift with three (3) days paid bereavement leave. For the purpose of this Article, "immediate family" includes parents, spouse, bona fide domestic partner, sister, brother, child (adopted or otherwise), grandparents, and grandchild, including step and in-law relations. 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 one (1) month unpaid leave and/or available vacation time in addition to the paid bereavement days.

36.2 Bereavement will normally commence immediately after the Associate is notified of the death of an immediate family member unless the Associates requests a later date for extenuating circumstances. The Company reserves the right to request proof, but will not unreasonably deny bereavement leave.

36.3 Bereavement pay is based on the employee's six-week average hour rate of pay.

36.4 Part-time weekend shift employees will be eligible for two (2) bereavement days.

ARTICLE 37. JURY DUTY

37.1 If an employee is called to jury duty, the Employer will make up the pay difference between jury duty pay and her/his regular 6-week average base rate of pay for up to thirty (30) calendar days. To be eligible for jury duty pay an employee must have completed thirty (30) days of consecutive employment and submit his or her jury duty pay stub to his or her supervisor. Employees must provide a minimum of 48 hours' notice of their call to jury service and show the Employer their Court summons. Employees assigned to second shift will be temporarily assigned to 1st shift without loss of pay for the duration of their jury service. 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 38. TEMPORARY EMPLOYEES

- 38.1 The Employer, at its discretion, and upon notification to the Union, may employ temporary employees to perform work during temporary peaks in workload, seasonal requirements, conditions of absenteeism, and special production projects. Such temporary employees may be hired at any time during a calendar year as necessitated by business requirements. Should any temporary employees remain in the Employer's employ for a period in excess of twelve (12) consecutive weeks, which the employer will not abuse and which may be extended by mutual agreement between the Employer and the Union, then such employees shall thereafter be deemed covered by the terms of the Agreement.
- 38.2 Before the Employer hires temporary employees, as herein provided, the Employer shall first offer employment to employees on layoff at that time, in accordance with Article 10 of this Agreement.
- 38.3 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.
- 38.4 Temporary employees with more than three (3) weeks of employment shall be subject to transfer out of their departments before regular employees are involuntarily transferred.
- 38.5 Upon date of employment, the employee will be covered by the terms of the collective bargaining agreement. Upon conversion of a non-agency temporary employee to a permanent employee, the Employer will waive the trial period.

ARTICLE 39. INVALIDITY OF PART OF AGREEMENT

- 39.1 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 40. ENTIRETY OF AGREEMENT

- 40.1 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. ENGINEERING STANDARDS

- 41.1 ES Joint Committee. An ES Joint Committee will be established to meet on an as-needed basis to review and validate department standards before incentives go live in a department, to address any Union challenge to a production standard, and other purposes described in this Article. The Union participants will include all Union Analysts, the Chief Steward, the Local Union President, the Union Representative, and any additional members per mutual agreement with the Employer. Employee participants in ES Joint Committee meetings will be paid by the Employer.
- 41.2 ES Focus Group. The ES Focus Group will meet monthly to monitor and review engineered standards, best practices, and to ensure rates and standards are fair. During these meetings, periodic method audits will be conducted. Union participants will include all members of the ES Joint Committee, plus a Lead Steward for each shift, a representative from any department to be discussed at a particular meeting, and any additional members per mutual agreement with the Employer. Employee participants in ES Focus Group meetings will be paid by the Employer.
- 41.3 Incentive Pay. Employees eligible to earn incentives will earn hourly incentive pay on a weekly basis according to the applicable incentive rate designated in Article 29.
- (a.) Transfers between incentive eligible and non-eligible positions. An employee who moves from an incentive-eligible position to a non-eligible position during the life of the Agreement gains an increase equivalent to the difference between base wage rate increases for incentive eligible and non-eligible employees for any yearly increase the employee received per the Agreement. Inversely, the base rate of an employee who moves from a non-incentive eligible position to an eligible position will be reduced by the same formula.
- (b.) Grace period for department transitions. When a department becomes incentivized, and thereby employees in the department move from non-incentive eligible to eligible, for a period of thirty (30) calendar days the affected

employees will earn no less than the base rate they earned prior to becoming incentive-eligible.

- 41.4 Discontinuance of production standards. Once production standards have been established, they may not be changed except in accordance with the following provisions. If the Employer 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 the Employer will commence bargaining, provided that the affected Employees earnings would be red circled until the negotiations are completed.
- 41.5 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 Western States Regional Joint Board and the local Union, and affected Employees. 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 per the procedure described in this Article, the affected Employees will be notified.
- 41.6 Union and Employee access to information about production, quality, and production standards. Individual Employees shall be provided with a current copy of the preferred work methods and job aids in 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, standard goal times for any job they have performed, and all other information necessary to verify that their weekly efficiency or incentive payments have been correctly calculated.
- 41.7 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.
- 41.8 Production standards to reference best practices. The Employer and the Union agree it is in everyone's best interest to develop production standards which

reference 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.

- 41.9 Downtime and off-standard conditions. Written instructions and policies, including any updates, will be provided to each employee under production standards, in English and Spanish, for downtime, indirect, and/or off-standard time. The local Union will also receive a copy of these documents. When an Employee experiences downtime of five (5) consecutive minutes or more, the downtime will be recorded on their indirect log. The Employee will sign the indirect log and turn it in to their supervisor at the end of their shift. Any adjustment or non-approval of the employee's original entry will be communicated to the employee 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.
- 41.10 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 ES Joint 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.
- 41.11 Employee Training. All Employees who will be working under standards, including HomeGoods (non-agency) temporary Employees, will receive appropriate training in work methods, safe lifting, and how production standards work. The Employer will pay for this training and training materials will be provided in English and Spanish.
- (a.) Newly Hired. Newly hired employees in training will not move to the incentive system until they complete 30 calendar days of training. After 30 calendar days, they may either opt out of training after achieving 100% performance to standard for a number of hours equivalent to the regular workweek for their shift, or three calendar weeks of service, whichever comes first. Opting out of training is not revocable and must be done at the employee's request. The employee will be paid their base rate until shifting to the incentive program.

- (b.) Current Employees. Current employees who are in training for a new job function will not move to the new incentive pay until they complete 3 calendar weeks in the area of training, and until that time, the employee will be paid their 6-week average or base rate of pay (whichever is greater). 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.
- (c.) Return to job function. Employees 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 indirect time during which they will be paid their previous 6-week average. In areas that do not process orders, those same Employees will be afforded two hours of indirect time in the transferred area.
- (d.) ES Trainers. The Union and the Employer will work to establish ES trainers in all areas to assist in an Employee's training, who will earn incentives at the 135% rate for time training, and who must be sufficiently experienced as to be an effective trainer. This language applies only to associates time spent training, specific to Engineered Standards.

41.12 Union Analysts. The Union and the Employer agree to have three (3) Union Analysts. Should the Employer establish an additional shift, it will ensure a Union Analyst is present during some portion of that shift, and should such an additional shift be made permanent, the parties will meet and discuss the potential need for additional Union Analysts. The Union Analyst is an employee, paid by the Employer, covered by this Agreement, and is not eligible to earn incentive pay. The Union Analysts will ensure standards are applied fairly, and will work with the Employer engineer(s) on reviews.

- (a.) Selection. Each Union Analyst will be selected by the Union and approved by the Employer. No Union Analyst may concurrently hold a Union Shop Steward position in the building.
- (b.) UA Premium Pay. Union Analysts will earn a premium as defined in Article 29.
- (c.) Training and equipping. The Employer will train and equip the Union Analysts based on recommendations from the Employer and Union engineers, including training to monitor the accuracy of the Engineered Standards and Incentive Pay program, including methods, elemental standards, and KVI data, as well as providing the Union Analysts with a dedicated workspace with a computer and phone.

- 41.13 Average Pay. Average pay is your rolling six (6) week average pay, including your base wage plus incentive.
- 41.14 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.
- 41.15 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.
- 41.16 Overtime. Overtime will be based on the Employee's hourly wage including the weekly incentive.
- 41.17 Discipline. Engineered Standards performance will be tracked separately from other discipline. A Performance Improvement Program (PIP) will be jointly agreed upon by the Employer and the Union, and no disciplinary action related to Engineered Standards will be taken until such program is agreed upon. The parties will meet within thirty (30) days of the execution of this memorandum.

ARTICLE 42. MAINTENANCE

- 42.1 When training is required by the Employer, it will provide training for maintenance employees. When off premises training is deemed necessary by the Employer it will cover all expenses incurred for training including, if necessary, travel expenses and lost work time. Training time will be counted as time worked for the purposes of overtime.
- 42.2 The Employer will provide up to three hundred (\$300) for work boots over a two year period, based on a contract year, upon receipt of proof of purchase.
- 42.3 The Employer will provide and maintain shirts, pants, and jackets for all maintenance employees.
- 42.4 When a member of management interrupts a maintenance employee's lunch due to breakdowns and emergency circumstances, the employee will be allowed to take their full thirty (30) minute uninterrupted lunch break when possible.

ARTICLE 43. EXPIRATION AND RENEWAL

This Agreement shall be in effect from the 1st day of October, 2022, to and including the 30th day of September, 2025, 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 the 30th of September, 2025, or at least sixty (60) days prior to any subsequent 30th of September, of 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.

FOR THE EMPLOYER:

FOR THE UNION:

H.G. MERCHANTS, INC.

**Workers United, Western States
Regional Joint Board, SEIU**

By: Stacey E. Cavito

By: J. M. [Signature]

Date: 3/1/2023

Date: 3/1/2023

APPENDIX A: SIDE LETTER ON MAINTENANCE CLASSIFICATIONS

BETWEEN HomeGoods Distribution Center, Tucson, Arizona

AND Workers United, Western States Regional Joint Board, SEIU, Local 289T

1. No later than January 31, 2023, there will be no less than two (2) Senior Mechanics, or else the two (2) Mechanics with the longest time assigned to the Maintenance department will automatically be offered the Senior Mechanic positions. An employee who fails to maintain the standards of the Senior Mechanic position and fails to successfully pass testing from six months of start date, will return to their previous role and will lose the amount of increase received for the posted job. Open Senior Mechanic positions will be posted when available such that there will be no less than two (2) Senior Mechanic positions. Training and/or training materials will be provided to Mechanics seeking to test as Senior Mechanic.
2. The first Senior Mechanic promoted on each shift shall receive the minimum Senior Mechanic start rate or \$1 increase, whichever is higher. Should the company offer a new hire to any maintenance classification a base wage higher than an existing employee in that classification, such employees will be increased to that base wage.

FOR THE EMPLOYER:

FOR THE UNION:

H.G. MERCHANTS, INC.

**Workers United, Western States
Regional Joint Board, SEIU**

By: Stacey E. Cavito

By: J. M. [Signature]

Date: 3/1/2023

Date: 3/1/2023

APPENDIX B: 401(K) VESTING TABLE

The following is provided for reference purposes only. See the most updated Summary Plan Description for important details.

Employees participating in the 401(K) plan are immediately vested in their own contributions, and are vested in Employer contributions and earnings based on years of service, subject to the Summary Plan Description and changes thereof, as follows:

Less than one year	0%
One year but less than two	25%
Two years but less than three	50%
Three years but less than four	75%
Four years or more	100%

APPENDIX C: SIDE LETTER OF AGREEMENT — DRUG AND ALCOHOL-FREE WORKPLACE

Employees may seek voluntary assistance for substance abuse at any time and will not be disciplined for seeking such assistance.

In the event of a reasonable suspicion situation, the associate may request a leave of absence during the investigatory step for the purpose of seeking rehabilitation. In this case, the associate will be suspended pending successful completion of the program. Written documentation must be provided for entry into a rehabilitation program. All conditions under leave of absence will be followed.

The associate will be returned to work upon documentation showing successful completion of the program under the terms of a last chance agreement. Power equipment operators will be permanently removed from equipment.

The TJX Drug and Alcohol - Free Workplace policy will be upheld at all times.

FOR THE EMPLOYER:

FOR THE UNION:

H.G. MERCHANTS, INC.

**Workers United, Western States
Regional Joint Board, SEIU**

By: Stacey E. Cavito

By: J. M. [Signature]

Date: 3/1/2023

Date: 3/1/2023