

AGREEMENT

BETWEEN

DAVIS VISION, INC.  
(Newtown Square Laboratory Operations)

AND

IUE/CWA and Its Local 81408

FOR THE PERIOD OF

April 1, 2017  
TO  
March 31, 2020

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## **PREAMBLE**

The purpose of this Agreement is to provide an orderly collective bargaining relationship between Davis Vision, Inc. and IUE/CWA and its Local 81408 with respect to the Bargaining Unit as defined herein, to secure and promote the prompt disposition of grievances and the efficient operation of the Company's business. This Agreement shall be regarded as a complete and full statement of the relationship between the Company and the Union. The parties agree that all matters and proposals raised in collective bargaining have been disposed of and no issues remain unsettled. No amendments, qualification, change, interpretation or alteration shall be effective unless it is made in writing and signed by duly authorized representatives of the parties who have executed this Agreement.

## **ARTICLE 1** **AGREEMENT**

This Agreement made and entered into this \_\_ day of April, 2017, by and between IUE/CWA and its Local 81408 of P.O. Box 578, Haganan, New York, 12086, hereinafter referred to as the "Union" and Davis Vision, Inc. with headquarters at 175 E. Houston St., San Antonio, TX 78205, hereinafter referred to as the "Company".

## **ARTICLE 2** **RECOGNITION**

The Company recognizes IUE/CWA and its Local 81408, their designated agents and representatives, its successors and/or assigns as the sole exclusive bargaining agent in all matters pertaining to wages, hours and other conditions of employment for all full-time and specified regular part-time hourly associates in its Newtown Square Laboratory Operations, except as excluded below.

The term associate, wherever used in this Agreement, refers to all persons employed by the Davis Vision Newtown Square Laboratory, including mechanics and senior mechanics (collectively "mechanics"). This Agreement excludes Company Officers, Department Managers/Associate Supporters, Information Systems and Human Resource associates, Trainers, Executive Secretaries, Corporate Receptionists, Payroll associates, and temporary or seasonal associates.

Temporary and seasonal associates are defined as associates working less than three consecutive months, who are hired to work on specific short term projects, or as otherwise defined in this Agreement.

## **ARTICLE 3** **UNION SHOP**

It shall be a condition of continued employment that all Associates of the Company covered by this Agreement who are members of the Union in good standing on April 1, 2011 shall remain members in good standing with the Union. It shall also be a condition of continued employment that all associates covered by this Agreement and hired on or after April 1, 2011 shall, not later than the completion of their probationary period, become and remain members in good standing with the Union.

The Company will, within ten (10) working days after receipt of notice from the Union, discharge any associate who is not in good standing in the Union as required by the preceding paragraph.

**ARTICLE 4**  
**CHECK-OFF**

1. The Company agrees to deduct each pay period from the wages of associates, who are members of the Union and who have signed authorization cards in the form annexed to this Agreement, the prescribed Union dues and initiation fees levied in accordance with the constitution and by-laws of the Union. The Company shall remit monthly, the amount so deducted to the IUE/CWA, AFL-CIO Headquarters in Washington, D.C. and all initiation fees to the IUE/CWA, Local 81408, P.O. Box 578, Haganan, New York, 12086.
2. The Union, by one of its officers, shall notify the Company in writing of the amount of such Union dues and initiation fees to be so deducted by the Company, and, for the purposes of this Agreement, the amounts specified in any such notice shall conclusively be presumed to have been established in accordance with the Constitution and by-laws of the Union.
3. The Union shall indemnify and save harmless the Company from any and all manner of claims demands, suits, actions or other forms of liability which may arise against the Company out of or by reason of the deductions provided for in this check-off article, the payment of the same to the Union or any other action taken or not taken by the Company.

**ARTICLE 5**  
**SAVINGS CLAUSE**

Should any part hereof or any provision herein contained be rendered or declared illegal, invalid, or an unfair labor practice by reason of any existing or subsequently enacted legislation, or by any decree of a court of competent jurisdiction, or by decision of any authorized government agency, including the National Labor Relations Board, the parties shall meet and negotiate with respect to substitute provisions for those parts or provisions rendered or declared illegal, invalid or an unfair labor practice.

**ARTICLE 6**  
**NON-DISCRIMINATION**

1. The Company and the Union agree not to permit discrimination or harassment because of a person's sex, race, color, age, religion, creed, ethnicity, national origin, disability, veteran status, marital status, sexual orientation, or any other category protected by applicable Federal, State or local law. The parties do not tolerate harassment of associates or applicants for employment by management personnel, co-workers, customers, outside business invitees or visitors.
2. When the masculine pronoun is referred to in this Agreement, it shall be deemed to refer to both male and female associates.

**ARTICLE 7**  
**STRIKES AND LOCKOUTS**

1. During the life of this Agreement, or any extensions or renewals thereof, there shall be no authorized suspensions of work by the Union, strikes, picketing, boycott, slow-down, work to rule, or other authorized interruptions of work or interference – coercive or otherwise – with the Company's

business. Any disputes that may arise shall be settled under the provisions of the Grievance Procedure herein set forth.

2. During the life of this Agreement or any extensions or renewals thereof, there shall be no lockouts of associates by the Company because of labor dispute, and any dispute that may arise shall be settled under the provisions of the Grievance Procedure herein set forth.

3. The Company agrees that it will comply with all laws, regulations and/or government policies governing an associate's right to refuse to cross a picket line established at their work location when a strike against the Company by a duly recognized collective bargaining representative is in effect.

## **ARTICLE 8 COMPANY RIGHTS**

1. a. The Company shall have the sole right to determine the manner and extent to which the facility and equipment it owns, operates, and/or occupies shall be operated, services or employment increased or reduced, including the right to plan, direct and control operations, hire, suspend or discharge, the right to introduce new and/or improved methods, facilities or equipment, and to establish, eliminate, or combine positions and modify job duties of existing positions.

b. The Company reserves the right, based on business needs, to temporarily reassign associates in the bargaining unit. The Company shall use reasonable judgment in reassigning associates based on skills, knowledge and experience, and use reasonable efforts to rotate comparably situated associates.

2. It is agreed that all rights which are ordinarily vested in and are exercised by the Company, except those expressly relinquished by the terms of this Agreement, are reserved to and shall continue to be vested in the Company and such rights shall be retained by the Company, except as expressly and specifically abridged, delegated, granted or modified by this Agreement. The Company may issue reasonable rules which shall supplement the Company's *Associate Handbook*, additional written policies (including HVHC policies), job descriptions and procedures to address any issues not expressly covered within the Articles of this Agreement. While the Company may be guided by the *Associate Handbook* to address any issues not specifically set forth in this Agreement, the Union may challenge such decisions through the grievance procedures.

3. Department Managers/Associate Supporters retain the right to work regularly scheduled shifts, additional shifts and extra work to maintain staffing as part of their job duties and as scheduled by the Company. This is not to be used to erode the bargaining unit.

4. The Company reserves the right to add, expand, contract, locate, relocate, or close facilities as necessary. Any changes, which may impact the number of associates will be shared with the Union, with as much advance notice as reasonably possible. The Union waives none of its rights under the National Labor Relations Act.

5. The Company has the right to insist on attendance by Union associates for training, to include but not be limited to, integrity, regulatory compliance, and procedures. The Company has the right to require that attendance by the Union associates be documented by the signing of a certificate of completion. If such certificate of completion requires anything other than a signature to verify attendance, a copy of the certificate of completion will be provided to the Union in advance.

Associates will be notified of all required training at least one (1) week in advance of the scheduled occurrence.

6. The Union and the Company understand that there may be past practice(s) in effect. A past practice is defined, for the purposes of this Agreement, as a practice concerning a term and condition of employment that is accepted by both the Union and the Company. Proof of past practice must be unequivocal, clearly enunciated and acted upon, and readily ascertainable over a reasonable period of time, however, past practice(s) will not supersede any items contained in this Agreement. A failure to act by the Company or the Union does not establish a past practice. The Company shall not issue discipline for violations, which, they have failed to enforce unless the Company has given adequate notice that it is discontinuing the practice. Any changes to a past practice will be subject to good faith negotiations between the parties.

## ARTICLE 9 REPRESENTATION

1. The Company recognizes and will deal with all accredited Stewards and all other Union representatives in all matters which may affect the relationship between the Company and the Union.

2. A written list of Union Stewards shall be furnished to the Company immediately after their designation and the Union shall notify the Company promptly of any changes in Stewardship.

3. The number and location of Stewards may be adjusted by mutual agreement of the Company and Union with the goal of providing one steward for every 40 associates. The Company understands the need for Union representation at all work-sites during regular hours of operation. . The Company and the Union agree that during each production shift (day, night, and split), two designated stewards will be available, including the Lead Steward.

4. The Company agrees to grant permission, as may be necessary, for the Steward or Union representatives to carry out the investigation and processing of grievances. Such arrangements shall include permission for Stewards to leave their job assignment to investigate and/or bring about a proper and expeditious disposition of a grievance in their location, department or area designated to their representation to a maximum of 1 hour per week.

5. The Company shall pay Stewards their regular hourly earnings for time spent processing grievances during their regular work hours. The Company will recognize one (1) Lead Steward for the bargaining unit. The Lead Steward will be granted up to one hour per day or 5 hours per week to attend to union business without loss of pay. Before leaving his/her job, Lead Steward shall obtain approval from the Company, which approval shall not be unreasonably denied. Such time may be extended as circumstances warrant with the mutual consent of the Company and the Union. The Lead Steward and Union Representatives, in the course of performing union business, will not be denied access to any location where bargaining unit members work. The Lead Steward shall be allowed one hour monthly to meet with new hires.

6. At the written request of the Union, any member of the Union selected to attend Union conventions shall be given a leave of absence without pay, provided the Company is in mutual

agreement of such leave. Requests must be submitted in writing at least thirty (30) days in advance and such time off will not exceed five (5) consecutive days per contract year.

7. The Company will pay lost time wages for a maximum of three (3) associates for negotiations at eight (8) hours, three (3) days maximum, or twenty-four (24) hours per associate.

[Article 10 and 11 –Deleted]

**ARTICLE 12**  
**BULLETIN BOARDS**

The Company shall furnish a bulletin board which will be used by the Union for posting Union related information.

**ARTICLE 13**  
**PROBATIONARY PERIOD**

1. For all new full time associates, the first ninety (90) calendar days shall be designated as a probationary period. For all new part time associates, the first one hundred eighty (180) calendar days shall be designated as a probationary period. Upon the successful completion of the probationary period, an associate will become eligible for regular employment with the Company, including participation in any incentive programs which may exist. Participation in any existing incentive program may begin after 30 days with the consent of the Company and the Union. The service date of an associate who successfully completes a probationary period shall be calculated from their original date of hire.

2. During the probationary period, the employment of any associate may be terminated at the discretion of the Company, with or without cause and such termination shall not be a basis for a grievance, nor shall such action by the Company be subject to the grievance procedure.

3. A new associate's probationary period may also be extended for up to sixty (60) days, if it is determined that satisfactory progress in the completion of given responsibilities, has not occurred. This extension, which will be documented on the prescribed form, will be at the mutual agreement of the Company and the Union. If agreement to extend the probationary period is reached, a copy of the documentation will be provided to the appropriate shop steward and the union.

4. Under the terms of this Agreement, all associates are required to inform their Department Manager and the Human Resources Department of any change in their personal status. If a change occurs in any of the following areas, the Human Resources Department must be immediately notified.

The following is a sample, but not an exclusive list of possible changes:

Marital Status	Dependent Status
Home or Mailing Address	Beneficiary Designated
Legal Name	Income Tax Exemptions
Home Telephone Number	Emergency Contact and Phone Number
Immigration and Naturalization Status	

It shall be the responsibility of each associate to keep the Company apprised of any changes.



**ARTICLE 14**  
**PART-TIME STATUS**

1. The Company maintains the right to employ part time associates.
2. A part time status is defined as any associate who works less than thirty (30) hours per week.
3. Part time associates will be eligible for paid sick time, vacation time, and holiday pay and will pay union dues, on a pro rata basis.

**ARTICLE 15**  
**SENIORITY**

1. Seniority shall mean the length of continuous association with the Company and represented by Local 81408.
2. Seniority shall be deemed broken:
  - a) When an associate voluntarily terminates employment, including walking off the job. (Walking off the job does not include engaging in a strike.)
  - b) When an associate is discharged for just cause.
  - c) In the event that a layoff extends beyond one (1) year duration.
  - d) When an associate fails to return to work seven (7) days from recall. Recall shall be by registered mail.
  - e) When an associate is absent for more than two (2) consecutive work days and/or fails to call in for two (2) consecutive work days, except for an emergency situation which makes it impossible for the associate to do so. The associate must speak personally to their Department Manager/Associate Supporter or their designated alternate.
  - f) When an associate resigns from the bargaining unit position for a non-bargaining unit position within the Company, all seniority is lost.
3. If an associate resigns or is terminated, he/she will be entitled to any unpaid time worked. Upon separation from employment, an associate is entitled to any unused vacation time only if he/she resigns with two (2) weeks' notice and does not miss any scheduled time during the notice period, or is terminated under circumstances that do not constitute just cause (e.g., inability to return at the conclusion of an approved leave).

**ARTICLE 16**  
**POSITION POSTINGS**

1. For purposes of job postings and temporary job assignments, stock room and shipping shall be considered one department, and maintenance, ARC, the finishing lab, and the surfacing lab shall each be considered separate departments.
2. Where a bargaining unit vacancy occurs, the Company shall make a determination whether a vacancy posting shall be issued. Should the Company decide to issue a vacancy posting, such notice shall be posted on site and electronically for five (5) consecutive work days using the Company's recruitment management system, provided the opening cannot be filled by another associate within the same

department and skill level (lateral move). If an associate wishes to be considered for a job opening, they must submit a bid (electronic or hard copy) for the job to the Human Resources Department, or their designee, within the prescribed posting period.

3. a) Non-mechanic posted positions will be awarded to the most senior associate in the bargaining unit who (i) meets the minimum qualifications of the job as defined in the responsibility description, (ii) does not have a current second written or final discipline warning under Article 19 on his/her record, and (iii) whose attendance, disciplinary history, experience, and past performance are acceptable to the Company. The Company will not exercise its judgment in an arbitrary or capricious manner. The Company will provide the Steward with the justification for denying a senior bidder in writing within 5 business days after awarding the position.
- b) Mechanic and Senior Mechanic posted positions shall be awarded to the qualified associates determined by the Company based on the duties of the position and the requirements set forth in the job description or job posting. In addition, the associate (i) may not have a current second written or final discipline warning under Article 19 on his/her attendance record, and (ii) must have attendance, disciplinary history, experience, and past performance that are acceptable to the Company. If no internal candidates match the criteria, the Company may hire from the outside to find a qualified candidate. In the event two Associates are determined by the Company to be equally qualified for the position, seniority will be the tie breaker.

4. There shall be a trial period of no more than thirty (30) days, for any associate who changes responsibilities as a result of a job posting. If the associate does not successfully complete the trial period, he/she will be returned to his former position. An associate may choose to return to their former responsibilities at any time within this trial period. Any associate not successfully completing the trial period, at either their choosing or the Company's, will be ineligible to respond to future postings for a period of three (3) months for the first unsuccessful posting, and six (6) months for the second unsuccessful posting. The Company will not exercise its judgment in an arbitrary or capricious manner. Any associate who successfully completes the trial period shall not be eligible to bid on another posting for 6 months after the start of the trial period. Any associate hired after the effective date of this Agreement shall not be eligible to bid on a posting for 6 months after his/her hire date.

5. Jobs vacated prior to the successful completion of the trial period(s), shall not be reposted as the Company may look to the remaining bids for consideration, should the Company wish to fill the position, provided such bids were received in a timely manner.

6. Should an associate's new responsibilities pay a higher rate than the responsibilities previously performed, the associate shall receive the higher rate after completion of the thirty (30) day trial period, or sooner upon Company's designation that the associate has demonstrated the necessary knowledge and skills to perform the job. This time period may be extended by an additional thirty (30) day period by mutual agreement of the Union and the Company. The Company shall have no more than five (5) business days at the completion of the thirty (30) day initial trial period or at the completion of the thirty (30) day extension trail period to notify the affected associate as to the Company's determination that the associate has or has not demonstrated the necessary knowledge and skills to perform the job.

7. When no qualified associate is available or there are no bids for a posting, the Company may hire new associates from outside of the organization, or may at the Company's sole discretion, choose not to fill the position.

8. Notwithstanding any other terms of this Agreement, the Company may recruit and hire new associates from outside the organization at the same time that it posts vacancies for internal bids. No internal Union associate, who timely bids on a posted vacancy, will be denied a position because of a new hire, except that, based on business needs, the Company may reasonably delay the timing of an associate's move into a posted position to coordinate the staffing of vacancies.

9. If an associate bids from a higher skill level position into a lower skill level position, his/her base wage shall be reduced to the average wage of the associates in the new position on that shift.

10. The Company may hire apprentices (to a maximum of 5% of the bargaining unit) to allow training as new associates and the filling of open positions. The apprentice positions are not subject to the posting and bidding requirements of this Agreement.

#### **ARTICLE 17**

#### **LAYOFF**

1. When a work force reduction becomes necessary, temporary or otherwise, the Company will provide written notification to the Union, shop steward, and bargaining unit associates with as much advance notice as reasonably possible.

2. The Company will determine the timing of any layoff and department(s) affected.

3. All work force reductions shall be by seniority within a position classification within a department.

4. An associate laid off in accordance with this section, may bump any associate with less seniority provided they meet the qualifications of the position. Should an associate with greater seniority, bump an associate of lesser seniority, but possessing a different set of responsibilities or different job classification, the senior associate's salary may be adjusted to reflect the change in classification.

5. No new associates will be hired for a given department, while layoffs are in effect for that department. If a layoff extends for more than twelve (12) months, the affected associates will be terminated. Any associate re-hired, will begin their association anew and begin at the bottom of the seniority list. No new associate shall be hired while any layoffs are in effect, it being the intention of the parties that all laid-off associates shall be re-hired in the inverse order of layoff before any new associates are hired.

6. Should it become possible to re-hire associates during a layoff, associates will be able to respond to the posting for whatever positions are available. If the available responsibilities are of a lesser classification than that of their pre-layoff position, the returning associate's salary may be adjusted to reflect their new responsibilities. Posted positions will be awarded to the most senior associate who meets the qualifications of the job as defined in the responsibility description.

**ARTICLE 18**  
**GRIEVANCE AND ARBITRATION**

A. **GRIEVANCE PROCESS**

Any difference of opinion, controversy or dispute between the Company and any associate concerning rate of pay, wages, hours of employment, or concerning the interpretation or application of this Agreement, and which, in the instance of difference of opinion, controversy or dispute between the Company and any associate, is not settled or adjusted by the Department Manager/Associate Supporter(s) to the satisfaction of the associate concerned, shall be considered a grievance.

A grievance shall be deemed untimely if it is not initiated within ten (10) business days from the date the associate becomes aware of the incident. The day of the occurrence shall not be counted as part of the ten (10) business day period.

The following procedures may be initiated by either party and shall be applied and relied upon by both parties as the sole and exclusive means of seeking adjustment and settling any grievance, except as otherwise specifically provided herein:

**Step One** – By conference between the Union Representative/Steward, the Department Manager/Associate Supporter, and a Company designated representative. If no settlement is reached by the end of the second working day, the grievance shall be reduced to writing on a prescribed form, and at the request of either party, referred to:

**Step Two** – By conference between the Union Representative/Steward, Department Manager/Associate Supporter and a designated representative of the Human Resource Department. If no settlement is reached by the end of the tenth work day, either party may request that the grievance be referred immediately to:

**Step Three** – By conference between the Union Representative/Steward, Department Manager/Associate Supporter, and designated representative from the Human Resource Department, or their designated representative and a Company senior manager. A representative of the I.U.E./CWA, Local 81408 shall be present. If no settlement is reached at Step Three, the Company shall submit its written response to the Union by the end of the tenth workday after the Step Three meeting.

**Step Four** – If the grievance is not resolved after Step Three, the Union may submit the grievance to arbitration with the American Arbitration Association (AAA) in accordance with its labor arbitration rules. Notice of intent to arbitrate shall be given in writing to the AAA and the Company within 30 calendar days of the Company's Step Three response.

The Company and the Union may mutually agree to eliminate one or more of the foregoing steps, if deemed advisable in a particular case. In the case of employment termination, the Union may initiate the grievance at Step 2, within ten (10) business days of notice of the discharge, to expedite the resolution of the termination grievance. If the third step meeting on a discharge grievance is not held within 30 days of the step 2 meeting, the union may file for arbitration. The time frames herein may be extended by mutual agreement of the Company and the Union. If a grievance is not submitted to arbitration in a timely manner, it will be considered dropped.

In the event that a Steward is unavailable to represent an associate in a grievance, their designate will serve as the union representative. Such representation may be done via telephone.

B. SELECTION OF ARBITRATOR AND ARBITRATION PROCEDURE

1. The decision of the arbitrator will be binding upon both parties. All fees incident to the services of the arbitrator shall be shared equally by the Company and the Union.
2. By mutual agreement, the parties can select an alternative to the AAA.
3. The arbitrator shall set a date for the hearing as promptly as possible after his appointment, and shall make his award as promptly as possible after the hearing.
4. In all arbitration cases, the Union shall be represented by a Grievance Committee consisting of a - Lead Steward, the Local Steward, and the IUE/CWA representative, and at the Union's option, an attorney.

C. POWER AND AUTHORITY OF THE ARBITRATOR

The arbitrator shall not have the power or authority to alter any of the terms of this Agreement.

**ARTICLE 19**  
**DISCHARGE OR DISCIPLINE**

The Company shall have the right to discipline or discharge associates for just cause in accordance with the established reasonable, established Company rules and regulations which may be modified from time to time by the Company. In the case of the discharge of an associate, the Company shall furnish the discharged associate a signed statement giving the reason for discharge and shall furnish a copy of the signed statement to the Location Steward and the Local 81408 administrative office within five (5) business days.

Disciplinary actions, when necessary, will follow a three-step progression as follows:

1. **First Written Warning:** The first time it becomes necessary to address an opportunity for improvement with an associate, there will be a verbal conversation which covers the issue at hand, as well as the expectations for improvement and the time frame in which these expectations should be accomplished. Formal written documentation will be developed on the prescribed warning document and will indicate the time and date of the conversation, parties present, and desired outcomes.
2. **Second Written Warning:** The second time a given opportunity for improvement is discussed with an associate, formal, written documentation of this incident will be once more developed on the prescribed warning document. Copies of this warning notice will be placed in the associate's file and provided to the associate in question, as well as the Location Steward.
3. **"Final" Warning:** The third time it becomes necessary to address a given situation with an associate, formal documentation will once more be placed in the associate's file and provided to both the association and the Location Steward.

Any additional occurrence of unacceptable behavior, as documented in the aforementioned process, may result, at the Company's sole option, in more severe discipline, including suspension or dismissal without the need for prior discussion or approval from the Union. Additionally, the Company reserves the right to bypass the aforementioned process and discharge an associate immediately, for certain causes, as listed in the Company's *Associate Handbook*. Any modifications to the Company's *Associate Handbook* regarding causes for immediate discharge will be provided to the Union. Discipline at all steps shall only be for just cause.

Any documentation related to the aforementioned disciplinary process will remain in a given associate's human resource file. If there have been no further incidents by the associate, the associate will revert to the prior step in the progressive discipline procedure on the following schedule:

- for a first written warning: at the end of a three (3) month period (measured from the date of the warning);
- for a second written warning: at the end of a six (6) month period (measured from the date of the most recent occurrence); and
- for a final warning (following a second warning): at the end of a nine (9) month period (measured from the date of the most recent occurrence).

When the Company bypasses the steps in the discipline process and issues a final warning, if there have been no further incidents by the associate, the associate will revert to the first step at the end of six (6) months. Any prior discipline may be introduced by either party in the event of an arbitration over the associate's discipline.

All discipline must be issued within ten (10) scheduled working days of the occurrence or within ten (10) scheduled working days of the Company becoming aware of the occurrence.

Causes for discipline will be categorized as follows:

1. **Attendance/Performance:** All matters relating to opportunities with an associate's punctuality, consistency in attendance, and performance will be categorized as such. This category will also include excessive, early departures before the completion of the days responsibilities and failure to accurately report times worked or missed on the weekly, payroll time sheets.

The existence of remaining unused sick time or a doctor's note for an absence without proof of a visit (e.g. payment receipt) does not necessarily preclude an associate from being written up with formal documentation, if such absences are out of the norm, clustered around a short period of time, or an abuse of sick leave, such as, calling out sick after a request for time off is denied. Extenuating circumstances may be taken into account.

Any disciplinary documentation related to both the timely and acceptable completion of an associate's responsibilities will be classified in this category of discipline. The job descriptions provided to each associate will serve as the basis for these contentions for improvement.

Failure to work mandatory overtime, when required, may result in disciplinary action.

2. **Insubordination/Violation of Company Policy:** All matters related, but not limited to, unacceptable interpersonal encounters as outlined in the Company's *Associate Handbook*, refusal to perform responsibilities as outlined in the responsibility description, unwarranted physical or verbal abuse, sabotage of productions results, etc., will be classified as insubordination and addressed accordingly. Any modifications to the Company's *Associate Handbook* regarding unacceptable interpersonal encounters will be provided to the Union.

Documentation of disciplinary actions and for regression is not mutually exclusive by category.

Any breach of State or Federal privacy regulations, breach of security, inappropriate use of protected health information (including, but not limited to, conversion of company assets such as member identification numbers), misleading or deceptive statements on applications for insurance, employment, or other paperwork, or health care fraud shall be cause for immediate dismissal without warning.

## ARTICLE 20 SAFETY AND HEALTH

1. The Company, in accordance with all Federal, State and Local Safety laws, rules and regulations, agrees to maintain a safe and healthful work environment for its associates. In accordance with the above, associates must observe all Company safety procedures and the use of safety equipment, as well as all State and Federal regulations. In this regard, associates must be alert to any and all unsafe conditions which may exist in the retail unit and that could lead to injury. All unsafe conditions must be promptly brought to the attention of the Department Manager/Associate Supporter. In the interest of promoting the health and well being of associates, the Company will facilitate the scheduling of 15 minute breaks and lunch breaks, consistent with the Company's operational needs.
2. An associate who is injured or becomes ill while at work, should report it immediately to the Department Manager/Associate Supporter, regardless of how small or insignificant the injury may seem, so that the associate may receive proper medical attention, the cause of the injury can be addressed, and documentation may be completed. In the event that the accident or injury happened at work and required medical attention after going home, the associate must call their Department Manager/Associate Supporter advising what care was needed. The Company and the Union encourage all associates to adopt a strict regard to "safety" as part of their individual responsibility.
3. The Company, in accordance with regulations established by the Federal government, has identified certain chemicals as hazardous. Material Safety Data Sheets (MSDS) shall be available. Associates are required to follow the established procedures for handling any chemicals as designated in order to minimize any danger associated with the use of such standards.
4. The associate's responsibility is to observe and obey safety rules. The following is a sample, but not exclusive, listing of safety standards:
  - Prior to using any equipment or materials, associates must read the instructions or have been properly instructed in the use of the equipment.
  - The Union shall encourage common sense and safe, professional behavior.
  - As prescribed by OSHA, all associates must use safety eyewear and any other protective devices as needed or directed by the Department Manager. An initial pair of safety eyewear will be supplied by the Company, with up to three (3) replacement pairs being provided per year. Excessive loss of their safety eyewear (more than three (3) replacement pairs in one (1) year) may

cause the associate to incur cost for the replacement. Associates not possessing the appropriate eyewear will not be permitted to work.

- Unauthorized repairs to machinery are prohibited.
- Associates must turn off and disconnect machinery from power source, consistent with the training for lock out, tag out procedures before cleaning, clearing jams, or making authorized equipment repairs.
- Company shall have the right to establish dress code procedures necessary to protect the safety and welfare of all associates. Associates may not wear loose clothing, jewelry, or open-toed shoes, or other items that will cause a safety hazard. Associates must follow the dress code for their particular department as well as the guidelines established in the Company's *Associate Handbook*, which may include regular use of laboratory coats.

5 The Lead Steward shall be a member of the Safety Committee and provided injury incident reports in connection with Safety Committee Meetings. The Safety Committee shall review all injuries and make recommendations to prevent reoccurrences.

6 Cell phones and other personal communication devices (e.g., smart watches) shall not be used on working time in work areas of the facility, except an associate may use his/her cell phone when the associate can demonstrate a need to respond to a time critical personal emergency (e.g., emergency call from a child's school).

7 Associates may use a permitted personal music device with headphones or ear bud in one ear to listen to music during working time, provided the device does not interfere with the associate's ability to perform his/her job. A permitted personal music device is one that plays music but is not capable of receiving phone calls, text images or watch any digital content.

8 The May 14, 2014 and August 1, 2014 Memorandums of Understanding on the Company's phone policy are replaced by this contract language.

## **ARTICLE 21** **WORKING CONDITIONS**

If an associate is aware of an unsafe working condition, they should report it to their Department Manager/Associate Supporter. If there is no response, the steward should bring the matter to the attention of the Executive Vice President, Manufacturing, at 175 E. Houston St., San Antonio, TX 78205 (518) 220-6000 and the Local 81408 union office.

## **ARTICLE 22** **WORK SCHEDULE**

1. **Work Week** – The regular work week shall be Sunday through Saturday. The Company retains the right to alter the work schedule to accommodate business needs. Based on business conditions and at the discretion of the Company, every effort will be made to allow for associates to have two (2) days off in a row, during the work week, to include one (1) weekend day, i.e., Friday & Saturday, Saturday & Sunday or Sunday & Monday. The Company may require associates to work Saturdays and Sundays as deemed necessary, consistent with the Mandatory Overtime provision set forth in paragraph 4 of this Article.

2. **Breaks** – For full-time associates, the Company shall grant a fifteen (15) minute break in the first four (4) hours of the shift, a thirty (30) minute lunch break, and a fifteen (15) minute break in the last four (4) hours of the shift. At no time, shall a break be taken that will interfere with serving a customer. Part time associates shall receive one (1) fifteen (15) minute break for every four (4) hour shift. Associates



working thirty (30) hours or more each week shall receive two (2) ten (10) minute breaks during their scheduled shift. Full time associates working from 12:00 noon, until 8:00 pm, shall receive one (1) fifteen (15) minute break and one-half (1/2) hour paid lunch break. Associates working beyond their scheduled shift will receive an additional fifteen (15) minute break at the commencement of the overtime.

3. Overtime – One and one half times the regular hourly wage shall be paid for all hours worked in excess of forty (40) hours per week. Paid time off is expressly excluded from hours worked.

When work is performed on a holiday (as defined by this agreement), other than a designated Sunday holiday, associates shall receive payment for the holiday at their straight time hourly rate plus one and one-half times their regular hourly rate for all hours worked on the holiday.

4. Mandatory Overtime – a) Overtime will be offered on a voluntary, rotating basis starting with the most senior associate(s) so that each associate will be offered overtime before the most senior associate is again offered overtime. If there are not a sufficient numbers of volunteers as may be required, the Company may invoke mandatory overtime, in reverse, rotating order of seniority using the same method as for voluntary overtime. Failure to work voluntary overtime once committed to, or mandatory overtime, when required, will be cause for disciplinary action. Associates that have an approved personal or vacation day immediately preceding or immediately following mandatory overtime and the personal or vacation day or floating holiday was approved prior to the scheduling of the mandatory overtime shall be exempt from that mandatory overtime. No approval for personal or vacation time or a floating holiday will be authorized for an associate's shifts immediately preceding or immediately following mandatory overtime, after the announcement scheduling that mandatory overtime. Associates on mandatory overtime are required to work as directed. Any refusal by the associate to work as directed will subject him/her to disciplinary action.

b) An associate who is scheduled for mandatory overtime may arrange for a replacement to work the overtime in his/her place provided the replacement is qualified for the assignment (as determined by the Company) and both associates sign off on the replacement at least 48 hours before the start of the shift. Once an associate agrees to be a replacement, he or she is responsible to work and will be subject to discipline for failure to work the mandatory overtime.

c) Mandatory overtime, when invoked, shall not be posted more than seven days prior to the mandatory assignment. The Company will post the need for a secondary shift for mandatory overtime by Thursday at 5 P.M. and will update the hotline so that associates can call and determine if they are scheduled. If a secondary shift is scheduled, it will not affect the schedule for the regular Sunday night shift, which means that, if there is not sufficient work for an associate on the Sunday night shift, the associate will still be able to work his/her full shift, with cross training opportunities, or the associate may leave early, with supervisory consent, and take paid accrued time.

The Company will discontinue the practice of having night shift stay late. The Company expects Team Leads and Supervisors to manage work flow throughout the night shift. Only in the event of a demonstrated emergency will the Company hold over the night shift. For purposes of this paragraph night shift includes split shift working at night.

5. Disruptions to Production –

- a) In the event that the Company deems it necessary to close the Lab due to adverse conditions (weather, system/equipment outages, etc.) prior to the start of the workday, associates will not be paid for the hours they were scheduled to work, but may use a sick, personal or vacation day to make up scheduled hours. Alternatively, the associate will have the option to take unpaid time. The Company will also use reasonable efforts to schedule associates to make up time missed under this provision in the same payroll period, based on business needs and seniority, which may include assignments to other departments. An associate has the option to decline assignment to another department and take paid time off instead. The total alternative assignment plus paid time off cannot exceed the total time missed due to the adverse conditions.
- b) If the Company decides to close the Lab during the course of the workday, in order to ensure the safety and well-being of our associates, all associates will be paid for the hours they worked as well as the balance of the hours they were scheduled to work, up to a maximum of eight or ten hours (depending on their scheduled shift) for any period of continuous closure.
- c) Should the Lab open when the weather is threatening, only those associates who reported for work will be paid for the full hours they were scheduled to work, up to a maximum of eight or ten hours (depending on their scheduled shift), whether or not it should become necessary to close later in the day. Those associates who do not report for work when the Lab is open, or who leave early because of weather after reporting to work, shall use a sick, personal or vacation day to make up the time missed, and will not be disciplined for a reasonable decision not to report to work, or stay at work, because of inclement weather. If an associate does not report for work, or leaves early when the lab is open, the associate must use PTO.
- d) If an associate has a scheduled vacation that is approved prior to a disruption to production, but has insufficient accrued vacation because of the required use of paid vacation during the disruption, he/she may take unpaid time for the approved vacation.

**ARTICLE 23**  
**VACATIONS**

1. Current, full-time associates will be allocated paid vacations on the anniversary of their hire date as a full time associate and according to the schedule below:

At least 1 year, but less than 5 years	2 weeks
At least 5 years, but less than 10 years	3 weeks*
More than 10 years	4 weeks*

2. The Company agrees to pay each associate their vacation pay, prior to the beginning of their vacation period, if requested on the vacation request forms currently used in accordance with Company policy.

3. Vacations must be taken within the twelve (12) month period following allocation. Vacations cannot be carried over into the succeeding anniversary year.

4. Request for vacation must be presented to Department Managers/Associate Supporters at least thirty (30) days, but not more than one hundred eighty (180) days prior to the date of the beginning of the vacation period. Upon receiving a request for vacation, the manager shall post the requested vacation. Any senior associate in the department shall have five working days to present a vacation request for the same time period, which will be given preference over the junior associate's request. After ten working days, the Department Manager must answer the vacation request(s) giving preference to a timely request from a senior associate. If no response is provided within ten (10) days, the steward should bring it to the attention of the Human Resource Department. The Human Resource Department will respond within two (2) workdays. Nothing shall prevent a vacation request that is not submitted in accordance with this paragraph from being considered by the Company in its discretion.

5. In requesting vacation or personal time under paragraph 4 above, an associate, who schedules single day vacation requests, shall be limited to 2 such requests in consecutive weeks within a 30 day period. (By way of example, an associate can only schedule two consecutive Fridays off for vacation within a 30 day period.) An associate, who made a request for an additional single day off which was denied under this rule, may renew his/her request 6 days before the day requested if no other associate has scheduled that day off.

\*6. Associates with at least 5 years shall have the option of taking one week of pay in lieu of vacation time off, or taking the additional week of vacation. The Company retains the right to approve taking the additional week of vacation based on business needs. The Company may request that any associate trade one (1) week vacation in exchange for one (1) week of pay.

7. In the event that an associate's approved vacation request is subsequently denied due to the demands of the business, the Company may choose to either extend the eligibility period, or to pay the associate for the vacation time and allow him/her to continue working. The option chosen will be up to the discretion of the Company.

8. Vacation time may not be used in lieu of or in absence of sick time unless approved in advance by Department Support, due to significant, extenuating circumstances. Vacation time does not carry forward to the next year unless approved in writing in advance.

9. Vacation time must be used in blocks of at least one-half their scheduled shift (i.e., 4 hours for an associate who is regularly scheduled to work 8 hour shifts and 5 hours for an associate who is regularly scheduled to work 10 hour shifts) at a time.

10. Associates entitled to three or more weeks of vacation may be allowed to take two weeks consecutively, provided: (i) the associate must request the vacation time at least 90 days in advance; (ii) no more than 2 associates may be out on a two week vacation at the same time; (iii) the two week vacation may not be taken in conjunction with a Holiday or extended because of a Holiday; and (iv) associates may take a maximum of two consecutive weeks of vacation once every 3 years.

11. An associate who requests to take vacation time that falls after his/her anniversary date will not be denied solely because the associate does not yet have the accrued vacation. In other words, the associate may make a request to schedule vacation time off prior to his or her anniversary date for the use

of time after it accrues on that anniversary date. In no case, may the associate take paid time off that has not yet accrued.

12. The Company and Union agree that the Company reserves the right to only schedule one mechanic to take vacation at any one time.

13. The Company will notify the Union in writing when an associate is granted FMLA leave. Notification will include the name and contact information for the Associate, as well as the date the leave is granted and whether it is continuous or intermittent.

**ARTICLE 24**  
**HOLIDAYS & FLOATING HOLIDAYS**

Associates shall not work on the following legal holidays and shall be paid eight (8) hours or ten (10) hours of pay, based on their regular schedule, for the holidays listed on the calendar attached as Exhibit A. The holidays shall include:

New Years Eve Day  
New Year's Day  
Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Eve Day  
Christmas Day  
Easter  
Associate's birthday\*  
Observance of Martin Luther King Jr.'s Birthday

In order to receive pay for the above holidays, associates must have worked a scheduled shift on the day before, and a scheduled shift on the day after, the holiday. If an associate is ill and provides a doctor's note to verify the illness, they will be eligible for pay. Associates on leave are not eligible for holiday pay. Associates on a scheduled vacation are eligible for holiday pay.

Associates working on any of the above holidays shall receive one and one-half times (1 1/2x) their hourly rate of pay for all hours worked up to eight (8) hours. This is in addition to the eight (8) or ten (10) hours of holiday pay.

Mechanics may be required to work holidays to conduct preventative maintenance or other repairs when the lab is not running. They will be paid at time and one-half (1-1/2) their regular rate for time worked on holidays and receive holiday pay.

Should any of the holidays listed in this Agreement fall on an associate's day off (except New Year's Day), the associate shall receive another day off as his day off during a period of three (3) weeks before or three (3) weeks after the holiday.

Current eligible associates shall receive two (2) personal days as of April 1, 2007. Beginning on November 1, 2007, eligible associates, who have completed probation, shall receive two (2) personal days on their anniversary date beginning November 2007, which shall renew each year thereafter on the associate's anniversary date. For associates hired after March 19, 2007, the associate shall receive one (1) personal day upon completion of probation which is to be used prior to the associate's first anniversary date. Requests for time off should be submitted in accordance with the vacation request provision found under Article 23 of this Agreement, except that associates may request personal days with 7 days notice.

The Company may, at its option, due to staffing needs or other reasons, designate the observance of Martin Luther King Jr.'s Birthday, as a floating holiday. A floating holiday shall be defined as a day off on another regularly scheduled business day in lieu of working on the observance of Martin Luther King Jr.'s Birthday. Compensation to associates for working on one of the designated floating holidays shall be at straight time.

\*If the associate's birthday falls on the associate's day off, management is unable to accommodate the associate's birthday off due to business needs, or the associate chooses to work on his/her birthday, the associate may request another day off during a period of two (2) weeks before or two (2) weeks after his/her birthday. If an associate's birthday falls during the associate's probationary period, the associate may only request to take the birthday holiday after the completion of probation and before his/her first anniversary.

#### **ARTICLE 25** **SICK PAY**

Associates accrue sick time benefits at the rate of one (1), eight (8) hour day, on the first (1<sup>st</sup>) of each month, after completing a ninety (90) day probationary period, until the yearly maximum benefit of ten (10) sick days is accrued. An associate who works an alternative schedule (*e.g.*, 10 hours per day, 4 days per week), shall accrue sick time at the rate of one day per month based on their regularly-scheduled hours, to a maximum accrual of 80 hours for the year. For example, an associate who is regularly-scheduled to work 10 hours per day, 4 days per week would accrue 10 sick hours per month for the first 8 months and accrue no sick hours for the last 4 months of the accrual year. An associate must complete a ninety (90) day probationary period before he/she begins to accrue sick pay. The accrual of sick time renews August 1 each year. Unused sick leave as of July 31<sup>st</sup> shall be paid to eligible associates during the second payroll period following the end of the fiscal period for the accrual of sick time, currently August 1<sup>st</sup> to July 31<sup>st</sup> each year.

All sick time should be reported as soon as possible, but not less than one (1) hour prior to the associates regularly scheduled start time, to their Department Support. Associates are required to call in daily and speak directly to their Department support, or any management designee in their absence (unless a leave of absence has been granted). Leaving a voicemail message for your direct supervisor (or in his/her absence your Department Manager) is only acceptable if (i) the voicemail is within one hour before the start of your shift; (ii) you respond when the supervisor/manager returns the call; and (iii) if there is no direct verbal discussion with the supervisor/manager, you call back a second time directly to the same supervisor/manager within 2 hours after the start of your shift, and leave a voicemail if necessary. Texting to the supervisor or manager is not an acceptable method for calling in to report an absence. When calling, associates should advise their support of the following: the reason for the absence, the estimated length of absence, the status of work assignments, and where they can be reached. Sick time for associates who report late for work or leave early from work will be used in one hour increments.

In all cases of two (2) or more consecutive days of absences due to illness, injury, or where a safety or health risk may be present, associates are required to submit a doctor's note to their support upon returning to work. In addition, and for any use of sick time, the Company may also request production of a doctor's note prior to payment of sick days.

For associates whose work schedule varies from day to day, or consists of non-consecutive days, the company reserves the right, at its discretion, to request a doctor's note at any time prior to payment of sick days.

Associates must forward these doctor's notes to their Department Support and/or human resources when such certificates are required.

The Company and the Union agree to operate in compliance with the provision of the Family Medical Leave Act (FMLA). Associates on continuous FMLA shall be charged with the use of sick, and vacation time while on leave, except that up to one week of scheduled and approved vacation time may be paid or reserved at the associate's option. Associates on intermittent FMLA shall be charged FMLA leave and accrued sick time in 15 minute increments, and, if the associate has no sick time shall use vacation or personal time.

Associates, who do not qualify for FMLA and who call off sick with no accrued sick time, may be subject to discipline, which may include using other accrued time (i.e., vacation and personal time) in one hour increments.

The Company shall enforce the use of tag days used after vacations, floating holidays, holidays, and personal days. For the purposes of this Agreement, tag days shall mean an unscheduled day off immediately preceding or following a vacation day(s), floating holiday(s), holiday(s), or personal day(s). The Company shall not provide compensation to an Associate for the unscheduled day off or the scheduled day off as set forth in the table below unless the Associate provides written documentation from a doctor that they were unable to work. The Company reserves the right to initiate disciplinary action for repeated abuses of this policy. Notwithstanding the provisions of this section, should the Associate not be entitled to any additional sick time ("unscheduled day"), the Associate will not be compensated for the unscheduled day in addition to the wages that may be withheld as set forth below.

Unscheduled Day Off	Wages Withhold
Associate takes an unscheduled day off preceding or following a vacation day or vacation days	No compensation for the unscheduled day unless appropriate written documentation is provided.
Associate takes an unscheduled day off preceding or following a holiday or floating holiday.	No compensation for the holiday or floating holiday unless appropriate written documentation is provided
Associate takes an unscheduled day off preceding or following a personal day(s)	No compensation for the personal day(s) unless appropriate written documentation is provided

**ARTICLE 26**  
**JURY DUTY**

1. An associate must notify his Department Manager/Associate Supporter no later than his first scheduled work shift following receipt of notice of selection for jury duty or examination. The Company may request that the associate be excused, exempted or rescheduled from such jury duty if, in the opinion of the Company, the associate's absence for the purpose of jury duty would create an operational hardship for the Company.
2. Any associate scheduled to work, but who is absent from work due to jury duty or jury examination shall be paid at their normal straight time hourly rate for up to ten (10) days of full pay within a twelve (12) month period for jury duty, unless a longer period of time is specified by State law.
3. An associate selected for jury duty who is on other than the day shift will be assigned to the day shift for those days on which he is required to serve as a juror.
4. Associates are expected to work all available, reasonable hours outside of those actually required for jury duty or jury examination. This shall include "on-call" time.
5. In order to be eligible for such payment, a written statement from the appropriate public official showing the dates and time served and the amount of pay received from the court.

**ARTICLE 27**  
**BEREAVEMENT LEAVE**

An associate who is scheduled to work may be excused from work because of a death in his immediate family. If excused, he shall be paid an allowance for the hours he is scheduled to work Monday through Sunday, not to exceed eight (8) times his hourly base rate of pay for each day excused (ten (10) hours for associates regularly scheduled for ten (10) hour shifts), for not more than three (3) days.

Time off with pay as provided in this section is intended to be used for the purpose of handling necessary arrangements and attending the funeral of the deceased member of the family.

Immediate family for the purpose of this section is defined as mother/father, spouse, son/daughter, brother/sister, mother/father-in-law, grandchildren, grandparents, brother/sister-in-law, spouse's grandparents, step-children, step-parents and domestic partners as defined under the Company's medical program.

In addition, one half (1/2) day may be taken as paid bereavement to attend the funeral of an aunt, uncle, niece, nephew or cousin.

**ARTICLE 28**  
**BENEFITS**

Effective for the duration of this Agreement, the Company shall offer bargaining unit associates the opportunity to participate in the HVHC benefits program as offered to other HVHC associates (which includes medical, dental, vision, short term disability, long term disability and life insurance). Benefit

contributions shall be consistent with those contributions required of the Company's non-bargaining unit associates. The HVHC benefits program reserves the right to change carriers, benefits, and coverages.

**ARTICLE 29**  
**LIFE INSURANCE**

Eligible associates may enroll in the life insurance program currently in effect for the associates of the Company, in keeping with Company policy.

**ARTICLE 30**  
**SEVERANCE PAY**

The Company agrees to pay one (1) week of severance pay for every year of full-time service (up to a maximum of four (4) weeks) only to associates who:

1. Are laid off due to the elimination of their position.
2. Lose their job due to the return of a veteran from active duty in the Armed Services.

Associates must have exercised job posting and bumping rights before they become eligible for severance.

Associates with less than four (4) years of full-time service are not eligible for severance. Associates that retire and are eligible for Social Security benefits will be eligible for severance benefits.

**ARTICLE 31**  
**PENSION**

The Company agrees to make available the opportunity to participate in the Corporate (401K) Profit Sharing Plan to those associates covered under this agreement. Associates shall be entitled to participate to the degree and in a manner consistent with benefits offered to non-Union associate.

**ARTICLE 32**  
**WAGES AND JOB CLASSIFICATIONS**

1. Wages and Job Classifications

Skill Level	Job Classification	Payroll Period after Ratification	
		Minimum Rate	Maximum Rate
	Lab Apprentice I	\$9.75	\$12.50
	Lab Apprentice II		
A	Shipping & Receiving Clerk	\$10.45	\$15.63
A	ARC Technician I		



A	Finishing Technician I		
A	Stockroom Associate I		
A	Surfacing Technician I		
B	ARC Technician II	\$ 11.45	\$ 18.75
B	Surfacing Technician II		
B	Finishing Technician II		
B	Stockroom Associate II		
C	ARC Technician III	\$ 14.25	\$23.75
C	Finishing Technician III		
C	Surfacing Technician III		
C	Expediter		
C	Team Leader - Stockroom		
C	Inspectors		
C	Stockroom Associate III		
D	Team Leader – ARC	\$16.85	\$28.75
D	Team Leader – Finishing		
D	Team Leader – Surfacing		
D	Floater	\$18.35	\$28.75
D	Mechanic	\$16.85	\$28.75
E	Senior Mechanic	\$19.10	

2. Wage increases shall be as follows:
 

As of Ratification	3.3%
April 1, 2018	3.3%
April 1, 2019	2.4%

  - a) Annual wage increases will be effective at the start of the first payroll period after ratification in 2017, and beginning at the start of the first payroll period after April 1 thereafter .
  - b) Only in the payroll period after ratification in 2017 (year 1), an eligible associate receives the raise to the minimum and the annual increase (3.3%).
3. The Union and the Company agree that should an associate change to a higher skill-level job, his/her wages will be brought up to the minimum of that level. If the associate's wages are already at or above the minimum for the new level, the associate will receive a one-time \$0.50 per hour increase.
4. The selection of Team Leads shall be at the discretion of the Company and shall not be a posted position. An associate who accepts the Team Lead position shall serve a 30 day trial period. The associate may choose to return to his/her former position at any time during this trial period, or

the Company may choose to return the associate to the former position during the trial period. After the trial period, if the associate wants to leave the Team Lead position, he/she must bid out to another open position through the regular bidding process under Article 16. Associates receive the Team Lead pay rate only for the period that they are designated as Team Leads by the Company (including hours worked outside of the Team Lead role, e.g., on an overtime assignment ) and if they are removed from the Team Lead role they do not continue to receive Team Lead pay. If the Team Lead bids back into his/her prior position (after the trial period), he/she will be paid the wage rate pursuant to Article 16, paragraph 9, or the associate's last wage rate in that old position, whichever is greater. Team Leads have training responsibilities.

5. ABO Certification

- a) ABO certification will be a minimum qualification for Finishing Inspector, Finishing Team Lead, Expeditor, Floater and Quality Coordinator postings ("ABO positions").
- b) If no bidding associate is ABO certified, the most senior qualified bidder for the ABO position must become ABO Certified in 24 months. If the associate is not certified by end of 20 months, the associate will have 4 months to bid out of the role through the regular bidding process. After 24 months if the associate is still not certified, he/she will be removed from the position.
- c) Associates will be allowed to become ABO certified in any role in the lab. Any additional pay for ABO certification only applies while in an ABO position.
- d) The Company will conduct ABO training and continuing education training programs.
- e) The Company will pay for the associates to take the ABO exam up to two times in the future. After the second test, if the associate has not passed, the associate would be required to pay for the exam.
- f) The Company agrees to pay a \$500 lump sum to those associates who currently have ABO certification earned through the Company's prior training programs.
- g) Associates with ABO certification who hold ABO positions will receive 50 cents per hour (including current ABO certified associates in ABO positions). Associates with ABO certification who do not hold ABO positions and are assigned ABO certification duties, shall receive 50 cents per hour for working in that role, unless they are eligible for temporary transfer pay in which case they would receive the temporary transfer stipend instead of the ABO certification stipend, but not both.
- h) Associates holding ABO positions as of ratification (including in the trial/probationary period), who make a reasonable effort to obtain ABO certification but are unsuccessful, will be grandfathered in their current position.
- i) An associate holding an ABO position as of ratification, who bids into another ABO position (except Finishing Inspector) within 2 years of ratification, and who makes a reasonable effort to obtain ABO certification but is unsuccessful, will be grandfathered in the second ABO position.

6. Incentives

To foster cooperation, improve quality, and improve production results, the Company will offer a production based incentive system, the parameters of which will be provided to the associates in writing. These parameters will be modified semi-annually (once every 6 months), based upon objective and historical data, to incorporate and reflect changes in processes, technology, equipment provided, materials, customer requirements, or market benchmarks.

The Company will leave the incentive parameters in place through September 30, 2018. The incentive parameters will be reevaluated effective October 1, 2018, and then again semi-annually (every six (6) months) thereafter. Changes shall not be arbitrary or capricious.

Terms of the New Lab Incentive

Under the new lab-based incentive program, that is focused on improving quality, which the Company is implementing, there are four criteria (lab only re-dos as a % of manufacturing jobs; spoilage as a % of manufacturing jobs, service time as a % shipped in seven days, and productivity as measured in jobs per hour) for the lab as a whole, each worth 25% of the payout. The goals for the criteria are attached.

- As of the first pay period after ratification, the incentive pay-out will be on regular (non overtime) hours worked, to a maximum of 80 hours in a two week pay period under the following schedule:

Department	Incentive	100% Bonus
Stockroom/shipping/Maintenance	\$6.75	\$1.00
Surface/ARC/Research Re-do	\$7.75	\$1.00
Finishing	\$8.50	\$1.00

As an example, to clarify, if the goal is at 100%, finishing associates will be paid \$9.50 x 100%.

- In addition, 50% of the incentive will be paid on hours worked over 80 per pay period.
- Incentive will be paid on vacation only as follows:
  - Associates with 4 weeks of vacation will receive incentive payments on 2 weeks of vacation
  - Associates with 3 weeks of vacation will receive incentive payments on 1 week of vacation
- Union Stewards will be able to monitor the goal data.

**ARTICLE 33**  
**IUE COPE**

Davis Vision agrees to deduct and transmit to IUE/CWA COPE each pay period such sums from the wages of associates as they voluntarily authorize on forms provided for that purpose by the Union. These transmittals shall be accompanied by a list of names of those associates for whom such deductions

have been made and the amount deducted for each such associate. Associates who wish to cancel their authorization for payroll deduction will sign a card supplies by the Union for that purpose.

**ARTICLE 34**  
**CONTRACT DURATION**

This Agreement shall remain in full force and effect for a period of three years commencing April 1, 2017 and ending March 31, 2020. The commencement of contract years for this Agreement are:

First Year	April 1, 2017
Second Year	April 1, 2018
Third Year	April 1, 2019

Notice of termination must be given by either party by Certified Mail, Return Receipt Requested at least sixty (60) days, but not more than ninety (90) days prior to the expiration of this Agreement. Upon receipt of such notice, a conference shall be held within fifteen (15) days for the purpose of negotiating the extension, renewal or modification of this Agreement.

**ARTICLE 35**  
**TEMPORARY TRANSFERS**

If an Associate is temporarily transferred by the Company to a position outside of his/her department for a full shift, he/she will receive a transfer differential of \$1.00 per hour for hours worked in the transferred position.

**ARTICLE 36**  
**OTHER TERMS**

1. The practice of treating associates as salaried non-exempt is discontinued. Overtime will be paid at 1-1/2 times the associate's regular hourly rate for all hours worked over 40 per week. This does not include paid time off – personal, sick, vacation, etc.
2. Holiday hours shall count towards overtime but shall not be paid at overtime rates.
3. The Company commits to facilitate training and cross training programs.
4. The Union shall support a program for continuous improvement.
5. The Company shall provide the Union with job descriptions for team leaders and floaters.
6. Union stewards shall be allowed to discuss relevant and timely quality and production issues with the EVP of Manufacturing on an ongoing basis. The Union stewards agree to work within the chain of command within the Company.
7. The parties will use the labor management committee to resolve any open issues on attendance "occurrences." The labor management meetings shall continue bi-weekly and shall include, on a rotating basis, all managers and associates (2-3 per session).

8. Wellness: The Company will provide a company sponsored weight loss program and a gym membership reimbursement program of \$100/yr. The Safety Committee will determine the weight loss/maintenance program.
9. The Safety Committee shall meet monthly at a minimum.
10. The Union and the Company shall pursue available options offered by FMCS immediately and on an ongoing basis.
11. Associates meeting the following criteria will be eligible to receive a bonus of \$100.00\* per quarter, (subject to all applicable taxes), on or around the second pay period the following quarter. Eligibility requirements:
  - No unscheduled time off which includes the use of any paid or unpaid sick time during the quarter.
  - No no-call/no-shows
  - No more than 1 lateness/leaving early occurrences during the quarter.
  - Associates do not have to achieve perfect attendance for ALL quarters to be eligible to receive quarterly bonus. Associates will receive bonus for each quarter they achieve perfect attendance.
  - Bonuses are paid quarterly and only Associates achieving perfect attendance for that quarter will receive \$100.00.
  - Quarters are defined as:
    - o August 1st – October 31st
    - o November 1st – January 31st
    - o February 1st – April 30th
    - o May 1st – July 31st
  - New hires are eligible to participate the beginning of a quarter, as defined above, after 90 days of employment.

In witness whereof, the parties hereto have caused this Agreement to be executed by their proper officers and representatives thereunto duly authorized as of the day and year written.

For Davis Vision, Inc.

IUE/CWA Local 81408

\_\_\_\_\_  
 Robert T. Cox  
 Senior Vice President, Human Resources

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 Mary Dado  
 President

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 John Kay  
 EVP, Manufacturing and Distribution

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 Michele Borum  
 Steward

\_\_\_\_\_  
 Joe Miller  
 Steward

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Donte Fry  
Steward

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Rick Viney  
Steward

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Damon Sosinavage  
Steward

International IUE-CWA

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Joseph Giffi  
Regional Director, Region 3

Memo of Understanding

The Company and the Union agree as follows. Beginning after ratification of the 2017 collective bargaining agreement,

1. The Company will post breakage, remake and turnaround time incentive trend data daily after shutdown, and will post jobs per hour (JPH) data at least twice a week depending on shift (e.g. current night shift posted on Wednesday). These data will be posted on a white board in the lab.
2. Documented training time of the associate being trained will not be counted in JPH.
3. Union stewards will be allowed to check and verify incentive trend data as a part of their paid union time.

For the Company

For the Union

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Dated: April \_\_, 2017

[Add Union Authorization Form and existing MOUs]