

**National Master Agreement**

**Between**

**Gate Safe, Inc.**

**And**

**IBT/HERE Employee Representatives' Council**

**Effective January 1, 2011**

**Through**

**December 31, 2013**

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## PREAMBLE

1. The Company and the Union desire to establish general conditions of employment and procedures which will ensure the peaceful, speedy and orderly adjustments of differences without compulsion, coercion, strikes, boycotts, picketing, slowdowns, or other interferences with the smooth operation of the business of the Company or interruptions to employment; and
2. The parties seek to avoid unnecessary friction resulting from litigation, legal debate and controversy; and
3. The Company agrees that employees shall be treated in a respectful and courteous manner at all times; and
4. The parties agree to use voluntary efforts to achieve industrial stability under the structure provided by the Railway Labor Act.

## ARTICLE 1 RECOGNITION

### RECOGNITION, SCOPE, AND EMPLOYEE PROTECTIONS

#### **Recognition**

Gate Safe, Inc. (the "Company") recognizes the IBT/HERE Employee Representatives' Council, (the "Union") as the collective bargaining representatives of all employees in the craft or class of Security Inspectors working at facilities covered by this Agreement with the authority and obligation to represent them for all purposes of collective bargaining.

This collective bargaining agreement and any formal letters of agreement between the Company and the Union may be collectively referred to as the "National Master Agreement" (NMA). It is understood by the parties that Local Addendums consistent with the National Master Agreement shall be entered into at the local level between the Company and affiliates of the Union.

The Company understands that the Council will designate, under Section 2 Third of the Railway Labor Act, IBT and HERE to act as the bargaining representatives for the Council. It is hereby agreed that the term "Union" as used in this Agreement shall refer to the Council, and, where the context so indicates, the term "Union" shall also refer to IBT and/or HERE.

**Scope** This Agreement covers all present and future Inspection/Sealing work, including all security related work, performed by the Company within the United States, its territories and possessions; provided that this Agreement shall not apply to managers, supervisors, office-clerical employees or employees based outside of the United States, its territories and possessions.

Future inspection/sealing or security related operations opened or acquired by the Company within the United States, its territories or possessions, shall become subject to the terms of this Agreement immediately upon commencement of operations by the Company and notification by the Council as to which Council member (i.e., IBT or HERE) has been designated as the bargaining agent for such operation or facility. For newly opened or later acquired facilities, the Company shall initially establish hourly wage rates for all Security Inspector classifications; thereafter the negotiated increases of the NMA wage addendum shall apply.

The Company shall not establish any new inspection/sealing or security related operation or service, or acquire a controlling interest in such an operation, whether directly or through an affiliate or subsidiary, or by a parent or holding company of which the Company is wholly owned or controlled subsidiary, and operate it as a separate entity outside the provisions of this Agreement.

## **ARTICLE 2** **TRANSFER OF COMPANY TITLE OR INTEREST**

This Agreement and the supplemental addendums hereto and hereinafter referred to collectively as "Agreement", shall be binding upon the parties hereto, their successors, administrators, executors and assigns. The parties further agree that this Agreement is intended to apply system-wide, as well as to the individual facilities of the Company.

It is understood by this Section that the Company shall not use any leasing or other device to a third party to evade this Agreement. The Company shall give notice of the existence of this Agreement to any prospective purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy to the Union (which, as used herein, shall mean the Council, the respective International Union or Unions, and the local union or unions), at the time the seller, transferee or lessor executed a contract or transaction as herein described. The Union shall also be advised of the general nature of the transaction, not including financial details. In the event that the Company fails to require the purchaser, transferee or lessee to assume the obligation of this Agreement, the Company, (including partners thereof) shall give the Union sixty (60) days notice in writing, after which the Company or the Union shall not be liable for any all damages sustained as a result of such failure to require assumption of the terms of this Agreement.

## **ARTICLE 3** **UNIFORMS**

Section 1. The Company will supply uniforms at no cost to the employees up to a maximum allowance of \$150.00 per year. Thereafter, the Company will replace or repair all uniforms that are no longer serviceable through fair wear and tear in accordance with appearance standards at no cost to the employees up to a maximum allowance of \$150.00 per year. Employees are required to maintain their uniforms and general appearance in a fashion that is clean and orderly. Upon termination of employment, the employee will return whatever uniform has been

purchased in full by the Company or the Company will deduct the value of such unreturned uniform from the final paycheck. Once the maximum yearly allowance is utilized in full by an employee, thereafter, the Company will deduct the replacement value of a uniform from the employee's paycheck if the uniform is lost, stolen or damaged

Section 2. No later than March 31, 2011 and on an annual basis thereafter, the Company will provide each employee with one pair of non-slip work shoes.

#### **ARTICLE 4** **NO STRIKES AND NO LOCKOUTS**

From the effective date of this Agreement through thirty (30) days following the date, if any, that the parties are released from mediation by the National Mediation Board in connection with negotiations for a successor Agreement (the "Release Date"), the Union and its members or employees it represents, agree that there shall be no strikes, walk outs, stoppages, or slow down of work, including sympathy strikes, boycotts, refusal to handle any merchandise, picketing or any other interference with any of the operations of the Company during the term of this agreement.

The Company agrees that there shall be no lockout during the term of this Agreement.

#### **ARTICLE 5** **MAINTENANCE OF STANDARDS**

The Company agrees that all conditions of employment relating to wages, hours of work, overtime differentials and general working conditions, other than those specifically referred to in this Agreement, shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement, and the conditions of employment shall be changed, upon amendment wherever specific provisions are made elsewhere in this Agreement. It is agreed that the provisions of this Section shall not apply to inadvertent or bona fide errors made by the Company or the Union in applying the terms and conditions of this Agreement if such error is corrected within ninety (90) days from discovery of the error. This provision does not give the Company the right to impose or continue wages, hours and working conditions less than those contained in the Agreement. Wage rates applicable to each location are minimum rates and may be increased by the Employer by location, classification or position with advance notice to the Council, the local Business Agent and the affected employees. When wage rates are increased pursuant to this Article, the revised rates will apply to all employees in the affected position(s).

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

No employee shall be unlawfully discriminated against in any manner pertaining to hiring, wages, hours and working conditions because of his race, color, religion, creed, national origin,

age, sex, sexual orientation, mental or physical handicap and disabled veterans or veterans of the Vietnam era, or because of his seeking redress through the grievance procedure for alleged grievances or for legitimate Union activities. The Company and the Union further agree not to discriminate against any employee because of age where such discrimination is in violation of applicable Federal statutes. The Company and the Union further agree not to discriminate against any employee under the Family and Medical Leave and American Disabilities Acts. Whenever in this agreement the masculine gender is used, it shall be deemed to include the feminine gender.

**ARTICLE 7**  
**DISCIPLINE AND DISCHARGE**

1. The Company shall not discharge any employee nor impose any disciplinary action against any employee except for just cause. Discharge or discipline must be by written notice to the employee and the local union and must set forth the specific nature of the offense. The Company shall have the right to establish reasonable rules for the conduct of employees not inconsistent with the terms of this Agreement.
2. Employee Corrective Action Notices shall be maintained in the employee's personnel file for a period of twelve (12) months from the time of issuance.
3. Warning Notices must be issued no later than seven (7) days after the violation occurs, or seven (7) days after the Company becomes aware of the action giving rise to the violation unless (1) the employee is absent on the seventh (7<sup>th</sup>) day, in which case this period shall be extended until the employee returns to work or (2) the Company's investigation is dependent on resources and timing beyond the control of the Company, in which case this period shall be extended no later than fifteen (15) days, unless further extended by mutual agreement.

**ARTICLE 8**  
**HOLIDAYS**

**Section 1.** Employees shall receive seven (7) paid holidays:

New Years Day	Martin Luther King, Jr. Day	Memorial Day
Labor Day	July 4	Thanksgiving Day
Christmas Day		

**Section 2.** The Union recognizes that the employees may be expected work on said holidays inasmuch as the business of the Company operates seven (7) days a week.

**Section 3.** All employees shall receive eight (8) hours' pay at straight-time rate or, for those employees scheduled to work four (4) ten-hour shifts per week, ten (10) hours' holiday pay at straight-time rate, when the holidays are not worked provided that:

- a) The employee has not failed to work when scheduled to work on a holiday unless he is absent with the approval of management.
- b) The employee works his scheduled day both immediately preceding and following the holiday unless he is absent with the approval of the Company.
- c) The employee has worked during the week of a holiday (excluding vacation periods); and
- d) The employee is not on strike or suspension, leave of absence or workers' compensation.

**Section 4.** Holidays worked will be paid at 2X's the employee's hourly rate of pay, computed as 8 hours paid for the time worked and 8 hours pay for the holiday or, for those employees scheduled to work four (4) ten (10) hour shifts per week, 10 hours paid for the time worked and 10 hours' holiday pay at straight-time rate,. Hours worked over 8 on the Holiday shall be paid for all time worked, plus 8 hours holiday pay. Employees scheduled to work four (4) ten-hour shifts per week will be paid for all hours worked on the Holiday plus ten (10) hours holiday pay at straight time rate.

## **ARTICLE 9** **GRIEVANCE PROCEDURE**

**Section 1.** Should differences arise between the Company and any of its employees as to the meaning and application of this Agreement, or if any other controversy or grievance arises, an earnest effort shall be made as promptly as possible to settle such difference in the following manner:

**Step 1.** The employee having such grievance, with or without the Steward, shall present the grievance to his immediate supervisor within seven (7) days of the action giving rise to the grievance. The employee and his supervisor will make a good faith effort to resolve the grievance. The supervisor will give a written response to the grievance (whether resolved or not) within seven (7) calendar days following the receipt of the grievance. Should an employee request that a Steward be present to discuss the grievance, the supervisor shall arrange for the Steward to attend the grievance meeting. If the grievance is not thus satisfactorily settled, then the grievance may be appealed to Step 2.

**Step 2.** The grievance shall be put into writing and presented by either the Union Representative, Shop Steward and/or the aggrieved employee to the Regional Director or his designated representative, within seven (7) calendar days following receipt of the supervisor's written response. The Regional Director or his designee shall meet with the Grievant and the Union Representative, Shop Steward and/or the Union's designee within seven (7) calendar days following the notice of appeal. The meeting may take place via conference call. The Regional Director will give his answer in writing, with a copy to the Union, within seven (7) calendar days following the receipt of the notice of appeal such meeting. If the grievance is settled or withdrawn, the Union Representative and Company will put the withdrawal or settlement in



writing on the grievance form. If the grievance is not satisfactorily settled, then the grievance may be appealed to Step 3. (Policy procedures may be filed at Step 2 directly.)

**Step 3.** If not resolved at Step 2, the Union may present the grievance in writing to the Corporate Director of Human Resources or his designated representative within seven (7) calendar days following the receipt of the Regional Director's written response. The Corporate Director of Human Resources or his designated representative shall meet with the Union and answer the grievance in writing within fourteen (14) calendar days following the receipt of the notice of appeal.

**Section 2.** All grievances must be submitted as provided in Step 1 above within seven (7) calendar days of the Company's action giving rise to the grievance; and, if not submitted within the aforementioned time, then the grievance shall be considered to be waived and may not thereafter be submitted for adjustment. Any grievance that is not appealed from one step of the grievance procedure to the next step within the time limits set forth above (such time limits may be extended by written agreement) shall be considered settled on the basis of the last decision given and shall not be subject to further grievance and arbitration proceedings or collective bargaining. Should the Employer fail to meet any of the aforementioned time limits, the grievance will advance to the next appeal step

**Section 3** All grievances not settled in these steps may proceed to the System Board of Adjustment.

**Section 4.** Notwithstanding the foregoing, the Employee Representatives' Council or the Company may file a grievance affecting multiple employees directly to the System Board of Adjustment within fourteen (14) calendar days from the day that it has knowledge of the action giving rise to the grievance.

## **ARTICLE 10** **SYSTEM BOARD OF ADJUSTMENT PROCEDURES**

1. Within fourteen days after the receipt of the written decision of the Company designee, if the decision is not satisfactory to the Union, the Union may appeal such grievance to the System Board of Adjustment by serving a written notice upon the Company directed to the Director of Human Resources or his/her designee at the Company's office of its intention to do so.
2. The System Board of Adjustment shall be composed of two members designated by the Union and two members designated by the Company. The Board shall meet every other month at a location mutually agreed upon by the parties. In the event there are no grievances to be heard the Board may cancel such meeting upon mutual agreement.
3. The System Board shall be empowered to make findings or decisions with respect to contract language including wage and benefit disputes. The System Board shall be empowered to make findings or decisions with respect to any non-probationary employee covered by this

National Master Agreement or any Local Addendum who is terminated or disciplined to the extent of loss of pay by the Company, and such finding or decision shall be final and binding upon the employee, and all parties to the dispute.

4. If the Board deadlocks, the Union or the Company may appeal the case to arbitration within thirty (30) days of the day the System Board deadlocks or the grievance shall be considered to be waived and may not thereafter be submitted to Arbitration or any adjustment in any forum. In the event the Union appeals the decision to arbitration the Company and the Union shall attempt to mutually agree to an acceptable impartial Arbitrator. If the parties are unable to agree on an Arbitrator they shall then request a panel of seven (7) Arbitrators to be provided for by the Federal Mediation and Conciliation Service. (Add side letter)
5. The parties shall alternately strike names from the panel with the remaining arbitrator selected to hear and resolve the dispute. The Arbitrator shall have no authority to add to, or subtract from, or modify the terms of this Agreement. The Arbitrator's decision shall be rendered within thirty (30) days from the date of the close of the hearing. The cost of the Arbitrator shall be borne equally between the Union and the Company.
6. Gate Safe System Boards will be held during the same week and in the same location as the Gate Gourmet System Boards. The Gate Safe System Board will be conducted separately and Gate Safe management will designate the Company representatives who will sit on the System Board.

## **ARTICLE 11** **SENIORITY/LOSS OF SENIORITY**

**Section 1.** The employee's most recent hire date into the bargaining unit with the Company will be his/her seniority date ("Seniority"). Seniority shall govern as to layoffs and rehiring. New employees shall be employed on a trial basis for ninety (90) calendar days. During this period, their retention as employees is entirely at the discretion of the Company. The provisions of this Agreement shall not apply to probationary employees.

**Section 2.** In the event the Company finds it necessary to lay off employees because of lack of work or reduction in business, such layoffs shall be on the basis of seniority. Seniority shall be defined as the length of service an individual has with the Company. The employee having the shortest period of continuous employment with the Company shall be laid off before any other employee. The senior employees shall have preference of full-time employment (to wit, forty (40) hours per week) at all times where it is available. Employees who are subject to lay-off may exercise their seniority in either a part-time position or through "recall" rights for a full-time position as it becomes available. Both seniority and ability shall govern except as provided in this Article, on job or station assignment, hours worked and, where applicable, in other phases of employment.

**Section 3.** The Company agrees that it will recall all persons who have retained seniority in the inverse order in which they were laid off. That is, the last one laid off will be the first recalled, provided the employee still has the physical fitness and ability to perform the work required. Employees, including those that are laid off, have the responsibility to keep on file with the Company the address to which the notice to return to work is to be sent; and the Company agrees to notify such laid off employees not less than three (3) days, exclusive of Sundays, prior to the date called back to work by certified mail or telegram and notify the Union of the same by mail.

**Section 4.** Seniority shall terminate:

- a) Upon discharge for just cause;
- b) Upon quitting;
- c) Overstaying leave of absence without permission;
- d) Engaging in gainful employment while on leave of absence, which shall be considered quitting;
- e) Laid off from work for a period of twelve (12) consecutive months;
- f) Upon failure to report to work after layoff within three (3) days, exclusive of Sundays, after notification;
- g) Being absent from employment for three (3) consecutive days without notifying the Company.

**Section 5.** The seniority of an employee promoted to a supervisory position shall be retained in the classification from which promotion was made for a period of ninety (90) work days unless such employee is discharged for cause within such ninety (90) workday period.

**Section 6.**

All Gate Safe employees who were employed by Gate Gourmet prior to November 16, 2001, and who have remained employed since becoming a Gate Safe employee, shall not be considered as "New Employees" as that term is used in this Agreement, nor shall they be subject to the entry rate.

Additionally, the time in service for Gate Gourmet or its predecessors shall be included in calculating entitlements to vacation and/or sick leave.

**Section 7.** Employees employed by Gate Safe after November 6, 2001 who were hired on the same day shall have the "seniority tie" broken by randomly pulling names from the employee pool of people hired on that day. The first name drawn will have the highest seniority of people hired on that day. All names for that day will be drawn, and seniority assigned in the order in which their name is drawn, with the last name drawn having the least seniority of the people hired that day.

**ARTICLE 12**  
**JOB VACANCY AND WORK SCHEDULE BIDDING**

In the event the Company creates additional classifications and/or positions, the following job vacancy bid procedures in paragraphs 1, 2 and 3 shall apply:

1. Job Vacancy Bids.
  - a. Any job vacancies or new positions shall be posted for a period of seven (7) calendar days. Such openings shall contain an adequate description of the job duties, the wage rate for the position and the hours involved. Employees in an equal or lower classification shall be entitled to bid on such positions and the Company shall make a reasonable effort to award the position within a period of ten (10) days at the applicable rate of pay to the senior employee.
  - b. Employees awarded a job vacancy or new position in an equal classification may not bid to another job vacancy or new position in an equal classification for a period of one year.
2. Job vacancies that are not filled per Section 1.1 above shall then be offered to laid off employees who are currently on layoff by Seniority provided however, that the employee(s) is qualified to do the work.
3. Job vacancies that are not filled per Section 1.2 above shall then be filled with new hires.
4. Work Schedule Preference Bids
  - a. Employees may exercise a work schedule preference bid on the basis of Position Seniority at least twice in the first six calendar months and at least twice in the last six calendar months. However, business needs may require adjusting the work schedule preference bid at a different frequency provided a minimum of four (4) bids are conducted in any calendar year or if business needs dictate, the fourth bid of the calendar year may be delayed to no later than January of the subsequent calendar year. The foregoing does not preclude the Company from posting additional bids during the calendar year. It is understood that the bids shall be posted for a period of seven calendar days prior to the bidding process set forth in 4.b. below.
  - b. The employer shall provide an opportunity for all employees to submit a bid preference in writing three (3) days prior to the processing of the work schedule preference bid. Employees shall be provided the opportunity to be present to bid. However, in the event that an employee cannot be present and cannot be contacted by telephone and given the opportunity to bid; such employee shall be placed in accordance with the following Sub-Sections 4.i. and 4.ii:

- i. When filling the work schedule preference bid referred to in this Section, the Company will offer to have a Union steward present to witness the process. If a steward is not available the senior Union employee available will be offered the opportunity to be present to witness the process. In the event the Union steward and the senior Union employee are not available to participate in the bid processing, the Company may select an alternate Union employee.
  - ii. It is the employee(s) obligation and in their interest to notify the Company of their schedule preferences, in writing and dated, in case of absences such as: paid leave, medical leave, vacation, workers compensation, etc., as long as the employee has a return to work date in writing. If the employees have failed to timely submit their bid preferences to the Company, and are unable to bid in order of their Position Seniority, they shall be assigned to the new work schedule as closely as possible to their previous work schedule.
5. An employee awarded a job vacancy or a new position shall be given a fair training period for a period not to exceed ninety (90) days at the regular rate of compensation paid the employee(s) on the job or in the position. In the event the employee is judged to be insufficiently effective in that new position, the employee will be returned to his previous position provided the return occurs within ninety (90) days of the award to the new position. Furthermore, the employee may request to return to his former position at any time within the first ninety (90) days following the award to the new position; however, the employee shall be barred from bidding to another position for a period of one (1) year.
6. The company reserves the right to change work start times as business needs dictate, by no more than two (2) hours without re-bidding work schedules. The Company may offer in seniority order, the new bid schedules on a temporary basis while the new bid is being processed. In the event of insufficient senior bidders, the Company may assign in inverse seniority order.
7. When filling permanent job vacancies, ability and physical fitness being reasonably equal, seniority shall prevail. It is understood that job vacancies subject to this Article may, when necessary, be filled at the employer's discretion temporarily to assure continuity of production. Temporary is defined as any period of time thirty (30) days or less except where (1) a job is vacated due to a medical leave of absence or (2) the required training to fill multiple vacancies cannot be completed in thirty (30) days or less, in which case the temporary jobs may extend beyond thirty (30) days by mutual agreement.
8. In the event that a shift or part of a shift is eliminated by the Company or if a shift is reduced by thirty (30) minutes or more from the time bid, the affected employees may exercise his/her seniority and displace any Employee with less seniority with equal or less hours. The employee displaced will have the right to displace any Employee with less seniority until all shifts are covered or the Company at its option may re-bid the work schedules.

**ARTICLE 13**  
**STEWARDS AND UNION OFFICIALS**

The Company recognizes the right of the Local Union to designate Stewards and Alternate Stewards from the Company seniority list. The authority of Stewards and Alternate Stewards so designated by the Local Union shall be limited to, and shall not exceed, the following duties and activities:

The investigation and presentation of grievances with his employer or the Company Representative in accordance with the provisions of the collective bargaining agreement. The transmission of such messages and information, which shall originate with, and are authorized by the Local Union or its Officers, provided such messages and information:

Have been reduced to writing; or,

If not reduced to writing, are of a routine nature and do not involve work stoppages, slow downs, refusal to handle goods, or any other interference with the Company's business.

Stewards and Alternates have no authority to take strike action, or any other action interrupting the Company business except as authorized by official action of the Local Union. The Company recognizes these limitations upon the authority of Stewards and their Alternates, and shall not hold the Union liable for any unauthorized acts unless condoned, ratified or authorized by the Union. The Company in so recognizing such limitations shall have the authority to impose proper discipline, including discharge.

Stewards, upon notification to and approval by a supervisor, shall be permitted reasonable time to investigate, present and process a grievance on the Company property and where mutually agreed to by the Local Union and Company, off the property without loss of time or pay. Such time spent in handling grievances during the Stewards regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the Steward.

A Steward shall be present at all disciplinary investigations, and presentations. In the event that a Steward or Alternate is not available the employee may select another bargaining unit member to act as witness.

**ARTICLE 14**  
**CHECK-OFF/UNION SECURITY PROVISION**

1. It shall be a condition of employment that all current employees remain members in good standing of the Union which has been designated by the Council to act as the bargaining representative for the Council of employees at the facility where the employee is employed. Alternatively, employees may satisfy their obligations under this Article if they tender the

designated Union a monthly sum equivalent to the standard monthly dues and any additional fees required of Union members, such sums to be recognized as "Service Fees".

2. It shall be a condition of continued employment that all employees of the Company performing bargaining unit work shall on or before the sixtieth (60<sup>th</sup>) day following their hire date, become and remain members in good standing of the Union which has been designated by the Council to act as the bargaining representative for the Council of employees at the facility where the employee is employed. Alternatively, newly-hired employees may satisfy their obligations under this Article if they tender the designated Union a monthly sum equivalent to the standard monthly dues and any additional fees required of Union members, such sums to be recognized as "Service Fees".
3. The Company will deduct from the wages of any employee covered by this Agreement said employees initiation fees, service fees, and/or dues as a member of the designated Union upon receiving the employee's voluntary and individual written authorization for the Company to make such deductions signed by the employee. Such authorization forms will be provided by the designated Union. The Company will remit to the designated Union the wages withheld for such initiations fees, service fees and / or dues on a monthly basis. The amount so withheld shall be deducted from the appropriate paycheck, reported and paid to the designated Union monthly. The employee's Social Security number, full name, dues rate, rate of pay, and status of employment will be transmitted with the monthly fees/dues. New hires including hire dates, terminations including termination dates, furloughs, including furlough dates, recalls, including recall dates, leaves including leave dates, return to work, including return to work dates, will also be provided to the designated Union monthly.
4. The designated Union shall give the Company at least thirty (30) days written notice before requesting the removal of employees from employment for failure to maintain membership in good standing in accordance with the aforementioned Sections. The designated Union will hold harmless, and indemnify the Company and its employees with respect to any and all claims or liabilities arising out of, or in connection with this Article or any action taken under it at the request of the designated Union, provided that the designated Union shall have the right to defend itself against all such claims, if any.
5. Electronic Dues Employee Information

To permit the Union to properly and efficiently carry out its responsibilities, the Employer shall provide the following information to the Union:

- a. By the tenth (10<sup>th</sup>) day of each month, a list of all employees hired into the bargaining unit during the preceding month, including each employee's name, social security number, address, phone number, department, location, job title, hire date, status (full time, part time, etc) and classification/grade, if applicable.
- b. By the tenth (10<sup>th</sup>) day of each month, a list of all bargaining unit employees terminated and

the reason therefore, placed on leave of absence or transferred out of the bargaining unit, and of all employees transferred into the bargaining unit, during the preceding month including each employee's name, social security number and the date(s) of such personnel transactions, and the expected date of return for leaves of absence.

- c. The reports described in subsections a. and b. above shall be sent to the Union by fax or mail or via e-mail.
- d. The Employer shall furnish the Union with a quarterly list of all employees in the bargaining unit, including each employee's name, social security number, department, location, job title, home address, phone number, status (full time, part time, etc.) and date of hire. This report shall be in a computer-readable form in one of the following media containing header information and a field record layout:
  - i. CD ROM in Formatted Text (Space Delimited) format or Excel spreadsheet
  - ii. Via encrypted e-mail transmission

6 Monthly dues remittance

- a. The Employer shall remit each month to the designated financial officer of the Union, the amount of deductions made for that particular month, together with a list of employees and their social security numbers, for whom such deductions have been made. The information shall be in computer readable electronic form, in one of the following media:
  - i. CD ROM in Formatted Text (Space Delimited) format or Excel spreadsheet
  - ii. Via encrypted e-mail transmission

b. If sent in formatted text, the report shall contain header information and be set up so that position "1" is the first position (not position 0). The positional formatting shall be as follows:

<b>Header</b>	<b>SSN</b>	<b>L Name, F Name</b>	<b>Dues</b>	<b>Fines</b>	<b>Assessments</b>	<b>Initiation</b>	<b>Back Dues</b>
<b>Position</b>	1 through 13	14 through 54	55 through 60	61 through 65	66 through 70	71 through 75	76 through 80
<b>Format Left Justified with (-)</b>	xxx-xx-xxxx	Doe, John	-30.00	-30.00	-30.00	-30.00	-30.00

c. The remittance shall be forwarded to the designated financial officer not later than the twenty-eighth (28<sup>th</sup>) of the month, for any deduction taken between the twenty-fourth



(24<sup>th</sup>) of the prior month and the twenty-third (23<sup>rd</sup>) of the current month received by the employee for the month the dues are being paid.

## **ARTICLE 15** **JURY DUTY**

**Section 1.** The Company will pay its employees who are required to serve on jury duty the difference between the amount paid them by the Court for such service and the amount the employee otherwise would have earned at work during the time of jury service, but not to exceed eight (8) hours in any one day, or forty (40) hours in any one week.

**Section 2.** In order to be eligible for jury duty pay, the employee must verify with certification of the Clerk of Court all times and days of service. However, no payment shall be made under the provisions of this Article to any employee summoned for jury service unless he has informed the Company of his jury summons at least seven (7) days before the first day on which he is required to serve.

**Section 3.** Said employee shall make him available for work for all days during said week when not required to serve on jury service. By failure to return to work as herein required, the employee will forfeit all jury duty pay for that term of his jury service.

## **ARTICLE 16** **MILITARY LEAVE**

The Company agrees to abide by all applicable State and Federal laws as they relate to military leave.

## **ARTICLE 17** **SICK LEAVE**

1. All full-time employees with one year or more of completed service will receive two (2) sick days each year.
2. Provided a full-time employee has accrued sick leave, the employee shall receive eight (8) hours of sick pay for each day of sick leave used and shall be charged one (1) day of sick leave from his/her sick leave accrual. A full-time employee working four (4) ten (10) hour shifts shall be receive ten (10) hours of sick leave for each day of sick leave used and shall be charged one (1) day of sick leave from his/her accrual.
3. Employees must make a reasonable effort to provide the Company with at least two (2) hours notice if unable to report to work.

**ARTICLE 18**  
**UNION VISITATION**

The representatives of the Union, or of any Local Union representing the employees of the Company, shall have the right upon advance notification or upon arrival to visit the establishment or any department thereof at reasonable times in order to investigate matters such as wages, hours, working conditions and grievances; and shall be authorized to post official Union notices pertaining to conditions of employment in a place conspicuous to the employees.

**ARTICLE 19**  
**BEREAVEMENT LEAVE**

A regular, full time employee who has completed the probationary period shall be entitled to a maximum of three (3) days paid leave to grieve the death of a parent, child, spouse, domestic partner, brother, sister, present parents-in-law and grandparents. If the employee attends a funeral outside of the employee's local area (defined as greater than 300 miles), the employee shall be entitled to a maximum of two additional days off without pay to attend the funeral.

The employee must submit proof of the death if so requested by the Company. Any falsification of proof shall be grounds for discipline up to and including discharge.

**ARTICLE 20**  
**LEAVE OF ABSENCE**

**1. Leave of Absence for Union Activities**

The Company agrees to grant the necessary time off, without loss of seniority rights and without pay, to any employee designated by the Council or any authorized Local Union agent of the Council to attend a labor convention or serve in any capacity on other official Union business, provided seven (7) days' written notice is given to the Company, specifying length of time off. The Council and/or Local Union agents of the Council agree that in making its request for time off for Union activities due consideration shall be given to the number of employees affected in order that there shall be no disruption of the Company's operations due to lack of available employees.

**2. Medical Leave**

- a. An employee will upon proper application be granted an unpaid medical leave of absence. An employee with a covered disability under the Americans With Disabilities Act or comparable state or local law who requires leave as a reasonable accommodation under such laws may be granted a medical leave of absence up to a maximum of twelve (12) consecutive months unless otherwise required by law. The employee seeking this leave will furnish the Company, if requested, a written verification from his/her healthcare provider regarding his/her condition and his/her intended date of return using a

form provided by the Company. The Company may make any additional request for medical documentation that is permissible under the Family and Medical Leave Act, the Americans with Disabilities Act, implementing regulations thereto, or other applicable state and local laws and regulations. An employee will retain and continue to accrue seniority during disability leaves and extensions. An employee who does not return to active status from a medical leave of absence at the conclusion of twelve (12) consecutive months of medical leave shall be removed from the seniority list unless the leave is further extended at the sole discretion of the Company or unless otherwise required by law.

- b. An employee requesting to return to work from a medical leave of absence within the twelve (12) month period specified in Section 1.a above will be returned to his/her former position with full seniority, provided he/she submits adequate written medical documentation that he/she has been cleared to return to work and that he/she returns as soon as medical clearance is obtained. Adequate medical documentation shall include written confirmation from a medical provider that the employee was unable to return to work for the period of the medical leave and a specific date that the employee is cleared to return to work.
- c. The Company may request a second opinion using a medical provider of its choosing. If the second opinion determines that the employee is not cleared to return to work, the Company will appoint a third medical provider to render an opinion. The selection of the third medical provider shall be mutually acceptable to the Company and the Union and the third medical provider's decision shall be final and binding.
- d. The Company will abide by the Family and Medical Leave Act, the Americans with Disabilities Act, and other applicable state and local laws in providing reasonable accommodations, including but not limited to leaves of absence, to covered employees.

### **3. Personal Leave**

An employee may upon proper application be granted an unpaid personal leave of absence subject to operational requirements. The maximum leave of absence shall be thirty (30) days. The employee will retain and continue to accrue seniority during this unpaid personal leave as long as the employee returns on or before the return date. The Company shall have the sole discretion in granting such leaves of absence.

### **4. Requests for Leave**

With the exception of Section 1, Leaves of Absence for Union Activities, all leaves of absence shall be applied for in writing and may be granted at the discretion of the Company and in accordance with applicable laws. The provisions of Section 1 shall apply to those leaves that may be requested by the Union as set forth in Section 1 of this Article.

## **5. Return from Leave**

An employee returning from an approved leave of absence, after notifying the Company at least seven (7) days in advance, shall be returned to his/her former job classification.

### **ARTICLE 21** **VACATION**

**Section 1.** An employee, on reaching his first (1<sup>st</sup>) anniversary date of employment, shall be eligible for one (1) week vacation with pay provided the employee has worked at least one hundred eighty (180) days in the twelve (12) month period preceding such anniversary date.

**Section 2.** An employee, on reaching his second (2<sup>nd</sup>) anniversary date of employment, shall be eligible for two (2) weeks vacation with pay provided the employee has worked at least one hundred eighty (180) days in the twelve month period preceding such anniversary date.

**Section 3.** An employee, on reaching his fifth (5<sup>th</sup>) anniversary date of employment, shall be eligible for three (3) weeks' vacation with pay provided the employee has worked at least one hundred eighty (180) days in the twelve month period preceding such anniversary date.

**Section 4.** An employee, on reaching his fifteenth (15<sup>th</sup>) anniversary date of employment, shall be eligible for four (4) weeks' vacation with pay provided the employee has worked at least one hundred eighty (180) days in the twelve month period preceding such anniversary date.

**Section 5.** Notwithstanding Section 4 above, an employee entitled to five (5) weeks of vacation as of January 1, 2011 shall remain eligible for such five (5) weeks' vacation with pay. To be eligible for such a grandfathered vacation, the employee has worked at least one hundred eighty (180) days in the twelve month period preceding such anniversary date.

**Section 6.** Employees cannot waive their vacation and draw double pay for work during the vacation period unless mutually agreed between the employee and the Company.

**Section 7.** Vacations will be taken between January 1<sup>st</sup> and December 31<sup>st</sup> of each year and such vacations shall be scheduled and posted not later than December 15<sup>th</sup> of each vacation year. Vacation bidding will be based on the overall company seniority within job classification, department and shift. Employees shall be permitted to choose their vacation periods subject to the requirements of the business. Preference in the choice of available vacation periods shall be granted on the basis of length of service; thereafter, an employee's chosen vacation shall not be changed unless unforeseen circumstances make such action necessary.

**Section 8.** When a holiday(s) occurs in an employee's scheduled vacation period, he shall receive compensation for the extra day(s) vacation in lieu thereof.

**Section 9.** For the purpose of calculating vacation, former Gate Safe employees' seniority shall be included.

**Section 10.** An employee whose employment terminated prior to his\her anniversary date within that calendar year shall have his\her vacation pay calculated as follows:

- a. Calculating a pro-rata vacation payment equivalent to one-twelfth (1/12) of the employee's full eligible vacation pay for each complete calendar month of service up to the employee's termination date; then,
- b. Subtracting the vacation pay that the employee has already been paid in the calendar year from that pro-rata amount.

**Example:**

- Employee's anniversary date is June 1 and accrues twenty days of vacation annually
- Employee terminates on March 31, 2011 and one week of vacation was used from January 1, 2011 through March 31, 2011
- Pro-rata vacation is calculated as follows:
  - i. Count the number of months from the employee's anniversary date in the prior calendar year through the termination date (June 2010 through March 2011 equals ten months)
  - ii. Determine the pro-rata vacation payment by dividing the ten months by twelve then multiplying by the number of annual vacation days accrued:
    - 10 months divided by 12 multiplied by 20 days = 16.67 days of vacation
    - Subtract 5 days of vacation already used:  $16.67 - 5 = 11.67$
    - 11.67 days of vacation to be paid out upon termination

**Section 11.** In the event the above formula indicates an overpayment of vacation pay, the overpayment amount shall be deducted from employee's remaining pay.

**Section 12.** As part of one-year trial period, employees may bid a portion of their 2011 vacation allotment as follows:

1. Employees with two (2) weeks or more of accrued vacation time in 2011 may elect to use a maximum of one (1) week of vacation entitlement in daily increments in calendar year 2011.
2. Employees must request the use of daily increments at the time of the annual vacation scheduling and must request to take a vacation day at least two (2) weeks in advance of the desired date.

3. Any request after the annual vacation bid must be approved by the local manager or his/her designee and the manager/designee will not be obligated to approve more than one (1) day per classification in any given week. However, it is the intent that additional days will be approved based upon staffing, availability of coverage and the needs of the operation.
4. Any employee who elects to use one week of vacation entitlement in daily increments and who has unscheduled daily days remaining as of September 30, 2011 may have such remaining vacation days assigned by his/her manager at the manager's discretion.
5. Should the granting of day at a time vacation result in a manpower shortage, the supervisor or manager will be allowed to perform bargaining unit work to ensure proper staffing levels.

Following an assessment of the trial period, the Union and the Company will meet at least two (2) weeks prior to the commencement of the 2012 vacation bidding process to discuss whether to continue or discontinue the "Day-at-a-Time" vacation bidding for future application.

The Union and the Company concur that there must be mutual agreement to continue the "Day-at-a-Time" bidding process beyond the trial period.

## **ARTICLE 22** **BULLETIN BOARDS**

A place shall be provided inside the Company facility where Union notices of interest to the employees may be posted. These notices will be restricted to:

Notices of Union recreational/social affairs.

Notices of Union elections/appointments and results of Union elections.

Notices of Union administrative affairs.

Notices of Union meetings

## **ARTICLE 23** **PENSION AND RETIREMENT PLAN/401K**

Section 1. Effective on June 30, 2006, the Company will freeze the Dobbs Hourly Employee Pension Plan. As of such date, the Company will not make future contributions to the Plan, other than those necessary to fund the accrued liability at the time the Plan is frozen. Under the freeze the benefit payable to an employee under this plan will remain at the amount accrued as of the date of the freeze with no further increase during the remaining term of employment.

All employees who have been employed by the Company for ninety (90) calendar days will be eligible to participate in the Gate Gourmet, Inc. Bargained Employees' 401(k) Plan. All

employees who have been employed by the Company for a period of one (1) year will be eligible for a Company matching contribution equal to the first three per cent (3%) of the employees' pre-tax contribution to the Plan. Guidelines for the plan will be established by the Company and distributed to eligible employees and the Union prior to the enrollment date. Administration of the plan remains a Company prerogative.

**ARTICLE 24**  
**HEALTH AND LIFE BENEFIT**

**Section 1.** Regular, full-time bargaining Employees will be eligible to participate in the Gate Gourmet, Inc., Group Benefit Plan. Regular, full-time Employees will become eligible to participate in these plans on the first day of the calendar month following one hundred and eighty (180) days of continuous employment. The minimum life insurance currently provided will be in the amount of \$8,000.00 and will increase to \$10,000 effective January 1, 2011. The provisions of all these plans are contained in the plan descriptions themselves which are incorporated by reference hereto.

Section 2. . Employees holding part-time positions are not eligible for Health & Life benefits or any other benefit provided for yet not expressed specifically under the terms of this Agreement.

Section 3 Effective January 1, 2011 the Company-sponsored group medical plan shall include the following four (4) options and Company and employee contributions:

Section 4. Initial Contributions – Effective Date of January 1, 2011

<b>Employee Monthly Contributions</b>	<b>PPO Plan*</b>	<b>High Choice Fund Plan</b>	<b>Mid Choice Fund Plan</b>	<b>Catastrophic Plan</b>
Employee Only	\$163.82	\$167.25	\$157.69	\$120.12
Employee + Spouse	\$443.03	\$452.29	\$426.46	\$325.04
Employee + Child(ren)	\$394.81	\$403.05	\$380.09	\$289.93
Employee + Family	\$493.43	\$503.71	\$475.02	\$362.32
<b>Employer Monthly Contributions</b>	<b>PPO Plan*</b>	<b>High Choice Fund Plan</b>	<b>Mid Choice Fund Plan</b>	<b>Catastrophic Plan</b>
Employee Only	\$254.19	\$224.81	\$210.45	\$154.11
Employee + Spouse	\$685.62	\$606.27	\$567.52	\$415.38
Employee + Child(ren)	\$608.43	\$537.89	\$503.45	\$368.22

Employee + Family	\$760.61	\$672.46	\$629.40	\$460.37
<b>Total Monthly Premiums</b>	<b>PPO Plan*</b>	<b>High Choice Fund Plan</b>	<b>Mid Choice Fund Plan</b>	<b>Catastrophic Plan</b>
Employee Only	\$418.01	\$392.06	\$368.14	\$274.23
Employee + Spouse	\$1,128.65	\$1,058.56	\$993.98	\$740.42
Employee + Child(ren)	\$1,003.24	\$940.94	\$883.54	\$658.15
Employee + Family	\$1,254.04	\$1,176.17	\$1,104.42	\$822.69

\* 2010 Rates – See Section 5.a and 5.b. below.

Section 5. Future increases in the Company-sponsored group medical plan options shall be shared between the Company and the employee on the following basis: 60% by the Company, 40% by the employee.

- a. As a one-time exception to Section 4 above, employees who enroll in the PPO plan for calendar year 2011 will not be subject to an employee contribution increase in 2011; and if the employees remain enrolled in the PPO plan in 2012, will also not be subject to an employee contribution increase in 2012. Such employees will pay the above 2010 PPO Employee Monthly Contributions for both calendar years.
- b. The one-time exception will expire on December 31, 2012 and the Employee Monthly Contributions for the PPO plan will revert back to the 60% Company / 40% Employee cost sharing provision of Section 4 above effective January 1, 2013. Therefore, the 2013 Employee Monthly Contribution will be calculated as if the 60% Company / 40% Employee cost sharing provision of Section 4 above had been in effect in calendar years 2011 and 2012.

Section 6. An employee hired prior to July 1, 2010 who elects the PPO plan and later opts out of the PPO plan may not re-elect the PPO plan but may elect to enroll into one of the three (3) following plans: (1) the High Choice Fund Plan, (2) the Mid Choice Fund Plan or (3) the Catastrophic Plan.

Section 7. An employee hired on or after July 1, 2010 may elect to enroll into one of the three following plans: (1) the High Choice Fund Plan, (2) the Mid Choice Fund Plan or (3) the Catastrophic Plan.

Section 8.a. The parties understand and agree that the health care coverage provided under this Article may be discontinued or modified, in whole or in part, in the event that the Company's cost of providing health care coverage will be affected by the implementation of federal health care reform legislation (whether through the imposition of assessments, fines, penalties, excise taxes or any other required monetary payment or expenditure).



- b. The Company shall have the right to discontinue health care coverage provided under this Article, upon sixty (60) days notice to the Council, if health care coverage provided to employees covered by the Gate Gourmet Inc. National Master Agreement is discontinued pursuant to Article 24 of such National Master Agreement, irrespective of the health care cost increase to the Company.. In the event health care coverage is discontinued, a sum equal to the monetary value of the discontinued health care coverage, less the value of any assessments, fines, or penalties paid by the Company as a result of health care reform legislation, shall be distributed to employees in a manner agreed to by the parties. If the parties cannot reach agreement on the manner of said distribution, the issue will be submitted to interest arbitration under the procedures set forth by Sections 7, 8 and 9 of the Railway Labor Act.
- c. In the event that health care reform legislation will increase the Company's costs of providing health care coverage pursuant to this Agreement, the Company may provide the Council with written notice calling for the commencement of expedited negotiations to discuss modifications of the then existing health care coverage which may be required or desirable in light of said health care reform. Unless otherwise agreed, expedited negotiations shall commence within thirty (30) days of the Council's receipt of written notice. If the parties cannot reach agreement on appropriate modifications to health care coverage within sixty (60) days of the commencement of expedited negotiations, any issues that remain in dispute as to necessary health care modifications shall be submitted to expedited interest arbitration under the procedures set forth by Sections 7, 8 and 9 of the Railway Labor Act. The arbitrator(s) in any such interest arbitration shall be instructed to, and shall issue an award that (a) is cost neutral to the Company, and (b) comes as close as possible to providing employees with the level of benefits that existed prior to the enactment of the health care reform without increasing the total cost to the Company of providing employee health benefits.
- d. In the event that health care reform legislation will result in a decrease to the Company's costs of providing health care coverage, the Council may provide the Company with written notice calling for the commencement of expedited negotiations to discuss modifications pursuant to the procedures set forth in Section 8.c. above. If the parties cannot agree to an appropriate health care modification, the arbitrator(s) selected pursuant to the procedures set forth in Section 8.c. above shall be instructed to issue an award that, to the degree possible, utilizes the cost savings resulting from such legislation to increase employee health care benefits.
- e. To the extent that the Company's cost of providing health care coverage is impacted solely, or in principal part, by state or local health care reform legislation, the provisions of Sections 8.a. through 8.d. above will apply, but only with respect to bargaining units and facilities located within the state or local municipality enacting such legislation.

**ARTICLE 25**  
**HOURS OF WORK AND OVERTIME**

1. The workweek shall start at 12:01 a.m. Saturday and end at 12:00 midnight the following Friday
2. The Company agrees that the standard workweek shall consist of forty (40) hours per week. However, it is understood and agreed that neither the provisions of this Article or any other Article in the Agreement are to be considered as a guarantee of the availability in a work week of any particular number of days or hours per week for any employee. All hours worked in excess of forty (40) hours in a workweek shall be paid for at the rate of time and one half the employee's regular hourly rate.
3. An employee's workweek shall normally consist of five (5) workdays and two (2) days off. In the event of an eight (8) hour shift, the workweek shall consist of five (5) work days and two (2) consecutive days off. In the event of a ten (10) hour shift, the workweek shall consist of four (4) workdays with three (3) days off, two of these being consecutive. The consecutive days off provisions applicable to five and four day workweeks are subject to exception for operational needs.
4. The Company may utilize part-time employees up to twenty (20%) of its total hours as measured on a system-wide (vs. a location-by-location) basis. Part-time employees are defined as employees normally scheduled to work twenty-four (24) hours or less per week. Part-time employees are ineligible for all Company benefits (e.g. insurance, retirement, vacation, sick, holidays, etc.). Hourly rates shall be the same as full-time employees. Part-time employees shall be entitled to receive overtime for any hours worked beyond forty (40) hours per week.
5. The Company may utilize part-time employees between May 15 and September 15 in accordance with the preceding paragraph, except that the twenty percent (20%) cap shall not apply during this period.
6. Overtime may be required when necessary to complete customer service obligations. However, prior to utilizing overtime, qualified employees may be cross-utilized within pay grades and between pay grades to cover unplanned staffing shortages. When overtime is required, the Company agrees to offer such overtime to the employees in the affected classification on that shift in order of seniority (i.e., offer first to most senior employee, offer last to least senior employee). Part-time employees will be offered overtime only after overtime is offered to full-time employees. In the event senior employees decline the overtime assignment, the least senior full-time employee in the classification working said shift will be required to work the overtime assignment. When requested to work overtime, employees shall be given a minimum of two (2) hours notice in order to allow them to make necessary preparations for working overtime. This provision requiring two (2) hours notice shall not apply in case of an emergency or circumstance beyond the control of the Company,

in which case the Company shall give notice of the need to work overtime as soon as it becomes aware of the need for overtime.

7. Any employee, who performs work in a higher classification for one (1) hour or more in a day, shall be paid at the higher classification rate for the time worked in the higher job classification. Any employee, who performs work in a lower job classification during a day, shall be paid at the rate of his regular job classification. Except:
  - a. Where an employee is temporarily assigned to a lower classification to accommodate medical limitations; or
  - b. Where an employee is disqualified from a higher rated position; or
  - c. Where an employee is displaced or transferred (bidding) at his own request to another classification paying a lower rate;
8. All employees covered by this Agreement scheduled to work at least an eight (8) hour shift will be granted one thirty (30) minute lunch break without pay. Employees shall be provided with sanitary and adequate facilities for eating. The Company agrees to continue providing employee meals at existing locations unless it is no longer within the Company's control to provide such meals through the host caterer.
9. All employees covered by this Agreement will be granted one fifteen (15) minute break with pay before the lunch break and one fifteen (15) minute break with pay after the lunch break for the purpose of relaxation.
10. An employee who is required to attend a Company meeting on a scheduled work day but at a time other than his/her scheduled shift, shall be paid at a rate equal to his/her applicable hourly rate for time actually in attendance at such meeting. Any actual time spent in such meeting shall be counted toward the calculation of that employee's overtime pay, if applicable. An employee attending a Company meeting on his/her scheduled day off will receive the greater of two (2) hours of pay or actual time in attendance at such meeting.
11. Where business circumstances so require, such as the need to provide temporary staffing for special projects, unscheduled charters, unfilled positions while actively recruiting to staff them with bargaining unit employees, the Company may hire temporary workers to perform work that is traditionally performed in the units by bargaining unit employees provided that in such instances the Company agrees that such work will be limited to no more than thirty (30) days after which the Company may no longer fill said positions with temporary workers.

At all times prior and subsequent to hiring a temporary worker, the Company will continue to meet its obligations pursuant to Article 11 Seniority/Loss of Seniority, Article 12 Job Vacancy and Work Schedule Bidding and Article 26 Hours of Work and Overtime. The Company may not cease its hiring program for full or part-time employees to create the need for temporary workers.

12. Non-bargaining unit personnel shall not perform work customarily performed by employees in the bargaining unit. It is understood, however, that as a business necessity, the Company must assure continuity of production and service and, therefore, supervisors may perform work in the following situations:

- a. instructing employees or demonstrating proper methods or procedures in performing work operations;
- b. developing and testing new methods, equipment, and/or materials and products;
- c. in cases of emergency or circumstance beyond the control of the Company that threatens to disrupt the schedule of the Company's operations

## **ARTICLE 26** **RIGHTS OF MANAGEMENT**

This Agreement is not intended to interfere with, abridge or limit the Company in the exercise of its function of management or the control of its business and the direction of its working force. The Union will not interfere directly or indirectly with the employment, transfer, discharge or duties of any of the supervisory employees or other company personnel not included in the craft or class.

It is agreed that the extent of its operations and the nature of the work to be performed, to determine when any operation shall function or shall be changed or terminated or when services to the airlines and railroad shall be increased, decreased or changed, to maintain efficiency of employees; to make, publish and enforce rules of conduct, safety and appearance; to determine the number, extent and location of its operations; the kinds to be used, to subcontract work; the schedules and the number of hours an employee shall work per day or per week; to hire, classify; to create new jobs and abolish jobs or combine jobs, are solely and exclusively the responsibility of the Company. It is the responsibility and right of the Company to maintain discipline; to transfer, promote, demote, retire, layoff, suspend, discipline or discharge employees for just cause. Such rights shall be subject to the limitation, if any, imposed by other Articles of this Agreement.

The Company will not subcontract any work within the scope of the craft or class prior to notifying the Council, and providing the Council with the opportunity to address the proposed subcontracting and recommended options. The parties will have thirty (30) days after said notification to discuss any Council proposals, and if they are unable to reach agreement then the Company may exercise its management rights.

**ARTICLE 27**  
**DRUG/ALCOHOL TESTING POLICY**

1. The Company and the Union agree that the Company shall maintain drug and alcohol testing policies in accordance with Department of Transportation (DOT)/Federal Motor Carrier Safety Administration (FMCSA) regulations.
2. The Company will notify the Union if Federal legislation or the DOT/FMCSA requires revisions to the methodology, categories or types of drug and alcohol testing.
3. Employees Who Must Be Tested
  - a. Company employees subject to Department of Transportation mandated drug testing are employees who operate vehicles with a vehicle weight rating over 26,000 pounds, requiring a commercial driver license (CDL) or in a safety sensitive position. This includes employees who relieve for vacations or other temporary vacancies.
  - b. In addition to testing mandated employees, controlled substance testing will be part of pre-qualification conditions for safety sensitive positions and those persons transferring to a safety sensitive position. Individuals who bid for a safety sensitive position are subject to being tested for controlled substances before being accepted into such a position.
4. Employees covered by this NMA, who are not subject to DOT mandated drug testing, are subject to reasonable cause/suspicion and post-on-the-job-injury testing as provided herein.
5. Laboratory Testing

Because of the consequences that a positive test result has on an employee, the Company will employ analytical testing methods in accordance with Department of Health and Human Services (DHHS)/Substance Abuse and Mental Health Services Administration (SAMSHA) protocols. These methods include initial, validity and confirmation tests. Urine specimens will be analyzed by laboratories certified by the DHHS/SAMSHA.
6. Types of Testing Required

The Company's testing format will include the following:

  - a. When there is reasonable suspicion,
  - b. To aid the investigation of all accidents and all vehicle accidents. (Mandated employees involved or present at the accident.)
  - c. Prior to assignment in safety-sensitive positions.
  - d. During an employees probationary period.
  - e. When an employee is involved with an on-the-job injury which requires medical attention.
7. Pre-Qualification Testing For Safety Sensitive Positions

The Company shall require any employee who bids and/or transfers into a safety sensitive

position to submit to a controlled substance test before the employee is accepted into the safety sensitive position.

8. Reasonable Cause/Suspicion

- a. Upon reasonable cause, the Company will require an employee to be tested for the use of controlled substances and/or the use of alcohol.
- b. Reasonable cause is defined as an employee's observable action, appearance, conduct, speech or body odor indicative of the use of a controlled substance and/or alcohol. In the event the test result is positive, adulterated or substituted, it shall be considered a dischargeable offense.

9. Non-DOT – Reasonable Cause/Suspicion

In the event an employee (not covered by DOT) is tested, such test will be performed under the same procedures as described above. In the event the test result is positive, it shall be considered a dischargeable offense.

10. Post Accident Testing

When an employee is involved in any accident, the employee will be required to submit to drug/alcohol testing.

11. Random Testing Random Employee Selection

- a. The procedure used to randomly select employees for drug and alcohol testing in compliance with the DOT regulations will be a computer program specifically intended for such an application.
- b. The program shall randomly select the names or social security numbers of the required number of employees from the total pool of affected employees.
- c. The Company shall maintain the list or true copies of the lists. The lists will be maintained and made available for review by Local Union representatives upon request.
- d. The parties agree that no effort will be made to cause the system and method of selection to be anything but a true random selection procedure ensuring that all affected employees are treated fairly and equally.
- e. The parties further agree not to amend or change the current method of random selection as described herein without prior agreement between the parties.

12. Post on-the-Job Injury

When an employee is involved with an on-the-job-injury, which requires medical attention, the employee will submit to a drug/alcohol test. Such test will be performed under the same procedures as previously stated. In the event the test result is positive, adulterated or substituted it shall be considered a dischargeable offense.

13. Split Sample Procedure

Split samples of urine specimens will be secured and an employee who tests positive may have the split sample tested at a DHHS/SAMSHA certified lab at the employee's expense.

The employee must request the split sample test within 72 hours of notification by the Medical Review Officer ("MRO").

14. Paid for Time

Employees required by the Company to submit to drug and/or alcohol testing shall be paid for all time from the place of employment to the collection site and for all the time at the collection site.

15. Disciplinary Action

Employees may be subject to discipline up to and including discharge as provided below if they test positive, refuse to submit to test or provide an adulterated or substituted specimen for drugs or alcohol.

a. Reasonable Cause/ Suspicion Testing

- i. A positive, adulterated or substituted test is a dischargeable offense.
- ii. Refusal to submit to a reasonable cause/suspicion drug or alcohol test is a dischargeable offense.

b. Post Accident Testing

- i. A positive, adulterated or substituted test is a dischargeable offense.
- ii. Refusal to submit to a post-accident drug or alcohol test is a dischargeable offense.

c. Random Testing

- i. A positive test result – employee is subject to successfully complete a rehabilitation program. The employee will enter into a rehabilitation program within fifteen (15) calendar days after test results. Employee will be subject to random testing for twelve (12) months after the completion of the rehabilitation program. An employee will be permitted a positive test result only once during his tenure with the Company.
- ii. Refusal to submit to a random drug or alcohol test is a dischargeable offense.

d. Pre-Qualification Testing for Safety Sensitive Positions

- i. A positive, adulterated or substituted test is a dischargeable offense.
- ii. Refusal to submit to a pre-qualification drug or alcohol test is a dischargeable offense.

e. Post On-The-Job-Injury

- i. A positive test is a dischargeable offense.
- ii. Refusal to submit to a post injury drug or alcohol test is a dischargeable offense.

16. The Company and the Union further agree that if an employee(s) recognizes that he/she has an alcohol or drug abuse problem, and voluntarily identifies this problem to the Company, the Company will allow the employee(s) unpaid time off to seek professional assistance, at the employee's expense. The employee will be permitted to utilize any applicable benefit

for this absence. It is the responsibility of the employee(s) to recognize the problem and come forward to the Company prior to any investigative or disciplinary situation. The Company agrees to provide the employee(s) with a confidential method to contact professional assistance.

17. An employee subject to a drug or alcohol screening will be suspended, pending the outcome of the screening. If the results are negative, the employee will be returned to work and paid for any lost wages. If the results are positive, the employee is subject to discharge.

## **ARTICLE 28** **INVALIDATION CLAUSE**

If any of the terms and conditions of this Agreement is in violation of any State or Federal Law or Court Decision or decree, then to the extent of any violation, this Agreement shall be null and void. If any portion of this Agreement is declared illegal, it shall not in any way affect the remaining provisions of this Agreement.

## **ARTICLE 29** **PAYROLL PERIOD**

**Section 1.** The work week and pay period shall start at 12:01 a.m. on Saturday and end 12:00 midnight the following Friday.

**Section 2.** All Employees covered by this Agreement shall be paid in full each week. Payroll checks will be made available for Employees on Thursday of each week following the work week and pay period.

**Section 3.** Employees shall be paid in full when laid off or discharged. Payment of wages will be made in a timely manner at the next scheduled pay day.

**Section 4.** Employees shall be provided with an itemized statement of gross earnings and all deductions.

**Section 5.** Employees will have an option to participate in direct deposit program.

**Probation.** Newly hired employees shall be on probation for the first ninety (90) calendar days of employment. During that period, the Discharge, Grievance, Arbitration and Seniority articles of this Agreement shall not apply to the new employee. Neither shall any fringe benefit provisions of this Agreement apply, except named holidays. Upon completion of the probation period, seniority shall date from the most recent hire date.



**ARTICLE 30**  
**REPORTING PAY**

Any employee reporting for work on a regular shift and not permitted to work shall receive four (4) hours pay at the employee's regular rate, and any employee who regularly works a four-day, ten-hour work week and reporting for work on a regular shift and not permitted to work shall receive five (5) hours pay at the employee's regular pay rate. This provision shall not apply in the case of fire, strike, utility failure, acts of God or any other conditions beyond the control of the Company. Any part-time employee who reports to work as scheduled or as requested on a given day, shall be guaranteed four (4) hours work or pay in lieu thereof.

**ARTICLE 31**  
**SAFETY AND HEALTH**

1. The Employer shall continue to make reasonable provisions for the safety and health of its employees at the plant during the hours of employment, protective devices, on equipment, and /or clothing necessary to properly protect employees from injury shall be provided for and maintained by the employer, when required by the employer. The Company shall continue to comply with all applicable Safety and Health laws.
2. In the event a work related injury or illness that requires serious immediate medical attention away from the workplace, the employer will provide transportation to the medical facility and back to the workplace. An employee injured on the job during his/her shift will be compensated at a rate equal to his/her applicable hourly rate for the remainder of the scheduled shift.
3. Gate Safe- IBT/HERE Employee Representatives' Council National Safety and Health Committee

**Safety, Health and Equipment Issues**

- a. The Employer and the Union shall maintain a National Gate Safe IBT/Unite -HERE Employee Representatives' Council Safety and Health Committee. Any actions taken by the Committee shall not conflict with the terms of this Agreement unless mutually agreed to otherwise in writing. No later than ninety (90) days after the signing of this Agreement, the parties shall meet to establish a set of Committee rules of procedure. There shall be one Chairman from the Employer and one Chairman from the Union. In addition to the Chairman there shall be Two Employer representatives designated by the Employer and two Union representatives designated by the Council.
- b. It is the intent of the parties to meet once per quarter adjacent to a System Board of Adjustment session, or as mutually agreed to otherwise, with an agenda to be agreed to by the respective Chairmen.
- c. It is the responsibility of the Committee to provide guidance and recommendations on all

issues, involving safety and health (including ergonomic issues) and equipment, affecting employees covered by the National Master Gate Safe Agreement. The Committee may consider any subject pertaining to the safety and health of the employees covered by this Agreement which it deems significant.

- d. As agreed by the Chairmen, the Committee may establish such subcommittees as it deems necessary to address matters affecting safety and health.

**ARTICLE 32**  
**WAGES**

1. Hourly Wage Increases and New Scale

- a. Effective the first full pay period in 2011 following ratification, and the first full pay periods in 2012 and 2013 respectively, the following longevity steps for rate increases shall apply at all locations for all employees:

New Scale Longevity Steps:

2011	2012	2013
Start Rate	Start Rate	Start Rate
90 Day	90 Day	90 Day
180 Day (new)	180 Day	180 Day
	1 year (new)	1 year
		2 year (new)

New Longevity Step rates will be as follows:

Current starting rate

Current 90 day rate

**(2011) 180-day** pay step \$0.30 above current 90-day pay step

**(2012) 1-year** pay step \$0.10 above 180-day pay step

**(2013) 2-year** pay step \$0.10 above 1-year pay step

- b. All employees, with the exception of those employees covered by wage increases pursuant to Paragraph 4 below, will be paid per the New Scale at their applicable longevity step in accordance with the rates established for each Unit.
- c. Employees with hourly rates of pay in excess of the New Scale, with the exception of those employees covered by Paragraph 4 below, shall also receive the above noted increases on the applicable effective dates.
- d. Employees being paid an hourly rate above the applicable New Scale longevity step hourly rate shall not have their hourly rate reduced and will continue to receive their

current hourly rate until the applicable New Scale hourly rate exceeds their current hourly rate.

- e. The Service Manager, Business Agent and employees at each location will be provided with a copy of the applicable New Scale for that location.
2. With advance notice to the Council, the local Business Agent and the affected employees, the Company may create and utilize seasonal, shift, weekend or other premiums on a temporary basis in order to address unique recruitment and retention issues.
3. Lead employees receive an additional \$.50 per hour. Senior Lead employees receive an additional \$1.00 per hour.
4. With the exception of employees based in Los Angeles and San Francisco, the parties expressly agree that, to the full extent permitted by law, the terms of this Agreement shall supersede any state, city, municipal or other local living wage or benefit law, ordinance, code, or regulation that might otherwise apply to employees covered by this Agreement. Accordingly, the parties hereby expressly waive the application of any such state, city, municipal or other living wage or benefit law, ordinance, code or regulation, including but not limited to the San Jose Living Wage Policy, the City of San Diego Living Wage Ordinance, and the Oakland Living Wage Ordinance. The parties expressly agree that this provision shall not exempt the Company from complying with all applicable federal and state minimum wage laws. In addition, this waiver does not permit the Company to reduce benefits and wages currently being provided; therefore, any waiver would be prospective from the date of ratification.

### **ARTICLE 33** **AMENDMENT**

This Agreement shall become effective when ratified and thereafter remaining in effect until changed in accordance with the provisions of the Railway Labor Act.

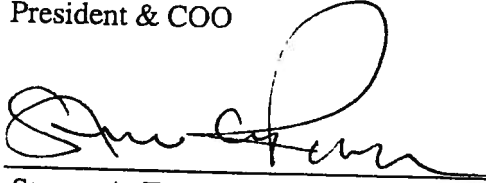
Neither party shall, prior to November 1, 2013 serve a notice on the other party, pursuant to section 6 of the Railway Labor Act, to change any term of the Agreement, which change shall not be effective prior to January 1, 2014.

For Gate Safe:



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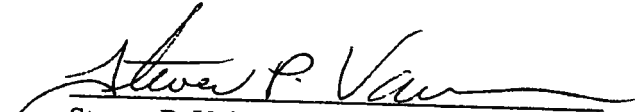
Kevin Didion  
President & COO



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Steven A. Forman, SPHR  
Director, Human Resources

For the IBT/HERE Employee Representatives'  
Council:



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Steven P. Vairma  
Director, IBT/HERE Employee  
Representatives' Council



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James DuPont  
Vice-Director, IBT/HERE Employee  
Representatives Council

City	Unit	New Wage Rates				
		Start	90-day	180-day	1-year	2-year
SAN ANTONIO 347	347	\$8.37	\$8.68	\$8.98	\$9.08	\$9.18
HOUSTON 348	348	\$8.37	\$8.68	\$8.98	\$9.08	\$9.18