

Articles of Agreement

Between

THE HERSHEY COMPANY

Hershey, Pa.

and

CHOCOLATE WORKERS'

LOCAL UNION NO. 464

of the

BAKERY, CONFECTIONERY

TOBACCO WORKERS and GRAIN MILLERS

INTERNATIONAL UNION

(AFL-CIO)

OF AMERICA

Hershey, Pa.

Effective:

December 9, 2016 through October 30, 2022

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ARTICLES OF AGREEMENT
EFFECTIVE AS OF THE 9th DAY OF DECEMBER 2016

BETWEEN

THE HERSHEY COMPANY, of Hershey, Pennsylvania, hereinafter called EMPLOYER, or COMPANY and CHOCOLATE WORKERS' LOCAL UNION No. 464 of the BAKERY, CONFECTIONERY, TOBACCO WORKERS AND GRAIN MILLERS INTERNATIONAL UNION OF AMERICA, (AFL-CIO), of Hershey, Pennsylvania, hereinafter called UNION, as bargaining agent for all employees of The Hershey Company, covered by this Agreement.

WITNESSETH:

In consideration of the good will of each party to the other, which is hereby acknowledged, and the mutual covenants herein contained, it is hereby agreed by and between the parties hereto:

1. RECOGNITION OF THE UNION-

The Employer recognizes the Union, for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment, and other conditions of employment as the sole and exclusive bargaining agent for all production and maintenance employees at the West Hershey Plant, excluding office employees, executives, attorneys, traveling and outside salespeople, engineers, pre-treatment plant employees, professional employees, safety positions, security guards, superintendents, managers, supervisors, assistant supervisors, temporary supervisors, all other supervisors as defined by law, or any persons excluded by law.

2. NO STRIKE, PICKETING, OR DEMONSTRATING, STOPPAGE OR LOCK-OUT, OR COERCION-

(a) The Employer agrees that during the term of this Agreement there shall be no lockouts.

(b) The Union, its officers, agents, and employees covered by the Agreement, agree that during the term of this Agreement there shall be no strikes, sit downs, slowdowns, work stoppages, picketing or demonstrations at the plant covered by this Agreement that interfere with the Company's operations, its production or sale of its product.

(c) There shall be no discrimination, interference, restraint or coercion by the Employer or any of its agents against any employee because of membership in the Union.

3. PERMANENT NEW EMPLOYEES-PROBATIONARY PERIOD-

Newly hired employees shall be considered on probation for a period of one hundred twenty (120) calendar days of active employment. Newly hired

employees will not have any seniority rights during their first one hundred twenty (120) calendar days of employment. If mutually agreed by the company and the Union, the probationary period may be extended for an additional sixty (60) calendar days. During the probationary period, an employee shall be subject to layoff, discipline or discharge at the sole discretion of the Employer, and its action shall not be the subject of a grievance.

4. UNION SECURITY AND CHECK OFF-

(a) All persons who are employees on the effective date of this Agreement and who are still employed by the Employer thirty (30) days thereafter, shall after such thirty-day period, as a condition of employment become (if they have not previously become members of the Union) and remain members of the Union in good standing for the duration of this Agreement. All employees hired subsequent to the effective date of this Agreement who are still in the employ of the Employer thirty (30) days after hire shall become and remain members of the Union in good standing for the duration of this Agreement as a condition of employment.

(b) If any dispute arises at any time as to whether any employee is or is not a member of the Union in good standing, and an agreement cannot be reached, the dispute shall be adjudicated by an arbitrator, chosen in accordance with the provisions hereof, whose decision shall be final and binding on the Union, the Employer, and the employee.

(c) A voluntary irrevocable check-off is continued in effect.

(d) Any dispute arising over the failure of either party to fulfill its obligations under this Paragraph 4 of the Agreement shall be taken up in the same method as other grievances under the Grievance Procedure.

5. REPRESENTATION-

The Union shall be represented as follows:

(a) The Union will designate at least one Steward for each area of the Employer.

Union Steward representation will consist of the following structure:

Plant-wide & Miscellaneous Areas

- 1 Branch President
- 1 Steward for Storeroom, Production Training Coordinators, Quality Technician, and Labor Schedulers
- 1 Steward for Sanitation - all shifts plant-wide
- 1 Steward for Transportation

Processing (Area A)

- 1 Chief Steward
- 1 Steward per team for 4 teams
- 1 Steward for the White Paste area - all shifts

Packaging (Area B)

- 1 Chief Steward
- 2 Stewards per shift for 3 shifts

Packaging (Area C)

- 1 Chief Steward
- 3 Stewards per shift for 3 shifts
- 1 Steward for Almond Roasting – all shifts

Maintenance

- 1 Chief Steward representing all trades
- 1 Steward per shift for 3 shifts
- 1 Steward for all Utilities employees plant-wide

(b) Branch President will be an off-line position. Chief Steward Positions will remain on a full-time job. Branch President will be required to request approval for Chief Steward to be off-line.

(c) Overtime by union representatives will be approved through the normal overtime approval process.

(d) On shifts where no Stewards are provided under the above paragraphs, the Union may designate a Steward from another shift in the area to represent the shift employees.

(e) The Stewards shall in all cases be employed in the area represented except those designated in (d) above.

(f) The Company will provide on request by the Union, two (2) days of Union Educational training per year to be paid at the straight time rate for the Branch President. Other stewards will be provided one (1) unpaid day off each year for Union Educational training. Time off for this purpose must be requested at least one (1) week in advance and approved ahead of time.

6. SELECTION OF A CONFERENCE COMMITTEE-

A Conference Committee composed of three (3) representatives of the Employer and three (3) representatives of the Union shall be established for the purpose of adjusting all disputes referred to it by the Branch President and the Manager, Human Resources or his/her representative, which they have been unable to settle satisfactorily, and to adjust any complaints which may be filed by the Employer. The Conference Committee shall appoint a secretary whose records, when approved by the Conference Committee, shall be final and conclusive evidence of any action taken by the Committee.

7. GRIEVANCE PROCEDURE-

(a) If any dispute shall arise between the Employer and the Union, or its members, there shall be no suspension of work or slowdown on account of such difference or dispute, but such dispute shall be treated as a grievance and settled in accordance with the procedure hereinafter set forth:

- (1) First step shall be a discussion between the aggrieved employee, his/her Steward or Chief Steward, and the immediate supervisor within fourteen (14) calendar days after the date on which the facts or events upon which the complaint is based shall have existed; provided the complainant is knowledgeable of the event or facts. The Record of Dispute or Complaint form must be filed within the

time limits specified above. In the event the aggrieved employee is absent, the fourteen (14) calendar days period for filing will be extended by the number of days absent. The Record of Dispute or Complaint form shall be provided by management (e.g., immediate supervisor, designated manager, etc.) within twenty-four (24) hours of the discussion, or by the employee's next work day, which shall be considered part of the first step. Should the Employer fail to respond to the Record of Dispute or Complaint form within fourteen (14) calendar days of receiving same from the Union, the Employer shall be deemed to have waived its right to respond, and the complaint remedy sought shall be granted. The failure of an employee or the Union to file a Complaint or Dispute form within this fourteen (14) calendar day period shall constitute a waiver of the right to file. If both parties act and fully discuss their problem in good faith, a fair and speedy solution to most complaints can be made at this step.

- (2) In order for the complaint to be considered further, it shall be submitted to the Union Conference Committee within three (3) months of the date of the complaint. If the Union wishes to pursue a complaint, it shall be submitted as a formal grievance in writing to Human Resources within three (3) months of the date of the complaint. Within thirty (30) calendar days of receipt of a formal grievance, a second step meeting will be held with the Branch President, the Manager, Human Resources and the respective representatives of both parties. If not settled at the second step meeting, the grievance shall be submitted in writing to the Union and Management Conference Committees within thirty (30) calendar days.
- (3) The third step shall be a joint meeting of the Union and Management Conference Committees and shall take place at the earliest day of the convenience of the parties. Normally, such joint meetings of the Union and Management Conference Committees shall be held at standing scheduled times on the 1st and 3rd Tuesday of each month, provided there are grievances to hear. Any case referred to the Conference Committee and held in abeyance by the Union, and not jointly re-discussed within thirty (30) calendar days of being held in abeyance, shall be considered dropped. Any case referred to the Conference Committee and held in abeyance by Management, and not jointly re-discussed within thirty (30) calendar days of being held in abeyance, shall be granted. Conference Committee will be conducted according to the guidelines in Appendix J (Conference Committee Guidelines) of this agreement.
- (4) In the event that any dispute is not settled by the Conference Committees, the dispute shall be determined by arbitration before an impartial arbitrator designated as hereinafter provided. The

final decision of such arbitrator shall be binding upon both parties, and the expense of the arbitration shall be borne equally by the parties to this Agreement. Time spent by an aggrieved employee or other employees of the Employer in or before the Conference Committee at its request, shall be considered as time worked, but they shall not be paid premium pay for such time unless they would otherwise have earned premium pay on their jobs. The Union Conference Committee Chairperson or his/her designee (limited to 1 person) shall be paid their regular wages to appear at arbitration but they shall not be paid premium pay for such time. Management shall not pay the wages of other Union Conference Committee members to appear at arbitration.

- (5) The parties, by agreement, designate their respective attorneys to use the American Arbitration Association in the selection of an impartial arbitrator. The selection of the arbitrator from the list presented by the American Arbitration Association shall be by agreement of the parties, or failing agreement, by the "crossing" (strike) method of selection.
- (6) Extensions on the time limits indicated above throughout the grievance procedure are permitted so long as both parties mutually agree to the extensions. However, in all cases, grievances not resolved at the third step must be submitted in writing to the other party for arbitration within sixty (60) days from the 3rd step answer. Otherwise the grievance is considered dropped.

(b) Both the Employer and the Union shall make every effort to reach the earliest possible settlement of matters at the lowest level in the procedure, and any settlement reached at any stage shall be final and conclusive.

(c) The Business Manager, or other representative or representatives of the Union, shall be admitted to any Area of the Plant during working hours upon consent of the Manager, Human Resources or his/her representative, or other authorized person.

(d) General Factory grievances may not be filed except when they relate to an issue which affects the plant population as a whole, rather than a particular employee or area.

8. DISCHARGE AND DISCIPLINE-

Full power of discharge and discipline shall remain with the Employer, it being specifically understood and agreed between the parties hereto that its power shall be exercised with justice and due regard to the reasonable rights of the employees. Any discipline warranted will be issued within the fourteen (14) calendar days following the date of the violation. In the event the employee receiving discipline is absent, the fourteen (14) calendar day period for issuing discipline will be extended by the number of days absent. The Employer and the Union agree that the fourteen (14) calendar day limit for imposing discipline may be extended upon the agreement of the Branch President and the Manager, Human Resources by the signing of a waiver to that effect. The Employer shall

notify the Union at least twenty-four (24) hours before the dismissal of any employee, stating the reasons for such dismissal. If, after the investigation, the Union believes that the employee has been unjustly discharged, the matter may be referred to the Conference Committee.

9. POSTING OF JOBS-

(a) One or any necessary combination of the following three (3) types of job postings shall be used to select employees to fill job vacancies in the Plant:

- (1) **PERMANENT PLANT POSTINGS:** All newly created jobs or vacancies caused by death, termination, retirement, bidding out, production increases or work decreases consistent with the seniority guidelines shall be posted for four (4) workdays over a two calendar week period with at least one workday being in each week, on the main bulletin boards throughout the Plant. Such postings shall be taken down after the first regularly scheduled workday of the week. Newly created or vacant trades jobs shall be posted for seven (7) calendar days. Employees while on layoff are eligible to bid and be awarded trades/trades related and/or West Hershey postings consistent with the seniority guidelines. All postings will show area, team or job, shift and rate of pay. Employee movement – movement as a result of polling or posting which requires training will require a lock-in time of twelve (12) months from the start of the 5th calendar week after being awarded the job or upon the initiation of their training for the new job (whichever takes place first).

Exceptions to this lock-in are as follows

- (i) If training is not required as part of the movement – NO lock-in time would apply.
- (ii) Also, employee's lock-in time would be voided once per rolling 12 month period for a wage increase or shift change opportunities of equal or higher wage. Lock-in time would then be required for the new position.
- (iii) An employee cannot bid back to the same job on the same shift that they just moved from (unless the training for the new role has not begun).
- (iv) Bumps and recall are exempt from the lock-in period, with the exception of those not exercising seniority rights.

Probationary employees are permitted to bid on job postings. Postings will be awarded by seniority order and follow the regular training and certification process, including union participation.

If an employee accepts a new job poster which involves an increase in wages and the Company is unable to provide them

with job contact immediately, the employee shall receive the base wage rate of the new job effective the start of the 5th calendar week.

Logistics and Storeroom including back-ups will require the current computer assessment test.

(2) TEMPORARY AREA POSTINGS:

- (i) Temporary poster holders do not have recall to the temporary area.
- (ii) When the temporary assignment is over, the employee must return to his/her former job/ team. Except during team layoffs the temporary employee will be treated as part of the team.
- (iii) Temporary qualified posters will be offered as follows:
 - If the length of absence is less than twelve (12) weeks then the non-maintenance opening will be filled from the support teams or other qualified labor.
 - If the length of the non-maintenance absence exceeds 12 weeks it will be filled with a temporary posting by seniority.
 - Temporary nonqualified general labor openings on other shifts will be filled by seniority from the Area where the openings exist by using a shift change sign-up sheet. General labor employees will be responsible to add or remove their name from the shift change sign-up sheet if he/she no longer desires to change shifts.
 - If the length of a non-maintenance absence exceeds twelve (12) months, the position will be posted as a permanent plant posting as defined under subparagraph (a)(1). If the employee out on the approved leave later returns to work, then they will receive a bump on the same team and the same shift they vacated. If no bump is available, then the employee will receive a bump in the same area they vacated. If there is no bump opportunity in this area, then they can bump plant wide.

(3) BACK-UP PLANT POSTINGS

An employee shall only be allowed to hold one (1) back-up poster at a time in or outside his/her resident area (e.g., Storeroom backup or any other combinations).

- (i) Storeroom backup, New Rail Shed backup, White Paste backup and Transportation.
- (ii) The purpose of the Backup Pool will be to cover absences (short and long-term), training, vacations and increases in production.

- (iii) Backup Pools for 8 hour openings will be available to all employees plant wide on 8 hour schedules.
- (iv) There will be two types of Backup Pool Jobs, production/trades related jobs and targeted selection / tested positions.

PRODUCTION BACKUP POOLS

- (i) Production Backup Pool candidates will be selected by plant seniority and will fill in for daily and weekly openings. Logistics will require current computer assessment. All permanent production openings with backup pools will be posted plant wide and awarded by seniority. Technicians are not eligible to hold production back up positions.
- (ii) Production back up pool employees will not automatically fill open fulltime production positions.
- (iii) Backup Pool positions will be utilized for Storeroom, White Paste Processing, New Rail Shed and Transportation.
- (iv) Backup Pool for rotating positions will fill in on specific Skill Block Jobs on those teams.
- (v) Backup Pool members in the Production areas will make a 9 month commitment.

TARGETED SELECTION / TESTED BACKUP POOLS

- (i) Targeted Selection/Tested Backup Pool positions will be utilized for Material Control Backups, Labor Scheduler Backup, Transportation Backup, SAP Maintenance Planner Backups, and Maintenance training Coordinator. Any permanent fulltime positions in this group will be offered to all permanent and backup pool employees by seniority. After all movement is complete, the remaining opening will be posted plant wide and awarded by the agreed to process. Backup employees are not required to take the fulltime openings if it is not on their shift.
- (ii) Successful bidders for the Targeted Selection/Tested Backup Pool will be selected using the same criteria as the positions they are backing up.
- (iii) Successful Backup Pool members in the Targeted Selection group will make a two year commitment. Lock in period would be void for wage increase or shift change of equal or higher wages.
- (iv) Backup Pool will be utilized in plant seniority order.

(b) Plant-wide production postings shall be posted team or job and shift as needed. Plant seniority shall be the basis for awarding all plant-wide postings. The designated time period for awarding plant postings shall be Wednesday 8:00 a.m. - 12:00 noon. The employee must be available to be contacted if he/she signed a bid form. If the employee is scheduled for vacation or will not be available to be contacted at the time the poster is being awarded, they need to leave a written response indicating their choice.

(c) Copies of such postings shall be sent to the Union.

(d) Any employee failing to apply for a newly created vacancy within the prescribed period shall forfeit his or her seniority right for such vacancy.

(e) During the interim posting period, the Employer may fill the job vacancy with a qualified person from the appropriate support group.

(f) Any employee who has made a verbal commitment to accept an area, team, or plant- wide job posting will be required to accept the posting, including a trades posting.

10. SENIORITY-

(a) The basis for promotions, increases or decreases in the working force, shall be the length of continued service, training, ability, and competency.

(b) "Length of continued service" shall begin with the date on which the employee began work after last being hired. There shall be no reduction in seniority for any time lost which does not constitute a break in continuous service. Continuous service shall be broken for any of the following reasons:

(1) Employee quits on his/her own accord.

(2) Employee is discharged for cause.

(3) Absence due to layoff which continues for more than twenty-four (24) months.

(4) Absence due to disability which continues for more than thirty (30) months.

(5) Employee fails to return to work without good cause at the termination of a leave of absence.

(6) Employee is absent from work without good cause five (5) consecutive days without notice.

(7) Employee is retired.

With employees who have similar hire dates, the employee with the lowest serial number shall be senior.

(c) Plant seniority will be used in the case of a permanent plant wide opening and preference of shift.

(d) Union officers shall have plant-wide preferential seniority for the purpose of layoff or reduction on the shift. Union Stewards and Chief Stewards shall have preferential seniority at time of layoff or reduction on the shift in the area in which they are employed unless the entire shift in which they are employed is eliminated. Stewards on normal layoff or on a temporary area layoff, for 14 calendar days shall be recalled first. Refer to seniority guidelines, Appendix I.

(e) An employee transferred in the sole discretion of the Company to a supervisory or other salaried position, outside of the bargaining unit, shall continue to accumulate plant seniority while serving in such positions for a maximum period of twenty-four (24) months. Such employees shall have their seniority frozen as of the date of such transfer. If the employee is later transferred back into the bargaining unit, he/she shall be credited with the seniority he/she had at the time of the transfer out of the bargaining unit and will be allowed to select an open job to which his/her seniority would entitle him/her.

After the twenty-four month period, no transfer back into the bargaining unit will occur unless there is mutual agreement between the parties. If agreement between the parties cannot be reached; management may exercise its right to terminate the employee and rehire the employee into the bargaining unit as a new hire.

(f) Employees appointed by the employer as working supervisors, assistant supervisors, relief supervisors, temporary supervisors, and group leaders shall continue to accumulate seniority while serving in such jobs, providing such assignment is within the employee's resident area. Management retains the right to assign hourly employees to nonsupervisory positions (e.g. relief planners, relief coordinators, Technical Center, Quality Assurance) without loss of seniority. Employees appointed by the Employer to non - salaried supervisory positions will continue to accumulate plant seniority.

- (1) Production employees who serve in the capacity of relief supervisor/working supervisor for a consecutive six (6) month period shall relinquish any posters held in their resident area. When the assignment is over, the employee will be afforded the right to bump an employee with less seniority within their team and shift, providing the employee held a permanent area poster prior to the relief supervisor assignment.

(g) Where during a layoff it is necessary to retain tradespersons of particular or specialized skills, and tradespersons of higher rating or seniority do not possess such skills, the tradespersons with such skills may be retained regardless of their rating or seniority.

(h) If a non- rotational job is discontinued after the starting time of a shift, the employee whose job is so discontinued shall be subject to assignment by the Employer for the remainder of the shift at the rate of pay of the discontinued job or of the job to which he/she is assigned, whichever is higher.

- (1) Paragraph 10(h) shall not be interpreted to permit a senior employee whose job has been discontinued to be loaned out to another team so long as there is an employee in that team with less plant seniority.
- (2) If a job(s) that was discontinued after the start of a shift is restarted during that shift, those employees on assignment with rate retention shall be returned to their respective job(s) and rate(s).
- (3) Employees on rate retention right-of-assignment shall not be permitted to exercise their seniority in any way, including bumping of probationary employees or bidding on open jobs.

(i) Up-to-date seniority lists shall be made available to the respective Areas Union Stewards for their inspection.

(j) The Employer shall notify the Union at least twenty-four (24) hours before a layoff of any employee for slack work, stating the reason for such layoff. If, after investigation, the Union believes that an employee's seniority does not warrant a layoff according to this Agreement, the matter may be referred to the Conference Committee.

11. HIRE AND TERMINATION LIST-

The Employer, once a week, shall give to the Union a list containing the names and addresses of all newly hired employees and the names of all employees terminating.

12. WORK SCHEDULES, CHANGES IN-

(a) The Union Steward concerned shall be notified as early as possible of all changes in work schedules. Should any question arise, the Employer shall discuss the same with the Union Steward. In such case, the effective date of such work schedule changes shall be postponed as long as practicable.

(b) The Employer shall have the right to alter the work schedule of the third shift on the holidays of Good Friday, Independence Day, Thanksgiving, Christmas and New Year's Day, when not followed by the floating holiday, and the floating holiday, when not a Monday or Friday, by operating on some other night without holiday premium.

13. JOB CLASSIFICATIONS-

(a) All job classifications and rates applicable thereto shall be supplied to the union, together with present wage rates.

(b) Management has the right to temporarily assign production employees for up to 6 weeks to address critical business needs (e.g. leveraging key operators for start-up, debugging, optimization of equipment, major breakdown or performance issue, etc.). When forcing qualified operators across shifts, junior qualified will be forced.

(c) Employees will be expected to perform the following as an integral part of their jobs: line changeovers, continuous improvement (CI) mindset, cleaning and housekeeping, lubrication, code work, troubleshooting, preventative and basic maintenance and other tasks as assigned and trained.

14. OVERTIME-

(a) At the sole discretion of the Employer, overtime may be scheduled on a mandatory or voluntary basis. The Employer agrees that equal distribution of overtime shall be made among employees in a fair and equitable manner; provided that to be offered overtime, an employee must have the necessary skill, ability, physical qualifications and experience to be qualified to do the job without a special period of instruction or training.

(b) The detailed overtime rules remain jointly negotiated and are available as follows:

(1) Non-Maintenance Personnel – Their overtime rules shall be posted on the Site Overtime Board with hard copies available for employees to obtain from the Labor Schedulers.

(2) Maintenance - These overtime rules shall be posted in the shop areas with copies retained in the Trade Agreement Binders held by the Maintenance Manager, Maintenance Supervisors, Branch President, Maintenance Chief Steward, and Human Resources.

(c) By removing the overtime rules from this agreement, it does not modify or change the existing rights for management to assign voluntary, forced, or mandatory overtime.

15. POSTING OF UNION NOTICES-

Union notices shall be posted on Employer bulletin boards in conformity with the following procedure: The Union shall present the notice to the designated representative of the Employer for approval. Such notice, upon approval, shall be distributed to the areas for posting in the same manner as followed for the posting of other notices. Should any notice be disapproved, the Employer shall state the objections thereto so that the Union may draft a notice free from such objections.

16. CITIZENSHIP-

The Employer shall comply with all laws regarding the employment of illegal aliens.

17. EMPLOYEES' HANDBOOK-

An Employees' Handbook, which shall set forth such matters as safety and plant rules, a brief outline of the Group Insurance and Retirement and Savings Plans, and the Employer's policy on Union recognition, will be distributed to all employees.

18. HOLIDAYS, SATURDAYS AND SUNDAYS-

(a) Good Friday, the first Friday in May, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Friday after Thanksgiving, the first day of Antlered Deer Season, the day preceding or succeeding Christmas, Christmas, New Year's Day and one additional holiday to be scheduled by management shall be paid holidays. Employees will be paid for eight (8) hours at their regular hourly rate of pay for each of these twelve (12) days whether or not they actually work on such days. Employees working on any of these days shall, in addition to the foregoing eight (8) hours of pay, receive pay at the rate of time and one-half for all such hours worked.

If one of the above-named holidays falls on a Sunday, the following Monday shall be observed as the holiday. If one of the above-named holidays falls on a Saturday, the preceding Friday or the following Monday shall be the holiday observed, as determined by the Employer at its sole discretion. Employees working on any of these observance days shall receive pay at the rate of time and one-half for all such hours worked. Employees working on the calendar holiday shall be paid at the regular rate for that day and not the holiday rate.

For purposes of this paragraph, "regular hourly rate of pay" shall be the average hourly straight-time rate (excluding shift premium) earned during the last eight (8) complete pay cycles of the prior contract year, adjusted to current contract year rates.

(b) Holiday 12 hour shift policy

- (1) Team members will receive time and one-half for all hours worked on a holiday.
- (2) If a holiday falls on a non-scheduled work day, the team member will receive 8 hours holiday pay.
- (3) If a holiday falls on a scheduled work day and the team member is at work, the team member will receive 8 hours holiday pay plus time and one-half for all hours worked.
- (4) If a holiday falls on a scheduled work day and the team member is not scheduled, the team member will receive 12 hours holiday pay.
- (5) If a holiday falls on a scheduled day and the team member is not scheduled, the hours are counted as hours worked toward the calculation of overtime.
- (6) If a holiday falls on a scheduled day off, the hours do not count toward the calculation of overtime.
- (7) If a holiday falls on a scheduled workday and the team member is off sick, 8 hours will count toward the calculation of overtime.
- (8) Team members off sick on a holiday will receive no more than 12 hours pay.
- (9) A schedule of holidays will be posted at the beginning of the year.

(c) Employees who are required to work on Easter Sunday shall be paid at the rate of double time for the job performed, which shall include any overtime pay.

(d) All hours of regularly scheduled work lost on a paid holiday shall be considered as time worked in determining total hours of work for computation of overtime pay.

(e) If an employee is absent on the previous or succeeding scheduled workday or on the day of the holiday without leave and without good cause (e.g., no report), he/she shall not be entitled to be paid for such holiday. A dispute as to whether good cause existed shall be handled as a grievance.

(f) An employee who has been absent, on short term disability/wage continuance or is collecting Workers' Compensation pay for a period exceeding seventy (70) calendar days before a paid holiday shall not be entitled to be paid for the holiday.

(g) Upon completion of one hundred twenty (120) calendar days of service, employees shall be entitled to paid holidays.

(h) If an otherwise eligible employee is laid off from work and a paid holiday falls within three (3) calendar days following his/her layoff, he/she shall be entitled to holiday pay.

(i) HOLIDAY PREMIUM PAY FOR THIRD SHIFT

- (1) At the discretion of the Employer, as determined from time to time, the third shift may be regularly scheduled from Sunday through Thursday nights, inclusive, or from Monday through Friday nights, inclusive. Only for third shift employees

whose regular workweek starts Sunday night: The holiday typically celebrated on Good Friday will be changed to Easter Monday, which means the workweek following Easter for these third shift employees will begin Monday night. No holiday premium will be paid to these employees for working Good Friday. There will be no schedule changes during these two weeks for these third shift employees nor will there be any premium adjustments for this group of employees. If these employees work Easter Monday, they will receive holiday premium.

- (2) When third shift is scheduled Monday through Friday nights, inclusive, holiday premium pay shall be paid for work which commences on the day of the holiday.
- (3) When third shift is scheduled Sunday through Thursday nights, inclusive, holiday premium pay shall be paid for work which commences on the day of the holiday, except when such day is Monday or Friday.
 - (i) When such a day is Monday, third shift shall be paid holiday premium pay for work which commences Sunday night and not Monday night, and when Tuesday is also a holiday, premium pay will be paid for work which commences Monday night not Tuesday night.
 - (ii) When such day is Friday, third shift shall be paid holiday premium pay for work which commences Thursday night and not Friday night, and when Thursday is also a holiday, premium pay will be paid for work which commences on Wednesday night.
- (4) Paragraphs (2) and (3) will not apply to voluntary holiday schedule changes as per mutual agreement between the Manager, Human Resources and the Branch President.

19. VACATIONS-

(a) All employees who have had three hundred sixty-five (365) calendar days or more of service with the Employer and are on the active payroll on June 1 of each year shall participate in the following vacation schedule:

Vacation 8 hour schedule					
YRS of Cont. Service	Days	Total	Vacation	Min. No.	Allowable
Prior to June 1	Earned	Mandatory Days	Pay In-Hrs	Full Weeks	Single Days
After 1 year	10	5	40	1	5
After 2 years	10	5	60	1	5

YRS of Cont. Service	Days	Total	Vacation	Min. No.	Allowable
Prior to January 1	Earned	Mandatory Days	Pay In-Hrs	Full Weeks	Single Days
After 3 years	11	10	90	1	6
4 - 5 years	13	10	110	1	8
6 - 10 years	16	10	130	2	6
11 - 15 years	17	10	140	2	7
16 - 20 years**	20	15	160	2	10
21 - 25 years**	23	15	190	2	13
26 - 30 years	25	15	200	3	10
31 - 35 years	27	15	220	3	12
36 or more years	30	15	240	3	15

For the purpose of computing vacation pay (and not for the purpose of determining eligibility for vacation pay), the vacation pay shall be computed on the basis of the prescribed percentage of gross annual earnings for the 12 month period ending the last pay of April or the average hourly straight-time rate commencing with the first complete pay cycle of the contract year and continuing for a twenty-six (26) week period, whichever is greater. For purposes of this paragraph, “average hourly pay” shall be the average hourly straight-time rate (excluding shift premium). For employees hired after June 4, 2010, vacation pay will be calculated using the average hourly straight time rates times the number of hours earned based on years of continuous service. *Single-day vacations may be scheduled as outlined in Appendix D. Gross annual earnings shall exclude vacation pay-and Tuition Refund for the previous year.

**Employees in the 16 – 25 years of service shall only be required to take 2 full weeks and 5 single days or 3 full weeks.

(b) An Employee entitled to four or more weeks’ vacation pay shall have the option of taking the fourth, fifth or sixth full week of vacation to which he/she is entitled, at such time as may be approved by the Employer. Of the first 3 weeks which must be taken, at least 2 weeks must be full weeks. One week can be single days.

As of June 1 of each year, an employee who fails to qualify for the initial week of paid vacation shall be entitled to a pro rata portion of such initial week of vacation pay and vacation time. Pro rata vacation shall be as follows: Days must be used consecutively.

- (1) An employee shall receive 2% of employee's gross annual earnings. The employee shall receive vacation off as follows:
 - (i) Equal to or more than 9 months but less than 12 months of service - 4 days of vacation.

- (ii) Equal to or more than 6 months but less than 9 months of service - 3 days of vacation.
- (iii) Equal to or more than 4 months but less than 6 months of service - 2 days of vacation.
- (iv) Equal to or more than 2 months but less than 4 months of service - 1 days of vacation.

(c) Except as herein provided, to be eligible for vacation benefits, an employee must be on the active payroll of the Employer on June 1st of the vacation year. Employees with ten (10) or more years of service who have not had any hourly earnings in the preceding vacation year but have collected weekly Accident & Sickness / Wage Continuance or Worker's Compensation benefits will be eligible for vacation pay. Employees who retire or are approved for Long-Term Disability (LTD) shall receive prorated vacation pay up to the date of such event. Those employees who receive a prorated check and return to work prior to June 1 must resume work for a period of thirty (30) calendar days prior to receiving the balance of their vacation pay. Those employees with ten (10) or more years of service who return to work after June 1 must resume work for a period of thirty (30) calendar days prior to receiving the balance of their vacation pay. This clause shall be consistent with paragraph 10(b)(4) of the Agreement. Years of service will be measured from December 31, rather than June 1; provided, however, during the first three (3) years, the required service shall date from June 1 of each year.

To clarify the above, vacation pay will continue to be computed using the average straight-time rate commencing with the first-complete pay cycle of the contract year and continuing for a twenty-six (26) week period. However, employees will be given credit for service as of June 1, if their hire date falls on or before December 31, except employees having less than thirty-six (36) full months of continuous service.

(d) All employees will be required to take their vacations, when eligible, in accordance with (a) above, between June 1 and May 31 of each vacation year. The right of an employee to take vacations at the end of one vacation year and at the beginning of another year without an intervening period of work will be subject to the Employer's sole discretion. Subject to establishment by the Employer, in its sole discretion, or limitations as to the number of employees who may be on vacation at any one time in any team and as to the skills and immediate competency of the employees required for efficient operation of the team, each employee within each team will be permitted to select his/her vacation on the basis of his/her plant seniority.

- (1) Full week vacations must be scheduled a minimum of one (1) full workweek prior to the desired vacation period. Single day vacations must be scheduled a minimum of two (2) working days prior to the desired vacation day. Scheduled full week vacations must be canceled a minimum of one (1) full workweek prior to the scheduled vacation period. Single-day vacation must be canceled a minimum of two (2) full workdays prior. Consideration will be

given for extenuating circumstances beyond the employee's control.

- (2) An employee who moves into a new team by bidding or bumping within his/her resident Area after the vacation periods have been established shall be allowed to take his/her minimum allowable vacation to the new team (if scheduled). Any vacation not scheduled must be taken during periods that remain open. If an employee is transferred by management from one team to another or recalled to his/her resident team after April 30, he/she will be granted his/her vacation during the period originally selected by the employee.
- (3) An employee who moves into a new Area after the vacation periods have been established must take his/her vacation during the periods that remain open.

(e) An employee not working on June 1st because of layoff, or excused delay in returning to work following layoff, and not previously paid vacation therefore, shall, when recalled to and resumes work for a period of thirty (30) calendar days, be entitled to receive the prescribed percentage of his/her gross earnings during the year preceding June 1st. Gross earnings shall not include vacation pay for the previous year.

(f) Vacation Pay Method

- (1) All employees will receive vacation pay on a pay as you go method effective June 2012.
- (2) For the pay as you go method the following will apply :
 - (i) The vacation pay rate per hour will be the employee's total vacation pay entitlement divided by the hours appropriate to his/her years of service. When the employee takes a vacation day, he/she will be paid at the vacation pay rate per hour.
 - (ii) If an employee does not use his/her full entitlement of vacation, the ending balance of the vacation pay account will be paid in the last regular paycheck of the vacation year.

(g) Employees vacation starts at the end of their regular scheduled shift for single day or full weeks of vacation.

Vacation Selection 12 - Hour

Vacation Selection 12 - Hour			
YRS of Cont Service	Vacation	Vacation	Min. hours
Prior to June 1, 2011	Hours	Pay In-Hrs	to be taken
After 1 year	80	40	40
After 2 years	80	60	60
YRS of Cont Service	Vacation	Vacation	Min. hours
Prior to Jan 1, 2011	Hours	Pay In-Hrs	to be taken

After 3 years	90	90	80
4-5 years	110	110	80
6-10 years	130	130	80
11-15 years	140	140	80
16-20 years	160	160	120
21-25 years	190	190	120
26-30 years	200	200	120
31-35 years	220	220	120
36 or more years	240	240	120

(h) Vacation hours will not be counted as hours worked toward the calculation of overtime.

(i) There will be no full week requirement for 12 hour schedules (all single days). Vacation for 12 hour shifts shall start at the end of their last regular scheduled shift.

(j) Team members will schedule full day vacations. Any remaining vacation time that is less than a full scheduled shift may only be used after all vacation hours have been taken and/or scheduled and the team members schedule this time as a full day. "Not scheduled" time will be utilized to make up the difference in vacation time for the full day absence.

(k) All vacation minimums must be taken by the conclusion of the vacation year. If not voluntarily scheduled by the end of the vacation year, employees will be forced to fulfill the minimum vacation requirements at the discretion of Management.

20. RETIREMENT AND INSURANCE-

The Retirement and Health and Welfare benefits are those set forth in the Memorandum of Agreement Regarding Effects dated May 28, 2010 and all Attachments thereto (including but not limited to Attachment T-3 and I), and in all documents, including plan documents, incorporated by reference therein, and in all Retirement and Health and Welfare benefits agreements, including grievance settlements, entered into subsequent to May 28, 2010, including the benefits settlement Agreement dated December 18, 2014 and Appendix K of this CBA. As set forth in that Agreement and Appendix K and pursuant to their terms, the Company shall have the right to determine the methodology in calculating benefit premiums, consistent with generally accepted health care underwriting and actuarial standards.

Effective January 1, 2018, Hershey Retirement Account balances earned before 1/1/2008 ("pre-WorkLife Invest Hershey Retirement Account balance"), will receive an interest credit rate of the average one year Treasury Rate or 5%, whichever is greater. The parties recognize that this change is needed in order

to comply with recent IRS guidance regarding mandatory requirements for interest credits under cash balance plans and is consistent with the change being applied to all other Company salaried and hourly employees in the WorkLife Invest retirement program. This change in the interest crediting rate for the pre-WorkLife Invest Hershey Retirement Account balance will apply for all purposes under the Plan.

21. WAGE AND HOUR PROVISIONS-

(a) Except as otherwise herein provided, hourly rate of pay as used in this contract shall not include shift premium.

(b) Employees shall receive a premium of twenty (20) cents per hour for work performed on the second shift, fifteen (15) cents per hour for work performed on third shift, and eighteen (18) cents per hour for 12 hour Night shift. For the purposes of this paragraph, shifts shall be determined as follows:

- (1) The first shift shall be a regular eight (8) hour shift beginning at any time when a majority of its hours fall between 6:00 a.m. and 2:00 p.m., 6:30 a.m. and 2:30 p.m. or 7:00 a.m. and 3:00 p.m.
- (2) The second shift shall be a regular eight (8) hour shift beginning at any time when a majority of its hours fall between 2:00 p.m. and 10:00 p.m. or 2:30 p.m. and 10:30 p.m. or 3:00 p.m. and 11:00 p.m.
- (3) The third shift shall be a regular eight (8) hour shift beginning at any time when a majority of its hours fall between 10:00 p.m. and 6:00 a.m. or 10:30 p.m. and 6:30 a.m. or 11:00 p.m. and 7:00 a.m.
- (4) Day team shall be a regular twelve (12) hour shift beginning at any time when a majority of its hours fall between the hours of 6:00 a.m. and 6:00 p.m. or 6:30 a.m. and 6:30 p.m. Night team shall be a regular twelve (12) hour shift beginning at any time when a majority of its hours fall between the hours of 6:00 p.m. and 6:00 a.m. or 6:30 p.m. and 6:30 a.m.

(c) All hours worked in excess of forty (40) hours in any week shall be paid at the rate of time and one-half for the job performed. Employees on an hourly rate of pay shall be paid every other Friday.

(d) Any employee appearing for work at his or her scheduled time, who has not been notified to the contrary, shall be granted before being sent home, four (4) hours' work or pay in lieu thereof. If the employee is granted four (4) hours of work, he/she shall be required to perform the work and he/she shall be paid at the rate of pay for the work performed or the rate he/she received on his/her last day of work, whichever is higher. If the employee is granted four (4) hours of pay in lieu of work, he/she shall be paid at the rate received on his/her last day of work. The foregoing guarantees shall not apply in the event of an act of God which renders the plant inoperable.

(e) Where an employee with seniority of five (5) years or more of continuous service shall be immediately and permanently displaced by reason of elimination of his/her job due to technology or change in processing (but not due to the interruption or termination of production of an item), such employee shall

retain the rate for the eliminated job for a period of ninety (90) calendar days, during which he/she shall have the opportunity to bid for another job based on his/her seniority

(f) Direct Deposit – Effective with the first payday in 2012, all employees shall be paid electronically every other Friday.

22. WEST HERSHEY SAFETY STRUCTURE-

The Hershey Company and the West Hershey operations are committed to providing a safe and healthy work environment for all of our employees, visitors and contractors. As part of this commitment, there are multiple safety resources at our operations to assist with achieving this goal. In an effort to sustain and enhance our safety culture, we use:

- Continuous improvement (CI)
- Employee-driven safety teams
- Policies, procedures & guidelines
- New employee orientation
- Job training and job safety analysis
- Safety incident investigation process
- A Joint Safety Committee comprised of an equal number of Union and Management employees. The Union representatives shall be appointed by the Branch President.

Employees are expected to follow all safety policies, procedures and practices, and are also expected to report all injuries, near-miss incidents, and unsafe conditions. Employees committing unsafe acts may be subject to appropriate disciplinary action. Employees may refer to the Employee Handbook and company policies, procedures and guidelines for more detailed information regarding safety requirements.

23. BEREAVEMENT LEAVE-

Bereavement Leave is a benefit to compensate eligible employees for some portion of straight-time hours missed from work to attend to matters directly relating to the funeral, burial or memorial service of a family member. An employee who has completed one hundred twenty (120) or more calendar days of service will be allowed a bereavement leave of absence with pay as follows:

(a) Up to three (3) working days in the event of the death of the employees' spouse (or domestic partner), children, parents, brothers and sisters, including half brothers and sisters, grandparents, grandchildren, mother-in-law, father-in-law, daughter-in-law and son-in-law. A stepchild shall be regarded as a child, for the purposes of this paragraph, if such child is a member of the immediate household of the employee at the time of the child's death. A stepparent shall be regarded as a parent, for the purposes of this paragraph. An adopted or stillborn child shall be regarded as a child for the purposes of this paragraph.

(b) One (1) working day in the event of the death of the employees' stepfather-in-law, stepmother-in-law, stepbrother, stepsister, brother-in-law, sister-in-law, great grandchild or great grandparent.

(c) If the death in the family, as specified in (a) and (b) above, occurs while an employee is on a scheduled vacation, he/she shall have the right to substitute the specified number of bereavement days for vacation and reschedule the vacation days during the vacation year, provided the employee reports the death to the Security Office or the Supervisor no later than the first day worked following the death.

(d) Such time off will be paid at the rate of eight (8) hours at regular time or for each day in lieu of regularly scheduled hours not worked. Such time off shall be regarded as time worked for the purpose of computing overtime. For purposes of this paragraph, "regular hourly rate of pay" shall be the average hourly straight-time rate (excluding shift premium) earned during the last eight (8) complete pay cycles of the prior contract year, adjusted to current contract rates. Use of leave is limited to a period of seven (7) calendar days following the death of a family member. Exceptions must be approved in advance by Human Resources and will not be unreasonably denied. Additional time off may be granted without pay where required.

(e) 12 hours provisions – In the event of death in the immediate family, the team member will be allowed up to 3 days (36 hours) pay up to and including the date of the funeral. Such time will be regarded as hour's worked for purposes of computing overtime. The team member is required to submit the obituary notice to his/her Supervisor.

Note: One allowable day off will be given (non-paid) for the death of the employee's spouse's grandparents.

24. JURY DUTY-

Time lost from work by an employee while serving on jury duty shall be paid for by the Employer on a straight-time basis at his/her regular hourly rate of pay; provided, however, any compensation or fees received for such jury duty shall be deducted from the amount to be paid by the Employer. Time off for jury duty shall not be regarded as time worked for the purpose of computing overtime. For purposes of this paragraph, "regular hourly rate of pay" shall be the average hourly straight-time rate (excluding shift premium) during the last eight (8) complete pay cycles of the prior contract year, adjusted to current contract year rates. Only employees with one hundred twenty (120) or more calendar days of service are eligible.

25. WAGE INCREASE-

(a) WAGES

- (1) The new Rate schedules as outlined in Appendix A shall be implemented.
- (2) The Production Probationary Employee Rate Schedule as outlined in Appendix A shall apply to all probationary employees during their first one hundred twenty (120) cumulative calendar days of active employment (unless probationary period is mutually agreed to be extended for an additional sixty (60) calendar days). If

extended, then the pay increase shall be postponed until the new hire has successfully completed their probationary period.

(b) In the event the proper rate for a production job is at issue in a technological change, changed job, new job or a job changed as the result of cumulative changes or a grievance and it is submitted to area steward(s), the Conference Committee or an arbitrator for resolution, neither the area steward(s), the Conference Committee nor the arbitrator shall have the power to set a rate other than one of the nine (9) rates established by this Agreement, unless it is a rate higher than rate thirteen (13). Follow the procedures established in the Technological Improvements clause in paragraph 27.

26. TERM OF AGREEMENT-

This Agreement shall be in full force from December 9, 2016 through October 30, 2022, and thereafter until a new agreement has been entered into; provided that either party, by giving sixty (60) days' advance written notice, may terminate it any time after October 30, 2022.

27. TECHNOLOGICAL IMPROVEMENTS, CHANGED JOBS AND NEW JOBS-

The parties recognize and acknowledge that the increases in wages herein granted to the employees depend, to a great extent, upon technological progress; better tools, methods, processes, and equipment; and a cooperative attitude on the part of the Employer and the Union. The Union agrees that it will encourage such progress and that it will not assert any demand for increased wages for a particular job by reason of changes in the job, unless such changes result in a substantial, material, and significant increase in the skill or labor required for the job.

(a) When new technological improvements are installed, or when new processes or methods are inaugurated, the Company has the right initially to set up the job content and the wage rate, basing its proposals on careful analysis consisting of the most relevant and useful data reasonably accessible to the company and made available to the Union.

(b) Where a changed job (as contrasted to a new job) is involved, the employee affected will not be entitled to any increased wages by reason of the changes unless the changes result in substantial, material and significant increase in the skill or labor for the job.

(c) A minimum of ninety (90) working days will be designated as the experimental period for both new and changed jobs. In determining a rate for a new or changed job, the rate shall be in proper relationship to like jobs.

(d) If parties are unable to resolve the issue, it shall be a matter subject to the grievance procedure.

28. NONDISCRIMINATION-

The Union reserves the right to protest actions taken by the Employer in the implementation of this paragraph and specifically refuses to waive any seniority or other contract rights which may be in conflict herewith.

29. WORK SCHEDULES-

(a) **LUNCH PERIOD AND BREAK(S)** for eight (8) hour shifts. Each employee shall be allowed a total of forty-five (45) minutes, away from his/her assigned job, for breaks and lunch during each shift. At the Employer's discretion, depending on production requirements, necessity for relief, and proximity to cafeteria, such time may be divided in segments of a twenty (20) minute lunch break and two additional breaks, one of fifteen (15) minutes and one of ten (10) minutes, or a thirty (30) minute lunch break and one fifteen (15) minute break, or a twenty-five (25) minute break and one ten (10) minute break before and one ten (10) minute break after. Such schedules may vary among areas, and may be changed from time to time at the sole discretion of the Employer.

(b) LUNCH PERIOD AND BREAK(S) FOR TWELVE (12) HOUR SHIFTS

Total time allowed for lunch and breaks is 70 minutes total for 12 hour shifts.

(c) Relief employees may be assigned to cross teams, in a manner consistent with principles discussed during contract negotiations.

(d) Each relief employee shall be assigned to relieve up to eight (8) other employees and himself / herself for both lunch and breaks as required by the Employer.

- (1) When relieving eight (8) other employees and himself/herself, the relief employee shall be subject to assignment for one-half (1/2) hour at the beginning of the shift. Any time remaining when all scheduled relief is completed shall be subject to assignment by Management.
- (2) When relieving less than eight (8) other employees, the relief employee shall be subject to assignment at the rate of pay of the job(s) assigned for all time prior to and after the scheduled relief. In any event, no relief shall begin earlier than thirty (30) minutes after the beginning of the shift.

(e) **SCAN-IN AND SCAN-OUT TIME.** Employees will scan in within one-tenth (1/10) of an hour before starting time and will scan out within one-tenth (1/10) of an hour after stopping time. Employees will remain at work stations until properly relieved. The Employer will require employees to scan out and scan in when entering or exiting the property.

(f) **TARDY EMPLOYEES.** Any employee not at his/her work station at the beginning of a shift will be assigned a job at the discretion of the Employer and shall have no right to exercise seniority for such shifts.

30. TRADES SECRETS-

It is recognized that all employees, in the day-to-day performance of their duties, have had, will have, or are likely to have, access to the Company's trade secrets and proprietary information and to confidential Company records and sources of information. While the employees have always received such information in confidence and have treated such information as secret and

proprietary information belonging solely to the Company, both the Company and the employees believe it is preferable to reduce to writing their understanding in this regard. Therefore, the employees acknowledge that since having assumed employment they have kept confidential and secret and agree to continue to keep confidential and secret during and subsequent to the period of said employment, all information relating to the Company's, or any of its subsidiaries' business, pricing, and cost information, product formulas, recipes and all other trade secrets, sources of supply or lists of customers and plans or contemplated actions, except as they relate to the processing of labor relations matters with the Company.

31. PRODUCTIVITY IMPROVEMENTS/EMPLOYEE INVOLVEMENT-

The Union and Employer recognize that productivity improvement is essential to the well-being of the employees and the Company. Accordingly, the Union and the Employer will cooperate in efforts to maintain and improve productivity at all levels throughout the plant, as well as a commitment towards the elimination of quotas, and to strive for full utilization of all jobs.

To achieve this, the management of the West Hershey Plant and officers of BCTGM, Local 464, are committed to providing employees a workplace environment that promotes teamwork, cooperation, creativity, and the meaningful involvement of employees and their abilities. Creating the highest quality products by continuously improving all that we do is the primary workplace goal. It is intended that this mutual commitment to "Quality Through Engagement" will result in optimum customer satisfaction and, therefore, promote long-term security for West Hershey Plant operations and their employees.

The Union and Employer commit to this Agreement as a "Living Contract." If modification of its content is necessary during the life of the Agreement to meet changing employer or employee needs, the Union and Employer will work together to address those changing needs.

This language shall be interpreted so that it does not conflict with other articles of this Agreement.

32. TRAINING-

(a) The Union recognizes the right of the Company to require employees to accept training either in or out of the plant or at specialized schools where required for improved job performance. The Company shall compensate employees for their expenses and their training time in such instances in accordance with Company policy.

(b) For all moulding & packaging areas of the plant, the method of payment for on-the-job training shall be as follows:

(1) Non-skill block areas: Certifier trainers shall receive \$.50/hour higher than the top rate of the training team where the training is being performed upon certification on all jobs in the training team. Prior to becoming certified on all jobs in the training team, the training certifier

shall receive \$.50/hour above the rate of the job being performed or trained. (For purposes of this paragraph, “training teams” are defined as the following: Kiss Wrapping; Kiss Moulding; Rolo Wrapping; Rolo Moulding; Snack/Giant Wrapping; Snack/Giant Moulding; Syrup Processing; Syrup Packaging; Palletizing; and Logistics.)

To meet the needs of the training, the trainee may be assigned to the shift of the trainer certifier when necessary.

(2) Skill block areas: Certifier trainers shall receive \$.50/hour higher than their skill block rate (on or off the job).

(3) If additional trainers are needed, the Company can request by seniority (or require by junior qualified) additional employees to conduct training from time to time. In such cases, training of one employee(s) by another will result in the trainer receiving an increase of \$.50/hour higher than the rate of the job where the training is being performed.

(c) Certifier Selection process for moulding and packaging areas at West Hershey - First consideration will be permanent poster holders on the training team (as defined above) with certification in at least one (1) job/skill block on the training team. Candidates selected for the certifier position will receive a 4 hour” train the trainer” course. They will learn some basic training skills and will then be assessed on how well they can coach someone through a training exercise. The assessors will consist of 2 managers and a union steward. A score of 75 or greater will be needed to qualify as a certifier. Selection will be by seniority for scores of 75 percent or greater. Any Certifiers cannot refuse to train and must make a 3-year commitment. An evaluation process will be developed to give the certifier feedback on performance.

(1) Certifier Expectations - Certifiers for each area will work with their training coordinators to outline a detailed training plan, assess documentation and develop a certification assessment to be reviewed by the chief union steward and approved by Management.

(d) Certifying assessment – This certifying assessment must be completed at the end of the trainee’s training period. A trouble shooting, cleaning, change over and PM/Lubrication section will be included on the certifying assessment as applicable. Certifier, trainee, union steward and Supervisor must all be in agreement for certification. The trainee will have two attempts to pass the assessment for certification. If the trainee does not pass the certification, a detailed plan agreed upon by the trainee, certifier/Supervisor and the training coordinator will be put in place with an agreed upon date for the next assessment (not to exceed 30 days). In the event the person cannot certify a second time, they will not be eligible for training for two years and must take a job that does not require that skill.

(e) DE-Certification PROCESS Guidelines

In the event that a team member demonstrates a pattern of difficulty in performing and/or cannot perform the functions of a certified jobs/skill block area as required by certification, a de-certification process could be utilized to determine the team member's level of ability and performance. All situations will be evaluated on a case by case basis by management to determine if the de-certification process is warranted. The following are illustrations of potentially unacceptable performance, but do not exclude other performance issues from being considered in determining the need de-certification.

- (1) There has been an unacceptable amount of equipment downtime or lack of production that has been documented by management as having been caused by a team member in one calendar year from the ending date of an initial incident.
- (2) There has been an unacceptable amount of rework/waste that has been documented by management as having been caused by a team member in one year from the ending date of an initial incident.
- (3) There have been safety concerns and/or incidents that have been documented by management as having been caused by a team member in one year from the ending date of an initial incident.
- (4) There has been an unacceptable amount of property/equipment damage that has been documented by management as having been caused by a team member in one year from the ending date of an initial incident.

(f) In order to consider that a team member's abilities and/or performance are insufficient, written documentation of the team member's performance will be discussed with the team member by management.

(g) Once a team member's ability to perform the job has been identified as unacceptable, management will request a meeting with the team member and Union Steward to discuss implementation of a scheduled review period for the team member. The review period length will be determined by the amount of knowledge/skills required for that specific jobs/skill block area.

The review period will generally be conducted as follows:

- (1) Based on the nature of the review (ability/performance), management will schedule an evaluation of the team member's abilities for the specific jobs/skill block area. The training guideline/certification outline will be used for this purpose. A Training Coordinator will facilitate the scheduling.
- (2) The Supervisor and Union Steward will observe the team member and trainer through a thorough evaluation of the team member's ability to perform. The evaluation will be performed by utilizing the job(s)/ skill block area training checklist.
- (3) When the evaluation is completed, management will review the results with the team member to identify areas for improvement. A Union Steward will be present for this review meeting. A copy of the training checklist with identified areas for improvement will be given to the team member and a Training Coordinator.

- (4) The Supervisor, with input from a Training Coordinator, will schedule a date for the review period to begin. The certifier/trainer for the review period will be identified at this time.
- (5) Once a review period begins, the team member will have a specific amount of time to learn, practice and demonstrate the areas of improvement to the trainer. (See Appendix A)

(h) Upon completion of the scheduled review period, if the team member is identified as being unable to successfully perform the functions of the job(s)/skill block, management can request a de-certification of the team member. This request must be reviewed by Human Resources prior to proceeding.

To proceed with a de-certification, written documentation must be issued to the team member within one year from the ending date of the initial review period. A team member may request a second review period. Approval of this request will be decided by management.

The de-certification process will generally be conducted as follows:

- (1) A Training Coordinator will schedule a date and time for the certification.
- (2) A Training Coordinator will supply a certification sheet to the certifier the day of the certification.
- (3) A Union Steward and supervisor will observe the team member and certifier trainer through the de-certification process.

Upon completion, if the de-certification results in a pass: the team member retains that skill block or current pay. (If the team member is identified as having difficulty performing or cannot perform the functions of the job(s)/certified skill block as required by certification, and it is evaluated as a performance rather than a skill issue, management will utilize existing corrective action procedures to assist in improving a poor work performance situation.)

If the de-certification results in a failure: a summary sheet will be attached to the certification checklist to capture pertinent certification details. The team member will lose the monetary value of the jobs/skill block area and will be considered decertified from that jobs/skill block(s). If the team member fails to achieve or maintain all of his/her team's Skill blocks/Jobs, he/she will be required to leave the team/job and must take an open job or sign for a job that does not require that job/skill. The employee does not acquire a bump. The team member will not be allowed to sign for future postings which contain the job/skill block(s)/job they failed to successfully complete for a period of two (2) calendar years from the date of de-certification.

(i) PROCESSING AREA GUIDELINES

- (1) Annually, each team member with the refiner skill block will be required to successfully validate the micrometer test method or equivalent.
- (2) In the event they fail the validation, they will have two opportunities within 30 days to successfully complete the validation.

- (3) If they fail after the third attempt, they will be removed from the paste team, placed in process support for 90 days. They will have 90 days to secure another posting that does not contain the refiner skill block in paste.
- (4) They will not be allowed to sign for future paste postings for a period of two years.
- (5) If they return to paste in the future, they will need to recertify on all skill blocks.

(j) Skills Enhancement for Optimization of Operations - A skilled workforce is essential to the successful operation of the plant. As we work to optimize our operations, it is in the interest of both Company and employees to ensure that our skilled personnel are fully trained to support this optimization process.

Skills enhancement will be an ongoing process that will necessitate additional training and education to ensure that operators and maintenance personnel are equipped to optimize the performance of the plant.

(k) The Company and Union will identify and make available training opportunities. Employees may volunteer to train on one (1) job outside of their poster. The number of such opportunities and areas of these training opportunities will be based upon business needs. Selection will be based on seniority and shift. The order of training for these jobs shall be determined by business needs. Priority for training shall be provided to permanent posters prior to outside training opportunities.

33. RESTRICTED JOB PROGRAM-

Regulations Regarding Placement and Processing:

(a) An employee having a work related restriction must report the restrictions to Health Services as soon as the restrictions are obtained. In the event the restrictions are obtained during the hours when Health Services is not available, the supervisor will place the employee on restricted duties until the employee can be seen by Health Services.

(b) The employee may be examined by Health Services. When necessary, they will consult with the employee's attending physician. Health Services will then determine whether the employee requires a work restriction, what the restrictions are, and the time period involved.

(c) Employees having non-work related restrictions must contact Health Services and bring, in writing, the restrictions designated by their attending physician, which must be validated by Health Services prior to the start of their shift.

(d) Employees with work restrictions will be returned to work as soon as all necessary arrangements can be made, providing their permanent/current job cannot be performed. Management will place the employee on one of the jobs on the agreed-to lists in his/her area, or with Union agreement, outside his/her area.

- (1) The restricted job agreed-to list will be reviewed by the Branch President and Management periodically/annually.

All short term restricted employees will be first placed, if available:

- (i) On a job in their resident team, on their current shift.
- (ii) On a job in their resident area, on their current shift.
- (iii) On a job in their resident area, on any shift.
- (iv) On a job in any area, team, and shift that has an appropriate opening.

(2) Restricted employees may be assigned to jobs in all areas on the "Agreed to List".

(e) An employee placed on restriction will be reexamined as directed by Health Services. If at the time of the reexamination the employee is able to perform normal duties, it will be mandatory that he/she does so and that he/she is removed from the program.

(f) An employee who has a work restriction and is placed on a job on the agreed-to lists shall have the right to sign for job postings and will have the right to be awarded a permanent job posting, providing the following guidelines are applied:

- (1) Prior to awarding the job to the employee, Health Services will evaluate the job and determine if the job falls within the employee's written restrictions.
- (2) If the job falls within the employee's written restrictions, the employee will be allowed to report to the job.

(g) An employee that is displaced by an employee on the restricted program shall retain his/her current shift on a general labor position, if the restricted job was a general labor position. The processing control room positions to include the Main Control Room(s) and White Paste Control Room can be used as a restricted job for up to ninety (90) days and may be extended by mutual agreement.

(h) In case of work force reduction, the restricted employee who lacks sufficient plant seniority to remain in an area would be entitled to placement in another area utilizing the jobs on the agreed-to lists.

(i) Placement on a restricted job outside of his/her area will be considered as a temporary assignment with recall rights back to his/her area when the period of restricted activity ceases.

(j) An employee with a work restriction is permitted to work any eligible overtime, mandatory or voluntary, as long as his/her job on overtime is within the written restriction. However, in a voluntary overtime situation, the following shall apply:

- (1) An employee with a written work restriction is eligible for overtime, providing he/she has the seniority to select a job within his/her restriction. If the restricted employee is unable to select a job, he/she shall be charged for the overtime hours according to the overtime procedure outlined in the Overtime Offering Procedures. When the next eligible employee on the overtime roster is asked to work to replace the restricted employee, that employee is limited to select only among the remaining job(s) unfilled. The employee

may refuse the overtime and would not be charged for the overtime.

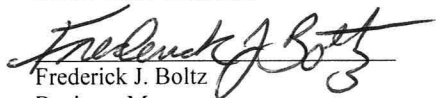
- (2) If on the overtime day the job selected by the restricted employee is not available and he/she cannot realign, the restricted employee will go home and be charged for the overtime not worked according to the overtime procedure outlined in the Overtime Offering Procedures.

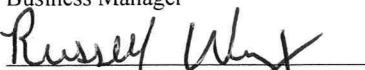
34. SUCCESSORS AND ASSIGNS CLAUSE-

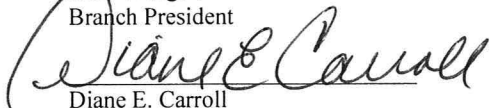
This agreement is binding upon the parties, their successors and assigns in accordance with their rights and obligations under the law.

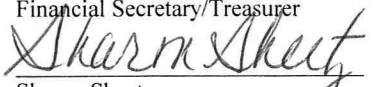
IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their duly authorized representatives this 9th day of December 2016.

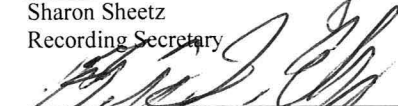
FOR THE UNION:

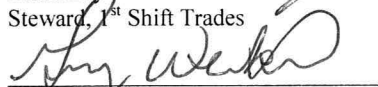

Frederick J. Boltz
Business Manager



Russ Wengert
Branch President


Diane E. Carroll
Financial Secretary/Treasurer



Sharon Sheetz
Recording Secretary



Brian Eby
Steward, 1st Shift Trades



Greg Weikel
Executive Board


Mike Saylor
Business Agent

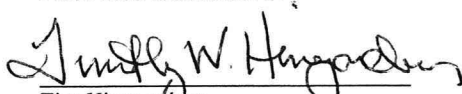

Derryl Kreiser
Executive Board

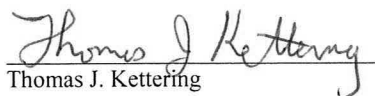

Larry Elliott
Steward, 2nd Shift Building B



Carl Bruce
Steward, 1st Shift Processing


Randy Stamm
Chief Steward, Area C


FOR THE COMPANY:

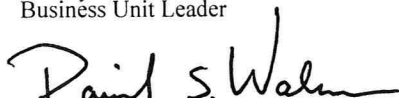

Tim Hinegardner
Plant Manager


Thomas J. Kettering
Sr. Manager, Human Resources


Justin Smith
Sr. Manager HR, M&A and Labor Relations


Michael E. Beitzel
Director, US Plants & Global Labor


Jon Corbin
Business Unit Leader


David S. Walmer
Manager HR, US Plants

APPENDIX A
West Hershey Skill Block Labor Rates
For Employees Hired Before June 4, 2010

	New Rate 10/31/ 2016	10/30/ 2017	10/29/ 2018	11/4/ 2019	11/2/ 2020	11/1/ 2021
Packaging Line Base	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52
Wrapper	\$1.18	\$1.21	\$1.24	\$1.27	\$1.30	\$1.33
Line Support	\$0.77	\$0.79	\$0.81	\$0.83	\$0.85	\$0.87
Bagging / Packing	\$1.16	\$1.19	\$1.22	\$1.25	\$1.28	\$1.31
Top Rate Packaging Line	\$26.54	\$27.21	\$27.89	\$28.59	\$29.30	\$30.03
Kiss Moulding Support Base	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52
Line 1	\$0.94	\$0.96	\$0.98	\$1.00	\$1.03	\$1.06
Line 2	\$0.94	\$0.96	\$0.98	\$1.00	\$1.03	\$1.06
Paste	\$0.69	\$0.71	\$0.73	\$0.75	\$0.77	\$0.79
Fuge/MW/Rework	\$0.55	\$0.56	\$0.57	\$0.58	\$0.59	\$0.60
Top Rate Kiss Moulding Support	\$26.55	\$27.21	\$27.88	\$28.57	\$29.29	\$30.03
Nug / Bar Mlding Support Base	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52
Line 3	\$0.94	\$0.96	\$0.98	\$1.00	\$1.03	\$1.06
Line 4/5	\$0.94	\$0.96	\$0.98	\$1.00	\$1.03	\$1.06
Paste	\$0.69	\$0.71	\$0.73	\$0.75	\$0.77	\$0.79
Fuge/MW/Rework	\$0.55	\$0.56	\$0.57	\$0.58	\$0.59	\$0.60
Top Rate Nug/Bar Moulding Support	\$26.55	\$27.21	\$27.88	\$28.57	\$29.29	\$30.03
Kiss / Nug Pkg Support Base	\$22.71	\$23.28	\$23.86	\$24.46	\$25.07	\$25.70
Wrapper	\$1.00	\$1.03	\$1.06	\$1.09	\$1.12	\$1.15

Bagger	\$1.00	\$1.03	\$1.06	\$1.09	\$1.12	\$1.15
Rework	\$0.45	\$0.46	\$0.47	\$0.48	\$0.49	\$0.50
Top Rate Kiss Pkg Support	\$25.16	\$25.80	\$26.45	\$27.12	\$27.80	\$28.50

Bar Pkg Support Base	\$22.71	\$23.28	\$23.86	\$24.46	\$25.07	\$25.70
Wrapper	\$1.48	\$1.52	\$1.56	\$1.60	\$1.64	\$1.68
Packing	\$0.97	\$0.99	\$1.01	\$1.04	\$1.07	\$1.10
Top Rate Bar Pkg Support	\$25.16	\$25.79	\$26.43	\$27.10	\$27.78	\$28.48

Kiss Moulding Base	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52
Line 1 operator	\$1.55	\$1.59	\$1.63	\$1.67	\$1.71	\$1.75
Line 2 operator	\$1.56	\$1.60	\$1.64	\$1.68	\$1.72	\$1.76
Top Rate Kiss Moulding	\$26.54	\$27.21	\$27.89	\$28.59	\$29.30	\$30.03

Nug / Bar Moulding Base	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52
Line 3 operator	\$1.55	\$1.59	\$1.63	\$1.67	\$1.71	\$1.75
Line 4/5 operator	\$1.56	\$1.60	\$1.64	\$1.68	\$1.72	\$1.76
Top Rate Nug / Bar Moulding	\$26.54	\$27.21	\$27.89	\$28.59	\$29.30	\$30.03

Milk Processing Base	\$25.55	\$26.19	\$26.84	\$27.51	\$28.20	\$28.91
Evaporation	\$0.80	\$0.82	\$0.84	\$0.86	\$0.88	\$0.90
Pasteurization	\$0.55	\$0.56	\$0.57	\$0.58	\$0.59	\$0.60
Milk receiving	\$0.76	\$0.78	\$0.80	\$0.82	\$0.84	\$0.86
Control Room	\$1.33	\$1.36	\$1.39	\$1.42	\$1.46	\$1.50
Top Rate Milk Processing	\$28.99	\$29.71	\$30.44	\$31.19	\$31.97	\$32.77

Paste Processing Base	\$25.55	\$26.19	\$26.84	\$27.51	\$28.20	\$28.91
Drying	\$0.80	\$0.82	\$0.84	\$0.86	\$0.88	\$0.90
Refining	\$0.81	\$0.83	\$0.85	\$0.87	\$0.89	\$0.91

Rail shed	\$0.77	\$0.79	\$0.81	\$0.83	\$0.85	\$0.87
Control Room	\$1.33	\$1.36	\$1.39	\$1.42	\$1.46	\$1.50
Top Rate Paste Processing	\$29.26	\$29.99	\$30.73	\$31.49	\$32.28	\$33.09

White Paste Process Base	\$25.55	\$26.19	\$26.84	\$27.51	\$28.20	\$28.91
Material Handling	\$0.51	\$0.52	\$0.53	\$0.54	\$0.55	\$0.56
Refining	\$0.49	\$0.50	\$0.51	\$0.52	\$0.53	\$0.54
Control Room	\$0.44	\$0.45	\$0.46	\$0.47	\$0.48	\$0.49
Top Rate White Paste	\$26.99	\$27.66	\$28.34	\$29.04	\$29.76	\$30.50

Logistics Base-PMC/WH/REC/S UP	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52
Shipping	\$1.04	\$1.07	\$1.10	\$1.13	\$1.16	\$1.19
Receiving	\$1.04	\$1.07	\$1.10	\$1.13	\$1.16	\$1.19
Warehousing	\$1.03	\$1.06	\$1.09	\$1.12	\$1.15	\$1.18
Top Rate Logistics	\$26.54	\$27.22	\$27.91	\$28.62	\$29.34	\$30.08

Logistics Base-WINDOW	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52
Shipping	\$1.12	\$1.15	\$1.18	\$1.21	\$1.24	\$1.27
Receiving	\$1.12	\$1.15	\$1.18	\$1.21	\$1.24	\$1.27
Warehousing	\$1.12	\$1.15	\$1.18	\$1.21	\$1.24	\$1.27
Top Rate Logistics	\$26.79	\$27.47	\$28.16	\$28.87	\$29.59	\$30.33

Logistics Base-D CORD/T/O	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52
Shipping	\$1.21	\$1.24	\$1.27	\$1.30	\$1.33	\$1.36
Receiving	\$1.21	\$1.24	\$1.27	\$1.30	\$1.33	\$1.36
Warehousing	\$1.22	\$1.25	\$1.28	\$1.31	\$1.34	\$1.37
Top Rate Logistics	\$27.07	\$27.75	\$28.44	\$29.15	\$29.87	\$30.61

Logistics Base-SHIPPER /T/O	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52
Shipping	\$1.18	\$1.21	\$1.24	\$1.27	\$1.30	\$1.33
Shipping	\$1.16	\$1.19	\$1.22	\$1.25	\$1.28	\$1.31
Top Rate Logistics	\$25.77	\$26.42	\$27.08	\$27.76	\$28.45	\$29.16

Material Control Pay Rate	\$28.95	\$29.67	\$30.41	\$31.17	\$31.95	\$32.75
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Storeroom Base	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52
Storeroom	\$1.87	\$1.92	\$1.97	\$2.02	\$2.07	\$2.12
Top Rate Storeroom	\$25.30	\$25.94	\$26.59	\$27.26	\$27.94	\$28.64

Mechanical Tech Base	\$26.14	\$26.79	\$27.46	\$28.15	\$28.85	\$29.57
Basic Mechanical	\$0.62	\$0.64	\$0.66	\$0.68	\$0.70	\$0.72
Troubleshoot	\$0.62	\$0.64	\$0.66	\$0.68	\$0.70	\$0.72
Weld/Sheetmetal	\$0.62	\$0.64	\$0.66	\$0.68	\$0.70	\$0.72
Machine Shop	\$0.62	\$0.64	\$0.66	\$0.68	\$0.70	\$0.72
Pipefitting	\$0.64	\$0.66	\$0.68	\$0.70	\$0.72	\$0.74
Top Rate Mech Tech	\$29.26	\$30.01	\$30.78	\$31.57	\$32.37	\$33.19

Electrical Tech Base	\$26.52	\$27.18	\$27.86	\$28.56	\$29.27	\$30.00
Basic Electrical	\$0.63	\$0.65	\$0.67	\$0.69	\$0.71	\$0.73
Drives	\$0.63	\$0.65	\$0.67	\$0.69	\$0.71	\$0.73
PLC	\$0.63	\$0.65	\$0.67	\$0.69	\$0.71	\$0.73
Insrument	\$0.63	\$0.65	\$0.67	\$0.69	\$0.71	\$0.73
Controls	\$0.65	\$0.67	\$0.69	\$0.71	\$0.73	\$0.75
Top Rate Elec Tech	\$29.69	\$30.45	\$31.23	\$32.03	\$32.84	\$33.67

Utilities Tech Base	\$26.52	\$27.18	\$27.86	\$28.56	\$29.27	\$30.00
Basic Electrical	\$0.63	\$0.65	\$0.67	\$0.69	\$0.71	\$0.73

Plumbing	\$0.63	\$0.65	\$0.67	\$0.69	\$0.71	\$0.73
HVAC	\$0.63	\$0.65	\$0.67	\$0.69	\$0.71	\$0.73
Utility Operations	\$0.99	\$1.01	\$1.04	\$1.07	\$1.10	\$1.13
Weld / Sheetmetal	\$0.63	\$0.65	\$0.67	\$0.69	\$0.71	\$0.73
High Voltage	\$0.66	\$0.68	\$0.70	\$0.72	\$0.74	\$0.76
Top Rate Utilities Tech	\$30.69	\$31.47	\$32.28	\$33.11	\$33.95	\$34.81

White Paste Process (Backup) Base	\$25.55	\$26.19	\$26.84	\$27.51	\$28.20	\$28.91
Material Handling	\$0.51	\$0.52	\$0.53	\$0.54	\$0.55	\$0.56
Refining	\$0.49	\$0.50	\$0.51	\$0.52	\$0.53	\$0.54
Top Rate White Paste (Backup)	\$26.55	\$27.21	\$27.88	\$28.57	\$29.28	\$30.01

**Processing Support
For Employees Hired Before June 4, 2010**

	New Rate 10/31/ 2016	10/30/ 2017	10/29/ 2018	11/4/ 2019	11/2/ 2020	11/1/ 2021
Base	\$23.43	\$24.02	\$24.62	\$25.24	\$25.87	\$26.52

Rate 1	\$26.66	\$27.33	\$28.01	\$28.71	\$29.43	\$30.17
Average skill rate	\$1.07	\$1.10	\$1.13	\$1.16	\$1.19	\$1.22

Rate 2	\$26.67	\$27.34	\$28.02	\$28.72	\$29.44	\$30.18
Average skill rate	\$1.08	\$1.11	\$1.14	\$1.17	\$1.20	\$1.23

Rate 3	\$26.68	\$27.35	\$28.03	\$28.73	\$29.45	\$30.19
Average skill rate	\$1.08	\$1.11	\$1.14	\$1.17	\$1.20	\$1.23

Rate 4	\$26.70	\$27.37	\$28.05	\$28.75	\$29.47	\$30.21
Average skill rate	\$1.09	\$1.12	\$1.15	\$1.18	\$1.21	\$1.24

Rate 5	\$26.71	\$27.38	\$28.06	\$28.76	\$29.48	\$30.22
Average skill rate	\$1.09	\$1.12	\$1.15	\$1.18	\$1.21	\$1.24

Rate 6	\$26.72	\$27.39	\$28.07	\$28.77	\$29.49	\$30.23
Average skill rate	\$1.09	\$1.12	\$1.15	\$1.18	\$1.21	\$1.24

Rate 7	\$26.95	\$27.62	\$28.31	\$29.02	\$29.75	\$30.49
Average skill rate	\$1.18	\$1.21	\$1.24	\$1.27	\$1.30	\$1.33

Rate 8	\$26.96	\$27.63	\$28.32	\$29.03	\$29.76	\$30.50
Average skill rate	\$1.18	\$1.21	\$1.24	\$1.27	\$1.30	\$1.33

Rate 9	\$26.97	\$27.64	\$28.33	\$29.04	\$29.77	\$30.51
Average skill rate	\$1.18	\$1.21	\$1.24	\$1.27	\$1.30	\$1.33

Process support

Must have 3 Skill blocks and at least 1 from both Milk and Paste

RS + Past + Mrec	1	Dry + Mrec + Mat H	5
Ref + RS + Past	2	Dryer + Evap + Mat H	6
Dry + Past + Mrec	2	Dryer + Ref + Mat H	6
Ref + Past + Mrec	2	Ref + RS + Mrec	7
Dry + RS + Past	2	Dry + RS + Mrec	7
RS + Past + Evap	2	RS + Evap + Mrec	7
Dry + Ref + Past	3	Dry + Ref + Mrec	8
Dry + Past + Evap	3	Dry + RS + Evap	8
Ref + Past + Evap	3	Dry + Evap + Mrec	8
RS + Mrec + Mat H	4	Ref + Evap + Mrec	8
RS + EVAP + Mat H	5	Ref + RS + Evap	8
Mrec + Ref + Mat H	5	Dry + Ref + Evap	9

**West Hershey Skill Block Labor Rates
For Employees Hired After June 4, 2010**

	New Rate 10/31/ 2016	10/30/ 2017	10/29/ 2018	11/4/ 2019	11/2/ 2020	11/1/ 2021
Packaging Line Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Wrapper	\$1.48	\$1.52	\$1.56	\$1.60	\$1.64	\$1.68
Line Support	\$0.87	\$0.89	\$0.91	\$0.93	\$0.95	\$0.97
Bagging / Packing	\$1.48	\$1.52	\$1.56	\$1.60	\$1.64	\$1.68
Top Rate Packaging Line	\$21.08	\$21.61	\$22.15	\$22.70	\$23.26	\$23.84
Kiss Moulding Support Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Line 1	\$1.19	\$1.22	\$1.25	\$1.28	\$1.31	\$1.34
Line 2	\$1.19	\$1.22	\$1.25	\$1.28	\$1.31	\$1.34
Paste	\$0.75	\$0.77	\$0.79	\$0.81	\$0.83	\$0.85
Fuge/MW/Rework	\$0.71	\$0.73	\$0.75	\$0.77	\$0.79	\$0.81
Top Rate Kiss Moulding Support	\$21.09	\$21.62	\$22.16	\$22.71	\$23.27	\$23.85
Nug / Bar Mlding Support Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Line 3	\$1.19	\$1.22	\$1.25	\$1.28	\$1.31	\$1.34
Line 4/5	\$1.19	\$1.22	\$1.25	\$1.28	\$1.31	\$1.34
Paste	\$0.75	\$0.77	\$0.79	\$0.81	\$0.83	\$0.85
Fuge/MW/Rework	\$0.71	\$0.73	\$0.75	\$0.77	\$0.79	\$0.81
Top Rate Nug/Bar Moulding Support	\$21.09	\$21.62	\$22.16	\$22.71	\$23.27	\$23.85
Kiss / Nug Pkg Support Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Wrapper	\$1.48	\$1.52	\$1.56	\$1.60	\$1.64	\$1.68
Bagger	\$0.86	\$0.88	\$0.90	\$0.92	\$0.94	\$0.96
Rework	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11
Top Rate Kiss / Nug Pkg Support	\$19.70	\$20.19	\$20.69	\$21.20	\$21.72	\$22.26

Bar Pkg Support Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Wrapper	\$1.48	\$1.52	\$1.56	\$1.60	\$1.64	\$1.68
Packing	\$0.98	\$1.00	\$1.03	\$1.06	\$1.09	\$1.12
Top Rate Bar Pkg Support	\$19.71	\$20.20	\$20.71	\$21.23	\$21.76	\$22.31

Kiss Moulding Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Line 1 operator	\$1.91	\$1.96	\$2.01	\$2.06	\$2.11	\$2.16
Line 2 operator	\$1.91	\$1.96	\$2.01	\$2.06	\$2.11	\$2.16
Top Rate Kiss Moulding	\$21.07	\$21.60	\$22.14	\$22.69	\$23.25	\$23.83

Nug / Bar Moulding Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Line 3 operator	\$1.91	\$1.96	\$2.01	\$2.06	\$2.11	\$2.16
Line 4/5 operator	\$1.91	\$1.96	\$2.01	\$2.06	\$2.11	\$2.16
Top Rate Nug / Bar Moulding	\$21.07	\$21.60	\$22.14	\$22.69	\$23.25	\$23.83

Milk Processing Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Evaporation	\$1.41	\$1.45	\$1.49	\$1.53	\$1.57	\$1.61
Pasteurization	\$1.13	\$1.16	\$1.19	\$1.22	\$1.25	\$1.28
Milk receiving	\$1.40	\$1.44	\$1.48	\$1.52	\$1.56	\$1.60
Control Room	\$2.33	\$2.39	\$2.45	\$2.51	\$2.57	\$2.63
Top Rate Milk Processing	\$23.52	\$24.12	\$24.73	\$25.35	\$25.98	\$26.63

Paste Processing Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Drying	\$1.41	\$1.45	\$1.49	\$1.53	\$1.57	\$1.61
Refining	\$1.13	\$1.16	\$1.19	\$1.22	\$1.25	\$1.28
Rail shed	\$1.40	\$1.44	\$1.48	\$1.52	\$1.56	\$1.60
Control Room	\$2.33	\$2.39	\$2.45	\$2.51	\$2.57	\$2.63
Top Rate Paste Processing	\$23.52	\$24.12	\$24.73	\$25.35	\$25.98	\$26.63

White Paste Process Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Material Handling	\$0.94	\$0.96	\$0.98	\$1.00	\$1.03	\$1.06
Refining	\$1.06	\$1.09	\$1.12	\$1.15	\$1.18	\$1.21
Control Room	\$1.83	\$1.88	\$1.93	\$1.98	\$2.03	\$2.08
Top Rate White Paste	\$21.08	\$21.61	\$22.15	\$22.70	\$23.27	\$23.86
Logistics Base-PMC/WH/REC/SUP	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Shipping	\$1.28	\$1.31	\$1.34	\$1.37	\$1.40	\$1.44
Receiving	\$1.28	\$1.31	\$1.34	\$1.37	\$1.40	\$1.44
Warehousing	\$1.28	\$1.31	\$1.34	\$1.37	\$1.40	\$1.44
Top Rate Logistics	\$21.09	\$21.61	\$22.14	\$22.68	\$23.23	\$23.83
Logistics Base-WINDOW	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Shipping	\$1.36	\$1.39	\$1.42	\$1.46	\$1.50	\$1.54
Receiving	\$1.36	\$1.39	\$1.42	\$1.46	\$1.50	\$1.54
Warehousing	\$1.36	\$1.39	\$1.42	\$1.46	\$1.50	\$1.54
Top Rate Logistics	\$21.33	\$21.85	\$22.38	\$22.95	\$23.53	\$24.13
Logistics Base-D CORD/T/O	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Shipping	\$1.45	\$1.49	\$1.53	\$1.57	\$1.61	\$1.65
Receiving	\$1.45	\$1.49	\$1.53	\$1.57	\$1.61	\$1.65
Warehousing	\$1.46	\$1.50	\$1.54	\$1.58	\$1.62	\$1.66
Top Rate Logistics	\$21.61	\$22.16	\$22.72	\$23.29	\$23.87	\$24.47
Logistics Base-SHIPPER /T/O	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Shipping	\$1.53	\$1.57	\$1.61	\$1.65	\$1.69	\$1.73
Shipping	\$1.53	\$1.57	\$1.61	\$1.65	\$1.69	\$1.73
Top Rate Logistics	\$20.31	\$20.82	\$21.34	\$21.87	\$22.41	\$22.97
Material Control Pay Rate	\$22.77	\$23.34	\$23.92	\$24.52	\$25.13	\$25.76

Storeroom Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Storeroom	\$0.46	\$0.47	\$0.48	\$0.49	\$0.50	\$0.51
Top Rate Storeroom	\$17.71	\$18.15	\$18.60	\$19.06	\$19.53	\$20.02

White Paste Process (Backup) Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Material Handling	\$0.94	\$0.96	\$0.98	\$1.00	\$1.03	\$1.06
Refining	\$1.06	\$1.09	\$1.12	\$1.15	\$1.18	\$1.21
Top Rate White Paste (Backup)	\$19.25	\$19.73	\$20.22	\$20.72	\$21.24	\$21.78

* Newly hired non-maintenance employees working in any building shall make \$1.00 less per hour than the rates listed in the tables listed above until they have successfully completed their probationary period.

**Processing Support
For Employees Hired After June 4, 2010***

	New Rate 10/31/ 2016	10/30/ 2017	10/29/ 2018	11/4/ 2019	11/2/ 2020	11/1/ 2021
Base	\$17.25	\$17.68	\$18.12	\$18.57	\$19.03	\$19.51
Rate 1	\$21.18	\$21.71	\$22.25	\$22.81	\$23.38	\$23.96
Average skill rate	\$1.31	\$1.34	\$1.37	\$1.40	\$1.44	\$1.48
Rate 2	\$21.21	\$21.74	\$22.28	\$22.84	\$23.41	\$24.00
Average skill rate	\$1.32	\$1.35	\$1.38	\$1.41	\$1.45	\$1.49
Rate 3	\$21.22	\$21.75	\$22.29	\$22.85	\$23.42	\$24.01
Average skill rate	\$1.32	\$1.35	\$1.38	\$1.41	\$1.45	\$1.49
Rate 4	\$21.24	\$21.77	\$22.31	\$22.87	\$23.44	\$24.03
Average skill rate	\$1.33	\$1.36	\$1.39	\$1.42	\$1.46	\$1.50
Rate 5	\$21.25	\$21.78	\$22.32	\$22.88	\$23.45	\$24.04
Average skill rate	\$1.33	\$1.36	\$1.39	\$1.42	\$1.46	\$1.50
Rate 6	\$21.27	\$21.80	\$22.35	\$22.91	\$23.48	\$24.07
Average skill rate	\$1.34	\$1.37	\$1.40	\$1.44	\$1.48	\$1.52
Rate 7	\$21.48	\$22.02	\$22.57	\$23.13	\$23.71	\$24.30
Average skill rate	\$1.41	\$1.45	\$1.49	\$1.53	\$1.57	\$1.61
Rate 8	\$21.49	\$22.03	\$22.58	\$23.14	\$23.72	\$24.31
Average skill rate	\$1.41	\$1.45	\$1.49	\$1.53	\$1.57	\$1.61
Rate 9	\$21.50	\$22.04	\$22.59	\$23.15	\$23.73	\$24.32
Average skill rate	\$1.41	\$1.45	\$1.49	\$1.53	\$1.57	\$1.61

Processing support

Must have 3 Skill blocks and at least 1 from both Milk and Paste

RS + Past + Mrec	1	Dry + Mrec + Mat H	5
Ref + RS + Past	2	Dryer + Evap + Mat H	6
Dry + Past + Mrec	2	Dryer + Ref + Mat H	6
Ref + Past + Mrec	2	Ref + RS + Mrec	7

Dry + RS + Past	2	Dry + RS + Mrec	7
RS + Past + Evap	2	RS + Evap + Mrec	7
Dry + Ref + Past	3	Dry + Ref + Mrec	8
Dry + Past + Evap	3	Dry + RS + Evap	8
Ref + Past + Evap	3	Dry + Evap + Mrec	8
RS + Mrec + Mat H	4	Ref + Evap + Mrec	8
RS + EVAP + Mat H	5	Ref + RS + Evap	8
Mrec + Ref + Mat H	5	Dry + Ref + Evap	9

* Newly hired non-maintenance employees working in any building shall make \$1.00 less per hour than the rates listed in the tables listed above until they have successfully completed their probationary period.

West Hershey Non-Rotational Production Wage Rates						
For Current Employees Hired Before June 4, 2010						
Rate	New Rate 10/31/ 2016	10/30/ 2017	10/29/ 2018	11/4/ 2019	11/2/ 2020	11/1/ 2021
General Labor	\$19.92	\$20.42	\$20.93	\$21.45	\$21.99	\$22.54
5	\$23.89	\$24.49	\$25.10	\$25.73	\$26.37	\$27.03
6	\$24.44	\$25.05	\$25.68	\$26.32	\$26.98	\$27.65
7	\$24.96	\$25.58	\$26.22	\$26.88	\$27.55	\$28.24
8	\$25.51	\$26.15	\$26.80	\$27.47	\$28.16	\$28.86
9	\$26.07	\$26.72	\$27.39	\$28.07	\$28.77	\$29.49
10	\$26.66	\$27.33	\$28.01	\$28.71	\$29.43	\$30.17
11	\$27.24	\$27.92	\$28.62	\$29.34	\$30.07	\$30.82
12	\$27.87	\$28.57	\$29.28	\$30.01	\$30.76	\$31.53
13	\$28.49	\$29.20	\$29.93	\$30.68	\$31.45	\$32.24

For Employees Hired After June 4, 2010*						
	New Rate 10/31/ 2016	10/30/ 2017	10/29/ 2018	11/4/ 2019	11/2/ 2020	11/1/ /2021
General Labor	\$17.00	\$17.43	\$17.87	\$18.32	\$18.78	\$19.25
5	\$18.29	\$18.75	\$19.22	\$19.70	\$20.19	\$20.69
6	\$18.84	\$19.31	\$19.79	\$20.28	\$20.79	\$21.31
7	\$19.35	\$19.83	\$20.33	\$20.84	\$21.36	\$21.89
8	\$19.92	\$20.42	\$20.93	\$21.45	\$21.99	\$22.54
9	\$20.47	\$20.98	\$21.50	\$22.04	\$22.59	\$23.15
10	\$21.07	\$21.60	\$22.14	\$22.69	\$23.26	\$23.84
11	\$21.63	\$22.17	\$22.72	\$23.29	\$23.87	\$24.47
12	\$22.27	\$22.83	\$23.40	\$23.99	\$24.59	\$25.20
13	\$22.89	\$23.46	\$24.05	\$24.65	\$25.27	\$25.90

* Newly hired non-maintenance employees working in any building shall make \$1.00 less per hour than the rates listed in the tables listed above until they have successfully completed their probationary period.

APPENDIX B

MAINTENANCE

JOB BIDS, JOB MOVEMENT & VACATION SCHEDULING

The following work rules are specifically designed to apply to the employees working in the maintenance trades (i.e., Electricians, Facility Techs, Maintenance Planners, Maintenance Techs, Utilities, etc.).

- 1) Facilities Group will be separated from Mechanical Team for vacation scheduling purposes. Openings in either trade are still posted jointly.
- 2) Implement the following poster “areas” for future job bids purposes:
 - a. ELECTRICIANS: Processing & Rail Sheds; Area B; and Area C
 - b. MECHANICS:
 - i. Processing & Rail Sheds
 - ii. Moulded Kiss (1,2)
 - iii. Bars & Nuggets (including 3,4,5)
 - iv. Drop Kiss & central palletizer (lines 6, 7)
 - v. Giant/XL,Rolo, and Snack (including 8, 9,10)
 - vi. Almond, Block, & Syrup (line 11)
 - vii. PDM Technician
 - viii. Optimization Rebuild Technician
 - ix. Mechanical Support Technician

Rest of palletizers will be the responsibility of the mechanics on the adjoining lines.

- c. Training requirement: The Processing & Rail Shed area shall be excluded for this paragraph. Employees in the other areas, as defined above in 2(b), are required to be and maintain qualification to work on at least one (1) production line outside of their poster area as determined by the Company to support the needs of the business. An initial assessment will be conducted within two (2) months of training. If the employee is not qualified on the additional line at that time, then the Company may identify gaps and provide up to one (1) additional month of training. If the employee is still not fully qualified by the end of the third month, then the employee will be subject to job performance progressive discipline.
 - d. New Employees to “Area”: Any new hires after January 1, 2017, or current employees bidding into a new poster area must become qualified in their poster area within two (2) months for each production line. If the employee is not

qualified at that time, then the Company may identify gaps and provide up to one (1) additional month of training. If the employee is still not qualified by the end of the third month, then the employee will be subject to job performance progressive discipline. Said employees shall also be expected to be trained and remain qualified in one (1) additional production line, as described in the Maintenance Overtime Rules, within eighteen (18) months.

3) Modified Job Movement Rules:

- a. Management Right of Assignment: Management has the right of assignment up to five (5) consecutive months (with right to backfill). This right includes the ability for management to move maintenance personnel on overtime or regularly scheduled work days to different areas. These moves will be determined by qualification, and then seniority as a tie breaker.
- b. Job Bid Movement: The Company endeavors to make job bid moves no later than three (3) months after being awarded. In rare cases, the parties understand that it could take longer. However, in all cases, it will not exceed five (5) months.
- c. Temp Bids for Leaves: The Company is only required to use Temporary Area Postings after the maintenance employee has been out for six (6) months.
- d. If we do not have any employees qualified to perform the work needed to perform, the Company has the right to force the least senior available employee to fill the need.

4) Vacation Scheduling

- a. Facilities Group will be separated from Mechanical Team for vacation scheduling purposes.
- b. Vacation scheduling will be done by:
 - i. Full weeks of vacation as follows:
 - 1. Mechanics: Areas B&C (combined)
 - 2. Electricians: Areas B&C (combined)
 - ii. Single days will be scheduled by shift.
- b. Vacation scheduling for the other trades will be done as a group per the current process. (i.e., Utilities, Facilities, Forklift Mechanics, etc.)
- c. Employees assigned to 12-hour shifts will follow the procedures in Paragraph 19, Vacations.

APPENDIX C

SUBSTANCE ABUSE

(a) The Employer and the Union agree that substance abuse presents a serious threat to employee health and safety, as well as the well-being of the Company, and can tragically destroy families, careers, and lives. We also believe that substance abuse is a treatable condition. We have pledged to form a partnership which fosters an environment in which employees are encouraged to seek treatment for substance abuse problems. We are strong advocates for early identification and intervention. We believe that successful treatment is mutually beneficial to employees and the Company.

(b) We are committed to working together to provide ongoing training, education, and an employee assistance program. The Employer is also pledging to support the Union's advocacy program and the peer support system. Together, we will foster a climate that is supportive of employees who have taken steps to address their substance abuse problem. We will encourage employees to seek confidential assistance through the Union's advocacy program, the peer support system, Health Services, Human Resources, the Employee Assistance Program, or their supervisor/manager.

(c) Although we prefer to successfully rehabilitate employees with substance abuse problems, such accommodations will not be extended to those engaging in the selling, manufacturing, or distributing of illegal drugs or other controlled substances. These behaviors pose unacceptable risks to the employees involved, as well as other individuals, and the Company and its reputation and will not be tolerated. This position is consistent with our pledge to combat substance abuse and part of our obligation to provide for a drug-free workplace as required by the Drug-Free Workplace Act of 1988.

(d) The Employer and the Union agree that the above paragraph shall be interpreted to mean that any conviction for a drug-dealing related offense shall be cause for immediate termination.

APPENDIX D

SINGLE-DAY VACATION POLICY

Employees will be permitted to take vacation in less than full week quantities (or "single days") according to the following procedures:

(a) "Single-day" vacation eligibility will be as follows:

Years of Service	Single Days Allowed	Total Days Earned
After 1	5	10
After 2	5	10
After 3	6	11
4-5	8	13
6-10	6	16
11-15	7	17
16-20	10	20

21-25	13	23
26-30	15	25
31-35	17	27
36 or more	20	30

- A minimum of two (2) full weeks of vacation must be taken on a Monday through Friday schedule by employees who have six (6) or more years of service. Except as provided in Paragraph 19, employees with less than six (6) years of service must only take one (1) full week.

(1) Scheduling

During the normal vacation scheduling period, part or all of the eligible days may be scheduled on a seniority basis after all full week requests have been submitted and approved.

(i) Full week vacations must be scheduled a minimum of one (1) full workweek prior to the desired vacation period.

(ii) Single day vacations must be scheduled a minimum of two (2) working days prior to the desired vacation day.

(iii) Scheduled full week vacations must be canceled a minimum of one (1) full work week prior to the scheduled vacation period. Single-day vacation must be canceled a minimum of two (2) full workdays prior to the scheduled vacation day(s).

Consideration will be given for extenuating circumstances beyond the employee's control.

(2) The "single-day" requests will be added to the final full week list during the vacation scheduling period by plant seniority on a day-by-day basis.

(i) The vacation quota posting will indicate the allowable weekly quotas as well as the single-day allowable quota.

(ii) A minimum single-day quota will be established for each team by shift. This number will be 10% of the weekly team quota rounded to the nearest whole number with a minimum one (1) per day per week. The total number of employees off on any given shift may not exceed 10% of the weekly quota; however, the single-day quota may be exceeded on any given shift at the discretion of management, based on production needs and skills required to maintain an efficient operation.

EXAMPLE

Weekly Quota (Full Weeks)	Minimum Single Days (Days)
1 - 14	1
15 - 24	2
25 - 34	3
35 - 44	4
45 - 54	5
55 - 64	6
65 - 74	7

75 - 84	8
85 - 94	9
95 - 104	10

- (3) Any of the eligible days not scheduled during the vacation scheduling period may be scheduled later in the year on a first come, first served basis limited by the rules in 2.ii.
- (4) Requests must be submitted through –automated vacation scheduling provided by management.
 - (i) Granting of the requested time will be at the supervisor's discretion, based on production needs and skills required to maintain an efficient operation.
- (5) If employees are transferred by management, only single days scheduled and approved during the vacation scheduling period will be honored.

(b) 12 hour shifts

<i>YRS of Cont. Service</i>	<i>Vacation</i>	<i>Min. hours</i>
<i>Prior to June 1, 2010</i>	<i>Pay In-Hrs</i>	<i>to be taken</i>
After 1 year	40	40
After 2 years	60	60
<i>YRS of Cont. Service</i>	<i>Vacation</i>	<i>Min hours</i>
<i>Prior to Jan.1, 2010</i>	<i>Pay In-Hrs</i>	<i>to be taken</i>
After 3 years	90	80
4 - 5 years	110	80
6 - 10 years	130	80
11 - 15 years	140	80
16 - 20 years	160	120
21 - 25 years	190	120
26 - 30 years	200	120
31 - 35 years	220	120
36 or more years	240	120

APPENDIX E

WAGE CONTINUANCE / ABSENTEEISM POLICY

The West Hershey Plant and the Union have established the following policy to apply to hourly employees. This policy shall be applied equally to all employees without regard to race, religion, sex, age, or national origin.

(a) EARNED WAGE CONTINUANCE BENEFIT:

- (1) The wage continuance program is designed to recognize those individuals who have demonstrated good attendance. Wage continuance amounts shall be earned / accrued based on the individual's attendance percentage. Those individuals with good attendance records will earn a higher level of wage continuance.
- (2) "Excellent Attendance" will be defined as meeting the Hershey Perfect Attendance program requirements and no absences other than those listed in Section (5), and/or only 1 continuous incident of absence.
- (3) Annual base hours for calculating attendance rates will be 2080 hours per calendar year for 8 and 10- hour shifts (260 workday base for 8 hours, 208 workday base for 10 hours) and 2184 for 12-hour shifts (182 workday base for 12 hours).
- (4) Earned/accrued wage continuance benefits or accident and sickness benefits will be determined by calculating the percentage (%) of eligible scheduled hours worked, for each employee, during the prior calendar year for employees hired before 1/1/2017. Any employee hired before 1/1/2017 with an attendance rate less than 98%, will receive Accident and Sickness benefits. Any employee hired after 1/1/2017, with an attendance rate less than 98.85% as measured over the last two (2) calendar years, will receive Accident and Sickness benefits.
 - (i) 98% attendance rate (same as $\leq 2.0\%$ absences) will receive 100% / 85% with day one benefit coverage. For employees hired after 1/1/2017, 98.85% attendance rate (same as $\leq 1.15\%$ absences) over the last two (2) calendar years, will receive 100% / 85% with day one benefit coverage.
 - (1) For purposes of this paragraph, "regular hourly rate of pay" shall be the average hourly straight-time rate (excluding shift premium) earned during the last eight (8) complete pay cycles of the prior contract year, adjusted to current contract year rates
 - (ii) Less than 98% attendance rate (same as $> 2\%$ absences) or less than 98.85% attendance rate (same as $> 1.15\%$ absences) over the last two (2) calendar years for employees hired after 1/1/2017, will receive Accident and Sickness benefits.
 - (1) Effective November 1, 2016 \$460/ week for 1 to 60 days and \$510/ week for 61 to 180 days (3 day elimination applies)
 - (iii) An exception will be made to the annual percentage attendance calculation for persons with consecutive years of excellent attendance (as previously defined). If an employee has one continuous absence which results in their absence percentage being greater than 2.0%, their attendance records will be reviewed for the two calendar years prior to the absence. If the employee had excellent attendance in the two

prior years, the one continuous incident will be excluded from the absentee calculation and they will have earned wage continuance of 100%/85% with day one coverage. Example C depicts this scenario.

- (iv) Rates will be calculated to the tenth of a percent (i.e., 0.0%) and standard rounding methods will be used (.5 and greater, round up; less than .5, round down).
 - (v) Any employee in the disciplinary track for absenteeism will immediately drop to the Accident and Sickness benefit for the current year and the following calendar year. In order to regain the wage continuance benefit, the employee may not have an active PAM for absenteeism at the end of the following year and must meet the percentage (%) of scheduled hours as outlined above.
- (5) The following items will not be counted in the absence calculation percentage to determine the earned/accrued benefit level.
- (i) Paid Holidays
 - (ii) Jury Duty
 - (iii) Bereavement Leave
 - (iv) Vacation
 - (v) Military Duty
 - (vi) Contractual Personal Days
 - (vii) Disciplinary Days
 - (viii) Paid Maternity Leave
 - (ix) Extremely Inclement Weather as Defined in the Contract
 - (x) Arrests (if acquitted)
 - (xi) Community Service
 - (xii) Permission Time
 - (xiii) Workers Compensation
 - (xiv) Incentive Award Days
 - (xv) Contractual appointment time/partial sick days allowed per the contract (two incidents less than one-half shift)
 - (xvi) All other absences, if not specifically listed above, will be counted.
 - (xvii) Adjustments will be made to base hours by deducting periods of layoff (voluntary and involuntary), leave of absences, and any other non-scheduled workdays in excess of 30 consecutive days. No adjustments will be made to the base for illnesses in excess of 30 calendar days. The exception to this clause will be any voluntary absence created by an employee taking a voluntary leave under Appendix I for a major repair or line upgrade. In that isolated example, those lost work hours will not be counted in the absence calculation percentage.
- (6) If the plant results are not more favorable than the standards on the left side of the chart, the percentage (%) for the prior calendar year

will earn/accrue the wage continuance or Accident and Sickness shown on the right. If the plant results meet the Standards, the rates will return to those listed in item #(4) for the subsequent year.

If the Lost Hours Ratio is 3.0% or greater then,	$\geq 98.5\%$ attendance rate or $\leq 1.5\%$ absences. (100% / 85% with day one coverage). $< 98.5\%$ attendance rate (same as $> 1.5\%$ absences) will receive Accident and Sickness benefits).
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- (7) If any part of this agreement must be modified to meet legal requirements, the Union and the Company agree to make a good faith effort to make reasonable modifications to meet the intent of this earned benefit program.
- (8) Examples of calculation to determine wage continuance tier for employees hired before 1/1/2017:
 - (i) **Example A:** Jane Doe is an 8-hour employee and has the following absences:
 8 hours PBEX day (not counted as absence)
 16 hours jury duty (not counted as absence)
 27 hours sick
 Jane's absence rate for 2013
 $27 \text{ hours sick} / \text{base hours of } 2080 = 1.3\%$. Benefit for following year will be wage continuance at 100% / 85% with day one coverage
 - (ii) **Example B:** John Doe works 12-hour schedule and has the following attendance record at the end of the calendar year.
 12 hours PBEX day (not counted as absence)
 30 hours sick (covered by FMLA)
 160 hours of layoff time
 10 Hours permission time
 John's absence rate:
 $\text{Base hours of } 2184 - 160 \text{ hours of layoff time} = 2024 \text{ adjusted base hours.}$
 $30 \text{ hours sick time} / 2024 \text{ base hours} = 1.5\%$. Benefit for the following year will be wage continuance at 100% / 85% with day one coverage.
 - (iii) **Example C:** We are calculating the wage continuance benefit level for an employee for calendar year 2014 on an 8-hour shift:
 2013 – one continuous absence of 160 hours.
 $160 \text{ hours sick time} / 2080 \text{ base hours} = 7.7\%$. Since there is only one incident, and the result is greater than 2.0%, we review the prior (2) calendar years.
 2011 - Excellent Attendance
 2012 - Excellent Attendance

Result – The review showed excellent attendance in both of the two prior years, therefore the incident in 2013 is excluded, awarding full wage continuance (100% / 85%) for 2014.

- (iv) **Example D:** John Hancock works an 8- hour schedule and has the following attendance record at the end of the year.

16 hours PBEX days (not counted as absence)

56 hours sick

John's absence rate:

$56 \text{ hours sick time} / 2080 \text{ hours} = 2.7\%$ Benefit for the following year will be Accident and Sickness with a 24 hour elimination period before the benefit starts.

- (9) Hired after 1/1/17 must have 98.85% or greater over the last two (2) calendar years to be eligible for full wage benefit. Examples of calculation to determine wage continuance tier for employees hired on or after 1/1/2017:

- (i) **Example A:** Ms. Jane Doe is an 8 - hour employee and has chargeable absences totaling 21.8 hours.

$21.8 \text{ hours absence} = (2 - 8 \text{ hour sick} + 15.8 \text{ hours received emergency phone call and went home})$

Ms. Jane Doe's absence rate:

- Base hours for the combined 2 year period;
year 1 pro-rated base hours = 1880 + year 2
base hours = 2080 for a combined total of
3960 hours
- $21.8 \text{ hours sick} / 3960 = 98.45\%$ Attendance
Rate

Benefit beginning the 3rd calendar year will be 100 % / 85% with day one coverage.

- (ii) **Example B:** Mr. John Doe is a 12 - hour employee and has chargeable absences totaling 24 hours.

24 hours absence (2 - 12 hour Sick)

Mr. Doe's absence rate:

- Base hours for the combined 2 year period;
year 1 pro-rated base hours = 1974 + year 2
base hours = 2184 for a combined total of
4158 hours
- $24.0 / 4158 = 99.42\%$ Attendance Rate

Benefit beginning the 3rd calendar year will be 100% / 85% with day one coverage.

- (iii) **Example C:** Mr. Joe is an 8 - hour employee and has chargeable absences totaling 56 hours.

$56 \text{ hours absence} = (1 \text{ continuous sick absence; } 4=1 \text{ all } 32 \text{ hours count against wage level} + 1\text{-}8\text{hr family sick} + 1 - \text{bad weather charged})$

Mr. Doe's absence rate:

- Base hours for the combined 2 year period;
year 1 pro-rated base hours = 1480 + year 2
base hours of 2080 for a combined total of
3560
 - $56/3560 = 98.43\%$ Attendance Rate

Benefit beginning the 3rd calendar year will be Accident and
Sickness with a 24-hour elimination period before the benefit
starts.
- (iv) **Example D:** Ms. Doe is an 8 - hour employee and has
chargeable absences totaling 48 hours.
48 hours absence = (2 - hour sick absences + 1 bad weather
charged + 1 family sick)
Ms. Doe's absence rate:
 - Base hours for the combined 2 year period;
year 1 pro-rated based hours = 1554 + year 2
base hours of 2184 for a combined total of
3738
 - $48/3738 = 98.72\%$ Attendance Rate

Benefit beginning the 3rd calendar year will be Accident and
Sickness with a 24-hour elimination period before the benefit
starts.
- (v) **Example E:** Special Wage Benefit
Calculating special wage level for an employee hired in 2017
2019 - 1 continuous absence totaling 180 hours
2018 - Excellent Attendance - defined as no chargeable
absence hours against wage level
2017 - Excellent Attendance - defined as no chargeable
absence hours against pro-rated wage level
Result - Review showed excellent attendance in both of the
two prior years, therefore the incident in 2019 will be
excluded, awarding Special full wage continuance (100% /
85%) for year 2020.

(b) **ABSENTEEISM CONTROL POLICY:**

- (1) The Company and the Union have established the following policy
to apply to hourly employees. This policy shall be applied equally
to all employees without regard to race, religion, sex, age, or
national origin and will be administered by all supervisors.
- (2) Attendance is a very important responsibility of a West Hershey
team member. Excessive absenteeism makes the team member a
liability to the team and the operation. The goal on attendance is to
achieve an overall West Hershey Plant absentee rate of 1% or less.
- (3) Team members will be subject to the disciplinary process when
their rate of absenteeism exceeds sixty (60) hours for eight (8) hour
shifts or sixty-six (66) hours for twelve (12) hour shifts.

- (i) During the previous rolling year, if an employee had any extended absence or layoff (voluntary or involuntary) that exceeded thirty (30) consecutive calendar days, the following exception procedure will apply:
Determine the total number of calendar days for all extended absences or layoffs in the previous rolling year. Based on that number, go back in the employee's attendance history a similar time frame (e.g., 2-month absence equals 2-month additional history) to achieve a twelve (12) month history to determine the number of hours of absenteeism.
- (4) For team members working an eight (8) hour schedule the absence policy maximum absences are 60 hours in 250 workdays. Twelve hour shift schedule maximum is 66 hours in 182 workdays.
- (5) Absences will be counted in hours: two days for an eight hour schedule equals 16 hours absence, two days for 12 hours equals 24 hours absence. Exception will be for absences of four (4) or more consecutive scheduled work days which will count as one shift absence with proper medical certification of absence. Team members will be required to provide to the supervisor a doctor's medical certification of absence for any personal illness/injury lasting four (4) or more consecutive scheduled workdays.
- (6) Hours of absence less than the full scheduled shift will be recorded against the 60/66 hour maximum. This will include absences such as personal appointments, emergency calls, personal illness or any other partial day absences. Exception will be two partial days covered in the wage continuance agreement. Employee(s) will have two incidents per calendar year consisting of hours that equal less than one half of their scheduled shift that will not count toward the calculation of their yearly absence or wage continuance percentage. Not eligible if in the Absentee Disciplinary Process beginning at step (c) (2) (ii).
- (7) Anytime during the review periods, if a team member exceeds the number of hours, he/she will be subject to disciplinary action.
- (c) **ABSENTEE DISCIPLINARY PROCESS**
 - (1) West Hershey will utilize a progressive disciplinary plan for absentee control. The emphasis is on modifying the team member's behavior and correcting the problem.
 - (2) The progressive disciplinary steps for absenteeism are as follows:
 - (i) Counseling when absentee rate approaches 60 hours for eight hour shifts and 66 hours for 12 hour shifts.
 - (ii) Written warning
 - (iii) Second Written warning
 - (iv) One (1) week suspension and a two (2) year Continuation of Employment Agreement. If a team member violates the terms of this agreement, he/she will be terminated without the opportunity for re-instatement.

- (3) Following the written warning, on an 8-hour schedule the team member's attendance will be monitored for the next 250 scheduled workdays in five 50 workday review periods. The following table depicts the maximum hours of absence.

Eight-Hour Schedule	
Workday Base	No. of Hours
50	12 hours
100	24 hours
150	36 hours
200	48 hours
250	60 hours

- (4) Team members can clear their record by not violating the 60 hours of absence rate for 250 scheduled workdays on an eight-hour schedule, including overtime, from the date of the last disciplinary action.
- (5) Following the written warning, on a 12-hour schedule the team member's attendance will be monitored for the next 12 months in two 91 workday review periods. The following table depicts the maximum hours of absence:

Twelve-Hour Schedule	
Workday Base	No. of Hours
91	33 hours
182	66 hours

- (6) Team members can clear their record by not violating the 66 hours of absence rate for 182 scheduled workdays on a 12-hour schedule (including overtime) from the date of the last disciplinary action.

(d) Days absent shall include all absences except those specifically excluded and defined as follows:

- (1) Layoff—Due to a lack of work.
- (2) Permission—provided the day(s) is approved by the supervisor prior to the absence.
- (3) Bereavement Leave—as defined in Paragraph 23 of the Articles of agreement as well as one (1) day for the death of the spouse's grandparents (non-paid).
- (4) Jury Duty—as defined in Paragraph 24 of the Articles of Agreement.
- (5) Disciplinary Action—Time off without pay for prior violations of policies.
- (6) Vacation—Scheduled and approved per Paragraph 19 and Appendix E of the Articles of Agreement.
- (7) Military Duty—Short-term or long-term absences per policy.
- (8) Subpoena—prior written notification to appear in a court of law.

- (9) Industrial Accident—Accident or injury incurred at work or as defined under the Worker's Compensation Law.
- (10) Extremely Inclement Weather—Twenty percent (20%) or more of the workforce are absent during any one shift, with due regard being made for special circumstances in individual cases.
- (11) Arrests—Absence caused by civil or criminal charges if acquitted.
- (12) Award Days—(to include perfect attendance and United Way) Hourly vacation year June to May.
- (13) Community Service—Absence for a registered participant in a community service program; i.e., ambulance, fire fighter.

All other reasons for absences other than the excluded absences listed will be included in calculating the percentage of excessive absenteeism.

- (e) Adjust the rate for lengthy personal illness absences as follows:

1 day personal illness day	= 8 / 12 hours
2 successive personal illness days	= 16 / 24 hours
3 successive personal illness days	= 24 / 36 hours
4 successive personal illness days	= 8 / 12 hours

Four (4) or more successive personal illness days will require a doctor's return to work slip. Employees must present a doctor's return to work slip to their supervisor which justifies all personal illness days. Failure to present the return to work slip will result in the employee being sent home.

- (f) Traumatic Life Procedures:

It is important to create an atmosphere of support, so that employees qualifying for Traumatic Life Experience assistance seek help either through their Supervisors, Union, APS, Community Service Representatives, or directly from Human Resources. Special consideration will be given to employees involved in traumatic life experiences. The Manager, Human Resources or designee will review each case on an individual basis. It is the employee's responsibility to provide pertinent details to support his/her request. If he/she qualifies, the employee will be removed from the absentee policy. Employees dealing with situations such as family sickness or extreme medical conditions (e.g., a spouse, parent or child that has a life threatening illness like cancer; one who needs assistance after coming home from the hospital after a heart attack or stroke; or one who needs dialysis) will be eligible for consideration for the following:

- (1) Scheduling flexibility (shift change, early departure, late starting time, or less than normal scheduled workweek).
- (2) Extended leaves beyond normal policy.
- (3) Suitable accommodations will be made after consulting with the Production/ Maintenance Manager from the affected employee's work area.

- (g) Family Illness Provision—Adjust the rate for lengthy family illnesses (applies only to dependent children ages 0-14 years)

1 family illness day	= 8 / 12 hours
2 successive family illness days	= 16 / 24 hours
3 successive family illness days	= 24 / 36 hours
4 *successive family illness days	= 8 / 12 hours
5 *successive family illness days	= 8 / 12 hours

If the employee is absent for more than five (5) successive family illness days, the employee must be approved for FMLA or traumatic life leave or they will be charged for the absences

* Employee must obtain a company provided form and return the completed form to his/her supervisor within five (5) working days for the 4= 8/12 hours or 5=8/12 hours to be applied.

(h) Family and Medical Leave Act:

If legislative changes made during the term of the Agreement result in substantial change to the employee rights afforded by the Family and Medical Leave Act, the Company agrees to discuss appropriate modifications to the Traumatic Life Procedures. Effective 1/1/2017, FMLA leave will be based on a rolling 12-month period. Employees may request how much FMLA time they have used and how much time they have remaining, at any time, utilizing the written request form. The Company will issue a response within a reasonable period of time, normally within three (3) business days.

(i) Personal Day:

All non-probationary permanent employees will be eligible to receive two non-paid personal days per calendar year subject to the following conditions:

- (1) Employees are not eligible if in the disciplinary track for excessive absenteeism, late report/start-of-shift tardiness, or no report policies.
- (2) Subject to normal reporting guidelines, requests will not be granted if this report off is a late or no report.
- (3) For attendance purposes, the personal day will be recorded as a non-scheduled day.
- (4) The personal days may not be used on the employee's scheduled workday immediately before or after a holiday or on voluntary overtime or forced due to seniority overtime.
- (5) Employees working twelve (12) hour shifts will however, be permitted to use the Personal Day(s) for their last scheduled workday before a holiday or their first scheduled workday after a holiday, so long as that workday does not immediately precede or succeed the day of the holiday.

(j) No Report Policy

A no report violation is defined as failure to notify the Security Department or department supervision within four (4) hours of the scheduled start of shift regarding an absence.

Schedule of Control

- (1) A total of two (2) no reports in a twelve (12) month period shall result in a written warning PAM. Any employee will clear his/her record by avoiding additional incidents for a period of twelve (12) months from the date of issuance of the last PAM.
- (2) Disciplinary Action (Beyond written warning PAM)
 - 1st Incident, Employee penalized five (5) day suspension.
 - 2nd Incident, Employee penalized five (5) day suspension.

The next incident shall result in termination. This termination is subject to the Grievance Procedure. If a grievance is filed, the employee may be reinstated subject to the provisions of a disciplinary probationary agreement. (Reinstatement after a minimum of one (1) week from date of termination.)

APPENDIX F

LATE REPORT/TARDINESS POLICY

DEFINITIONS:

(a) A late report is defined as any report to the Security Department or department supervision that is less than one hour prior to the start of an employee's scheduled shift, but within the first four hours of the employee's scheduled starting time, regarding an absence (off/on) or request to come in late.

(b) An employee is considered tardy when he/she is not at his/her work station at the start of the schedule shift. (See section below on exceptions.)

TARDINESS PROCEDURES:

(a) Any employee who is tardy at scheduled shift time must report to the supervisor before going on the job.

(b) Any employee not at his/her work station at the beginning of a shift will be assigned a job at the discretion of the employer and shall have no right to exercise seniority for such shifts.

(c) A tardy employee will also be docked the amount of time he/she is late (minimum amount will be 1/10 of an hour).

(d) Tardy with prior permission is not a chargeable incident, but should be recorded for tracking purposes. (See exceptions.)

LATE REPORT PROCEDURES:

(a) Any report to the Security Department or supervision that is less than one hour prior to the start of an employee's scheduled shift, but within the first four hours of the employee's scheduled starting time, regarding an absence (off/on) or request to come in late shall be considered a late report violation, except as noted in the examples below.

Examples:

An employee reports off late for a specific reason; for example, personal sickness.

- (1) Absence as reported would be recorded as part of the absentee policy.
- (2) Late report would be recorded as a violation of the reporting procedure.

(b) If an employee reports to work within two (2) hours of his/her scheduled starting time, he/she will be permitted to work and be charged with a start-of-shift tardy.

(c) If an employee reports to work beyond two (2) hours of his/her scheduled starting time, he/she may be denied the right to work and charged with a Late Report and an Absence.

SCHEDULE OF CONTROL:

(a) Any combination of six (6) incidents of late report or start-of-shift tardiness, regardless of reason, in any twelve (12) month period shall result in a written warning.

(b) The supervisor will cite Company policy and issue a Personnel Action Memo form. He/she will give final warning that any further violations will result in disciplinary action.

(c) Any employee who has been warned that the next late report/start-of-shift tardy will invoke a disciplinary suspension will not advance to the next step of discipline unless by going back twelve (12) months from his/her next incident of late report/start-of-shift tardiness he/she exceeds five (5) late report/start-of-shift tardies.

DISCIPLINARY ACTION: (BEYOND WRITTEN WARNING PAM)

(a) 1st Violation - Employee penalized by 1-day suspension.

(b) 2nd Violation - Employee penalized 3-day suspension.

(c) 3rd Violation - Employee penalized 5-day suspension.

(d) The next violation shall result in termination. This termination is subject to the Grievance Procedure. If a grievance is filed, the employee may be reinstated subject to the provisions of a disciplinary probationary agreement. (Reinstatement after a minimum of one week from date of termination.)

(e) (Based on rolling twelve (12) months beyond the written warning.) An employee can clear his/her record at any point in the disciplinary progression, if he/she has three (3) or less late report/start-of-shift tardies when going back from his/her latest incident of tardiness within a rolling twelve (12) month period.

EXCEPTIONS:

(a) Approval granted by supervision if requested at least sixteen (16) hours in advance of the scheduled shift for which the employee wants permission to be tardy.

(b) Tardy as a result of an employee being a registered participant in a community service Program (e.g., ambulance, fire fighter).

(c) Extremely inclement weather - 20% or more of the work force are absent during any shift, with due regard being made for special circumstances in individual cases.

APPENDIX G

TEMPORARY CONTINGENT WORKER GUIDELINES

(a) Temporary contingent workers will be employed exclusively through a third party temporary service provider and will be utilized to meet short-term needs (e.g., pallet displays, seasonal demands) and to replace permanent

employees for short-term absences (e.g., single day vacations or permission days). Temporary workers could also be used for daily, weekend, or holiday overtime if it would prevent permanent employees being forced to work.

(b) Effective 11/1/2010 Temporary employees will be paid \$12.00 per hour.

(c) Temporary contingent workers will have no seniority rights of any kind and will be assigned at the sole discretion of management.

(d) The number of third party contingent workers working on any one day will not exceed one hundred twenty (120) without prior mutual agreement of union and management.

(e) Temporary contingent workers will only be used on the General Labor jobs.

(f) The Union Branch President will be invited to attend weekly labor planning meetings to review future needs for temporary workers and review current temporary worker assignments.

(g) Management shall only utilize temporary employees after all permanent employees have been recalled from team layoffs.

APPENDIX H

GENERAL LABOR CLASSIFICATIONS

A list of current General Labor jobs are listed below. Employees assigned to General Labor positions shall perform core general labor jobs and be able to perform two (2) general labor qualified jobs, as determined by the Company to support the needs of the business. General Labor can be assigned to perform work as needed across the plant using the preference list. If working a qualified job, then they shall be paid the rate of the job being performed. (If working in rotational area, the pay rate shall be base plus 1 equivalent skill block.) If any General Labor employees on record as of the date of ratification are unable to certify after a good faith effort is attempted, said employees will remain in Core General Labor jobs. Any new hires or employees moving into General Labor positions after the date of ratification must certify in qualified jobs or will be subject to job performance progressive discipline. This list is not all inclusive, and any future like positions will be added to this list as mutually agreed by the Company and Union.

APPLICATION OF GENERAL LABOR RATES:

Core General Labor Jobs	
<i>Packaging</i>	<i>Job Title</i>
	Hand Pack
	Display
	Inspection
	Rework
	Sanitation

	Manual Palletizing
Sanitation	Sanitation

General Labor Qualified Job Examples	
<i>Packaging</i>	<i>Moulding</i>
All Pactecs	Almond Spot Check
Bagger	Almond Grinding
Pactec Cleaner	Block Melting Operator
Pactec Time Off	Ingredient Handler
Defoiling	Syrup 2nd Flr Bulk
Flow Wrappers	Syrup 1st Flr Bulk
Rolo Ouellette	Mouldwasher
Rolo Foiler	9 & 10 Rework Utility
9 & 10 Utility Support	
Sapals	
Slawasser/6 pack	
Shrink Wrap	
Tote handling	
Bar Lines 4 & 5 Slitter	

APPENDIX I

SENIORITY GUIDELINES

HOW THE SENIORITY CLAUSE WORKS

(a) Definitions and General Rules

- (1) Plant Seniority--- Continuous length of service beginning with the date on which the employee was hired. Employees hired on the same day are given serial numbers. The senior employee of that group would be the one with the lowest serial number.
- (2) Using Plant Seniority
 - (i) Plant Seniority is the rule when there is a cutback of any duration or an Area layoff.
 - (ii) Plant Seniority is the rule when recalling employees from layoff
 - (iii) Plant Seniority is the basis for awarding all postings.
 - (iv) Plant Seniority is the basis for entering an Area when the employee is recalled.
- (3) Loans and Transfers
 - (i) All loans will not exceed fourteen (14) consecutive calendar days and are by plant seniority. The youngest qualified team member may be moved to another team within the area, if qualified support employee(s) are not available.

(4) Layoffs

(a) All Area and Team layoffs are by plant seniority.

- (i) The only deviation to this is that the Union Steward regardless of seniority is the last to go unless the entire shift in the Area which he/she is employed is eliminated.
- (ii) The team layoff is a two-week layoff by team and will apply to all areas.
- (iii) A Team layoff exceeding the timeframes above will be considered a plant wide Area layoff. Plant wide production layoffs will be done by Area: WH Area A Processing, WH Area B Packaging and WH Area C Packaging. Sanitation is considered a plant wide area and employees will be eligible to move into those areas in lieu of layoff. Sanitation employees displaced would be eligible to go to General Labor by plant seniority.
- (iv) If a layoff exceeds the timeframes of the area layoffs, junior employees will be laid off by plant seniority within the area (i.e. WH Area A Processing, WH Area B Packaging or WH Area C Packaging).
- (v) When shutting down a line for major repairs or line upgrades that are projected to last longer than fourteen (14) calendar days, for these situations, the following procedure will be followed:
 - All team members affected by the shutdown wishing to take an extended lay off, will be permitted to take the layoff without having bumping rights on their return to work.
 - Any Employee not wishing to waive their rights to a bump will exercise seniority and may be laid off in accordance with the contract.
 - This exception is not intended to affect normal layoffs due to production schedules. (i.e. will be used for Line modifications, or upgrades).

When recalling employees back from layoff, the normal process as defined in the contract will be followed. However, the company retains the right to recall employees (by seniority) prior to actual line start up for cleaning or training purposes.

- (vi) Maintenance Areas by Teams will be as follows: Processing Area Mechanical and Electrical; Packaging Area Mechanical and Electrical; and Utilities. In the event of a maintenance layoff, it will be specific to trade teams by area by plant seniority.
- (vii) The Storeroom is considered a trade related team and in the event of a storeroom layoff, it will be specific to the storeroom by plant seniority.

- (viii) In the event of a Transportation layoff, it will be specific to Transportation Team by plant seniority.
- (ix) During Plant Area layoffs (Area A Processing, Area B Packaging, Area C Packaging and external auxiliary locations) employees will be retained by plant seniority and displace temporary employees on General Labor Jobs in the other Plant Areas.
- (x) Senior employees on Team layoffs will have the option of displacing temporary employees in the other Plant Areas by plant seniority, with the youngest employees being forced if no senior employees volunteer.
- (xi) Union officers (President, Vice President, Recording Secretary, Union Branch President and Conference Committee Members, excluding the alternate) shall have plant wide preferential seniority for purpose of layoff.
- (xii) Union Stewards and Chief Stewards who hold permanent status shall have preferential seniority at the time of layoff in the Area in which they are employed, unless the entire shift in which they are employed is eliminated.
 - However, if a shift is eliminated for more than fourteen (14) calendar days and a Union Steward is junior enough to have been previously laid off or scheduled for layoff, he/she will go directly to layoff and will not be recalled until his/her seniority group is back. However, in the event his/her shift starts up within fourteen (14) calendar days of the cutback, the Union Steward will be the first recalled to the shift.
 - Also, if the Union Steward is on a temporary Area poster and does not have a permanent team/job on that shift, he/she will not have preferential seniority when there is a cutback of the work force on that shift.
 - Steward(s) with a bump shall be considered permanent on the shift.
- (b) All vacancies created by a plant wide Area layoff which need to be filled shall only be posted in the Area where the layoff occurred to avoid additional plant wide Area layoff(s).

WEST HERSHEY STRUCTURE

(a) There will be three (3) separate production areas at the West Hershey plant; Area A-Processing, which includes Milk, Paste and White Paste Processing. Area B Packaging which includes Bars (lines 4 &5), Nuggets, Moulded Kisses, Logistics, and Moulding, Area C-Packaging: Bars (Snack / Giant/XL), Drop Kisses, Rolo, Syrup. Area C which includes Moulding (includes block/melting), Almond Processing, and New Railshed. General Labor Team supports Area B & Area C. The Sanitation/Master Cleaning, and

Transportation Teams are considered Plant wide. The Storeroom is considered a Plant wide trades related Team.

(b) FOR WEST HERSHEY AREA A and AREA B POSITIONS

- (1) West Hershey rotation will remain.
- (2) West Hershey processing will rotate by “stretch”.

(c) FOR WEST HERSHEY AREA C POSITIONS

- (1) Positions in the Area C are non-rotating positions.

(d) FOR WEST HERSHEY SUPPORT ROLES AREA C

- (1) Moulding Team – Includes Moulding Line Jobs and Moulding Support

- (i) Moulding Line Jobs – Operators are from Kisses, Rolo and Bars. (includes operator, time off, netweigh for bars. In addition to cleaning, PM’s and lubrication)

- (ii) Moulding Support with primary job: – If the primary job is running they will fill that job if not running go to moulding support.

- (a) Almond Grinding / Moulding Support

- (b) Blocking / Melting / Moulding Support

- (c) Ingredient / Moulding Support

- (d) Moulding Support

- (iii) Employees with moulding support in their job title will be trained in a minimum of their primary job and two (2) additional moulding jobs. Employees with only moulding support in their title will be trained in a minimum of three (3) moulding jobs.

- (2) Almond and Rolo will have support that if not needed on their team will go to moulding support. They will train on a minimum of 2 qualified jobs in their team and 1 qualified job outside their team in moulding.

- (i) Almond / Moulding Support

- (ii) Rolo / Moulding Support

- (3) Packaging Support will be filled by team

- (i) Kiss Team

- (ii) Snack and XL/Giant Team

- (iii) Rolo Team

- (iv) Syrup Team

- (v) Packaging Support with primary job: If the primary job is running they will fill that job if not running go to packaging support on team.

- (vi) Packaging Support employees will train on a minimum of two (2) qualified jobs on their team and one (1) qualified outside of their team. This group will be the qualified backfills for openings and will fill openings on their team first and then if needed across teams.

- (4) The support employees will split up according to need by seniority. They may be forced on a job if needed as youngest qualified.

(e) **FOR WEST HERSHEY MAINTENANCE POSITIONS**

- (1) Facilities Maintenance Technician positions will be expanded to include mechanical maintenance.
- (2) Utilities shall be a separate classification

EXERCISING SENIORITY WITHIN THE AREA

(a) Within the Area(s) there are two types of posted jobs: permanent and temporary.

- (1) All needed vacancies within the Area(s) shall be filled by a plant wide posting. All postings will show area, team or job, shift and rate of pay.
- (2) Temporary openings will be filled as per Paragraph 9, Posting of Jobs.

(b) Employees do not acquire bumps from temporary or open jobs within the Area. Employees must be assigned or awarded a permanent Team/Job and lose that job to acquire a bump.

- (1) A bump is the right to claim another Team/Job within the employees' permanent area by virtue of having lost a permanent posted Team/Job due to the employee being bumped or the Team/Job being shut down. A bump is only acquired when the Team/Job is shut down for more than fourteen (14) calendar days. When being forced from the shift, a bump is acquired on day one.
 - (i) The Area C Support Employee(s), including those support employees with designated job functions, would only receive a bump when he/she no longer can maintain a support position on his/her team for more than fourteen (14) calendar days.
 - (ii) The General Labor Employee(s), including those general labor jobs with designated job functions, would only receive a bump when he/she no longer can maintain any general labor position for more than fourteen (14) calendar days.
- (2) A key consideration in determining whether an employee has a bump is his/her inability to get back on his/her permanent Team/Job when Team/Job is shut down or when he/she is bumped.
- (3) When an employee bumps onto a permanent Team/Job, he/she is bumping the person who owns that permanent poster. However, when bumping on a Team in Area A and Area B, the employee would be bumping the youngest employee. If the job is not running when this situation occurs, the employee making the bump will remain on open jobs and must make contact the first day the Team/ Job becomes available.
- (4) Any employee who acquires a bump has the right to bump to another shift with the following guidelines:
 - (i) The employee would be required to remain on his/her present shift for the balance of the workweek and may only claim open jobs to save his/her bump. The bump to a new shift

would take place on the first workday of a week when the bump is acquired.

- (ii) A bump is only acquired when an employee loses his/her permanent Team/Job, by being bumped, or the Team/Job shuts down. For example, an employee's Team/Job runs on a Friday and does not run on Monday. The employee would only acquire the bump on Monday, but may only be used after fourteen (14) consecutive calendar days, unless the employee is being forced from the shift.
- (iii) The fourteen (14) calendar day recall rule would be applied from the first day the employee's permanent Team/Job was not available.
- (iv) Rate retention shall apply during the fourteen (14) calendar day period.
- (5) Employees who acquire a bump by seniority guidelines shall have up to 15 additional calendar days to exercise their seniority by bumping onto a permanent job within their area. If bump is not declared within the 15 calendar days, the bump shall be considered forfeited. Where exigent circumstances exist, the parties may reduce the timeframe above to accommodate a multiple bump down situation.

(c) An exception to the rate retention rule for the Area C Support Team members will receive a minimum rate 5 or higher rate of job(s) being performed. Rate retention would only apply when a team member would lose his/her permanent support job.

(d) When an employee bids or bumps onto a temporary Team position/Job within an Area, he/she must remain on the temporary position for a minimum of ninety (90) calendar days, unless the team member bids for and is awarded another temporary or permanent poster. An employee may request to return to his/her permanent position after the minimum ninety (90) calendar day period.

- (1) When the temporary Team/Job ends, the employee must return to his/her permanent Team/Job.

(e) Employees exercising their right to bump are governed by the following:

- (1) Employees are required to return to their former permanent position if they become permanently available within fourteen (14) calendar days regardless if they were bumped or the position shut down.
 - (i) However, if an employee had bumped onto a temporary Team/Job, the employee may accept recall and continue on the temporary position until it is over and then return to his/her permanent Team/Job.
 - (ii) An employee who has signed and accepts a permanent Team/Job within any plant Area would have the option of remaining on his/her present Team/Job or returning to his/her former permanent position.

- (2) Employees have the option of remaining on their present (positions) Team/Job or returning to their former permanent (positions) Team/Job if they become available on the fifteen (15) calendar day. If the employees elect to remain on their current position, the positions previously held would be posted.
 - (i) However, if an employee bumps on a Team/Job and he/she bids off or retires on or after the fifteenth (15) calendar day, the employee bumped would not have recall rights and the position would be posted.
- (3) As an exception to (e) (1) and (2) above, if the employee would lose their jobs due to a Team /voluntary layoff, when the layoff is over, all employees affected by said layoff must return to their Team/Jobs held prior to the layoff, even if their Team/Jobs have been shut down for the fourteen (14) consecutive calendar days.
- (4) Paragraph (e) (1) and (2) above would apply to employees holding a temporary Team/Job posting.
- (5) As a clarification in determining the fourteen (14) calendar day rule governing recall and posting all absences including single day(s) vacation and holidays shall be counted as days, but full week(s) of vacation shall not count.
- (6) An employee who possesses sufficient plant seniority to be recalled to his/her permanent shift shall only be permitted to return on the first day of the workweek.
- (f) The following guidelines shall be followed when filling open jobs on a Team that requires qualifications and not filled through the preference selection process or support employees.
 - (1) The youngest qualified employee from the respective team will be forced to perform the job, if not available the youngest qualified from outside the team will be forced to perform the job. If the opening remains unfilled the youngest qualified may be forced from another shift.
- (g) Posted Jobs
 - (1) All needed vacancies within the Areas shall be filled by a plant wide posting consistent with Paragraph 9 of the Contract and The Seniority Guidelines. All postings will show area, team or job, shift and rate of pay.
 - (2) An employee who is awarded a permanent or temporary Team/Job poster on a shift other than his/her present shift will be permitted to change shifts and claim his/her poster. The most junior employee on that shift, not holding temporary or permanent Team/Job poster, will leave the shift to replace the successful bidder. The successful bidder will claim his/her poster at the beginning of a work week. An employee(s) with a bump shall be considered to have a permanent team/job on that shift.

- (3) If it is necessary to assign someone to a permanent or temporary poster, the assignee will be the most junior full-time employee of that Area, in plant seniority without a poster.
- (4) Job bidding is limited to accepting a job poster once every twelve (12) months for those jobs that require training consistent with Paragraph 9 of the Contract.

WORKPLACE EXPECTATIONS:

(a) Management has the right of assignment within the maintenance department with regard to assigning work of maintenance employees as defined in Appendix B. In addition, management has the right to temporarily assign production employees for up to 6 weeks to address critical business needs (e.g. leveraging key operators for start-up, debugging, optimization of equipment, major breakdown or performance issue, etc.) When forcing qualified operators across shifts, junior qualified will be forced.

(b) Employees will be expected to perform the following as an integral part of their jobs: line changeovers, continuous improvement (CI) mindset, cleaning and housekeeping, lubrication, code work, troubleshooting, preventative and basic maintenance and other tasks as assigned and trained.

PREFERENCE LIST SIGN-UP PROCESS WEST HERSHEY:

All Areas

(a) Labor scheduling will be responsible for opening and closing the weekly job preference program the first Wednesday through the second Tuesday each month for employees to make changes to their weekly preferences.

(b) Ranking in their preferred order, employees will list the jobs that they choose to perform. (Highest to lowest).

(c) All adjusted preferences must be updated by the Tuesday evening at 11:00 PM preceding the first full week of the month in order to be valid and used for the upcoming week.

(d) An Employee that chooses to remain proficient on several positions will be responsible for updating their Preference List when they desire to perform another job which shall become effective the first workday of the following month.

(e) The qualified and general labor jobs will be available to be selected by employees on the shift using the preference process. Only full weeks including Holiday weeks will be preferred. Single day(s) requiring a qualified employee will be filled using the support employees on the teams if qualified supports are available. Non-qualified general labor jobs that become available during the week will be awarded on a daily basis by seniority.

For Area C

(a) Each week a determination of what Qualified jobs are available for the upcoming week will be made. (e.g. - Full week vacations, long term scheduled illnesses, employees that have signed out of the area, shift changes, etc).

(b) The first day of the work week SDV's or prescheduled single day absences will be filled using the support employees on the teams if qualified support is available. Any remaining single day prescheduled absences that occur through the remainder of the week will be filled on a day by day basis by support employees if qualified support is available.

(c) In Plant Seniority order, qualified employees will be slotted in based on job ranking and availability. (If several of the jobs the employee has listed are available, the employee will be slotted into the highest ranked job).

(d) If an employee is awarded a job from their Preference List and they are vacating a Qualified job, this job will be added to the list of available jobs that will be filled using the preference list.

- (1) The employees will be required to move and will be obligated to perform jobs on their Preference Lists when jobs become available and the employee has the seniority to be slotted into that specific position.
 - (2) Once the job selection process has been completed and employees have been awarded Preference jobs for the upcoming week, a list will be posted of the jobs and successful employees as early as possible.
- (e) Employees will be locked into these positions for the upcoming week.
- (1) If all the available openings are not filled using the Preference List the youngest qualified Support employee on the Team will be placed on the opening; if still not filled, a qualified general labor employee may be used, if still not filled, qualified support employee if available from outside the Team in the Area may be used; if still not filled youngest qualified team employee will be placed on the opening.
 - (2) Qualified jobs that become available due to unexpected absences at the beginning of each work week and during the upcoming week will also be filled using the support employees on the teams if qualified support are available. If no employees are available the youngest qualified Team employee will be pulled followed by youngest qualified Area employee, including general labor.

(f) When an employee is slotted/forced to perform a job and has been prescheduled during the preceding week and the job is unavailable the first day of the scheduled week, the employee will get rate retention as outlined in the contractual guidelines.

EMPLOYEE MOVEMENT

(a) Preference jobs will be awarded each week.

(b) If a position is open for more than one week (e.g. - 2 week vacation), the employee filling the job on week one does not automatically get the preference for multiple weeks.

(c) If a more senior employee changes their Preference/List and the job is available, the more senior employee will be awarded the job on week # 2.

(d) If an employee is awarded a job poster, they must make contact with that job even though they may have the seniority to move to a Preference job. After the employee has made contact and trained they are once again eligible to move to Preference jobs.

POSTED JOBS-PREFERENCE

(a) If an employee's posted job shuts down for an unscheduled change or scheduled changeover (item change, line clean, etc.), the employee will follow the contractual guidelines.

(b) Employees filling Preference jobs are locked into that specific job for the week unless the following circumstances occur.

- (1) The poster holder returns.
- (2) The employee is bumped.
- (3) The job shuts down.
- (4) The employee is recalled to his/her posted job and had exercised a bump, the employee must return to his/her posted job (consistent with the 14 calendar day rule). If an employee has not exercised a bump he/she may choose to stay on the Preference List job and maintain his/her job poster.
- (5) The employee is pulled from a Preference List job due to being the youngest qualified. The employee would be required to return to the Preference job if the job is still available after the pull has been completed during that week.

(c) If the Preference job shuts down for an unscheduled or scheduled change and the employee is not needed the employee will have the right to return to their posted job or select an open job.

(d) If an employee is awarded a Preference job for the week and is absent during the week, the job will be filled by a support employee or general labor until the employee returns to work. If the employee is absent the balance of the week the job may be awarded to another employee the following week.

OPEN JOBS

(a) Employees filling open jobs are locked into that specific job and must remain on the job for the duration of the job unless the following circumstances occur. Also, employees filling Preference List Jobs are locked into that specific job for up to 7 days and must remain on the job for the duration of the job unless the following circumstances occur.

- (1) The poster holder returns.
- (2) The employee is bumped.
- (3) The job shuts down.
- (4) The employee accepts a Permanent Job posting on the first work day of the week.
- (5) The employee is forced to another job due to qualifications.
- (6) The employee will be required to return to that open job after completing the qualified job the employee was forced to perform.
- (7) The employee is recalled to their Posted job.

(8) The employee is pushed out of the team for the day.

(b) Employees trained/qualified on a limited number of jobs, or lack the seniority to be awarded Preference jobs will follow the above criteria for moving from a Posted Job or Open Job when not using a Preference List selection. Employees that are unable to select jobs using their Preference lists will be locked into the job unless the circumstances in the previous bullet would occur.

(c) Single day absences will be filled using the support employees on the teams if qualified support is available.

(d) Qualifications: Employees will be required to utilize Preference lists to remain qualified to perform jobs. If the predetermined timeframe for qualifications should expire, the employee will be removed from the list. The Company will run a report on a quarterly basis to review employee proficiency with “proficiency” measured using a twelve (12) month period. Employees will then be scheduled accordingly, based on the report.

- **Area B**

- All Sapal/Pactec Wrapper, Salwasser, Bar Line Shrink Wrap, Defoiling, Slitter, Centrifuge, and Mouldwash – Contact 8 (eight) hours every 12 months.
- All Baggers, Packaging Line Support, Robot, Moulding Line Operators, Paste Standardization, Shipping, Dock Coordinator, Window, Material Control, Receiving and Battery Changing – Contact 40 (forty) hours every 12 months.

- **Area C**

- Jobs rated 5, 6, and 7 - Contact 8 (eight) hours every 12 months.
- Jobs rated 8 and higher - Contact 40 (forty) hours every 12 months.
- Exceptions – Almond Receiver, and Truck Dock to Kitchen, contact 40 (forty) hours every 12 months.

PREFERENCE LIST SIGN-UP PROCESS WEST HERSHEY

(a) Labor Scheduling will be responsible for opening and closing the Weekly Job Preference program the 1st Wednesday through the 1st Tuesday each month for employees to make changes to their weekly performance.

(b) Ranking in their preferred order, employees will list the jobs that they choose to perform. (Highest to lowest) in the JSS Program.

(c) All adjusted preferences must be updated by the Tuesday evening at 10:30 PM preceding the first full week of the month in order to be valid and used for the upcoming week.

ORDER OF BACKFILL AND WEEKLY ROTATION

(a) The method by which the Company backfills open positions and rotations are documented in a jointly negotiated procedure retained by the Labor Scheduler Team and posted for employees to review.

APPENDIX J

CONFERENCE COMMITTEE GUIDELINES

The following guidelines have been established for the Conference Committee:

- (a) Conference Committee will normally be held on the first and third Tuesday of each month, provided there are grievances to hear.
- (b) Times for cases—7:30 a.m., 9 a.m. and 10:30 a.m. Third shift cases will be heard first. Second shift cases will be heard last.
- (c) Parties will be prompt. Preparation time will be limited to one-half hour. Grievances will be heard promptly at 8 a.m., 9:30 a.m. and 11 a.m. Presentation is limited to one hour per grievance.
- (d) Within 30 days of being referred by Management and the Union, cases will be placed on the schedule by the Manager, Human Resources. Prior to scheduling, the Branch President will identify the witnesses needed for each case.
- (e) Two weeks' notice will be provided whenever possible. The Chair, Union Conference Committee will notify the employee, his/her steward and witnesses. The Chair, Management Conference Committee or designee will notify the manager and supervisor involved.
- (f) Grievances will be heard by a quorum (at least two members present from each committee).
- (g) First priority will be given to employee termination cases. Other cases will be scheduled as referred.
- (h) If a grievant fails to appear at his or her scheduled Committee hearing, the Union Conference Committee and/or Branch President will represent the grievant.
- (i) Management will not reschedule a grievance more than once. If management representatives are unavailable, the Management Conference Committee or Human Resources will represent management.
- (j) Attendees will be limited to the aggrieved employee, necessary witnesses and one steward (normally the steward signing the grievance). In cases in which multiple grievances are filed on a similar issue or a number of employees are listed on the grievance, the Branch President or Chair, Union Conference Committee will select one employee as representative of the group, along with a steward. Other employees may attend on their own time.
- (k) The Chair, Union Conference Committee and the Chair, Management Conference Committee may set additional dates, as they deem prudent to manage a backlog and assure speedy resolution.
- (l) Management shall provide written minutes, approved by the Management and Union Co-Chairs, of all Conference Committee meetings.

APPENDIX K

BENEFITS COLLABORATION

Except as otherwise specified in the Collective Bargaining Agreement or in this Appendix, the medical, dental, vision, LTD (*except for the LTD premium*

calculation, which will remain the same), life insurance, and flexible spending account benefits and other health and welfare benefits such as, for example, Adoption Assistance, costs, employee contributions and cost-sharing percentage (except as limited below), premiums, deductibles, co-payments, and all other aspects of the health care and welfare plans for West Hershey employees will be the same as those in effect at any given time under the Hershey Company Benefits Program and will be at the same cost and the same options as determined and set by the Company and offered to all Company salaried and hourly U.S. participants in the health care and welfare plans. Notwithstanding this, before implementing any benefit plan changes, the Company will consult with the Union and consider the Union's suggestions and recommendations regarding such benefit plan changes. The parties agree, effective upon contract ratification, to hold benefit update meetings on an annual basis (no later than August and prior to the roll out of plans to employees and open enrollment for the following year) with the Union's Business Manager/Business Agent to review active employee health and welfare plan design, current status of such plans, claims data review, costing methodology, and regulatory trends and best practices. The parties may mutually agree at any time to adjust the frequency of these meetings. Prior to receiving confidential information, the Business Manager/Agent must sign a confidentiality agreement in a form acceptable to Hershey.

The LTD benefit design presently being offered regarding physical and mental health diagnoses to the Unionized employees shall remain unchanged unless modified and agreed to by the parties.

For newly hired employees, effective January 1, 2011, the Union agrees to discontinue the Supplemental Retirement Contribution (SRC) and Retiree Life Insurance Program, as the Company has already done so for all salaried employees.

The parties acknowledge that calculating health care premiums is a two-step process done on an annual basis. In step one, the Company determines the cost of the plan by considering a number of factors consistent with generally accepted health care underwriting and actuarial standards, including, but not limited to, claims data, cost trending factors, and health care inflation. In step two, the Company applies a cost-sharing percentage to that total cost to determine how much an employee is responsible to pay through monthly contributions. The parties agree that this cost-sharing percentage will not increase more than 2% (e.g., 22%-24%-26%, etc.) per year and shall be capped at 30% for the duration of the Agreement.

The annual out-of-pocket maximums offered for in-network coverage for the medical plan with the highest cost to employees will be capped in each given year as follows:

<u>Year</u>	<u>Individual/Family</u>
2017	\$2,500/\$4,000
2018	\$2,500/\$4,200
2019	\$2,700/\$4,400
2020	\$2,900/\$4,600
2021	\$3,100/\$4,800
2022	\$3,300/\$5,000

The Company may review projected annual health care costs/plan value against the excise tax (or other tax or penalty) thresholds as defined under the ACA (Affordable Care Act) or other legislation imposing similar employer taxes or penalties. To the extent that the annual health care costs/plan value at any point during the term of the Agreement are projected to trigger the excise tax threshold, or other benefit level driven tax or penalty affecting the offering of health care benefits by the Company, the Company reserves the right to request the Union to bargain changes to the health care plans which will avoid such assessments or will otherwise offset or avoid any such tax or penalty to the Company. Such bargaining will occur for up to sixty (60) days after Company notification to the Union, absent mutual agreement to extend the bargaining period. In the event the parties are unable to reach agreement, the Company has the right to implement adjustments to the out-of-pocket maximums to the minimal extent necessary to avoid the excise tax or penalty. Any such bargaining will be limited in scope to issues relating to changes to the health care plans to avoid the excise tax or similar tax or penalty. Further, this does not otherwise change, modify or in any way limit any other rights the Company has in connection with the ability to create, design, modify or otherwise establish or make changes to health care plans offered to employees at West Hershey subject to the terms and limits set forth in Paragraph 20 of the collective bargaining agreement and this Appendix K.

The pre-65 and post-65 retiree medical contribution percentages and “frozen” contributions currently in effect for existing retirees will remain unchanged, excluding the “overage” amount/calculation. The active employees who retire during the life of this Agreement and who are retiree medical eligible, as defined in the plan document, will pay the same applicable contribution percentage as all salaried pre-65 and post-65 retirees, plus any “overage” amount.

Effective January 1, 2017, all new hires shall receive health care and welfare benefits effective on their first day of employment.

All disputes arising under Paragraph 20 of the collective bargaining agreement and this Appendix K shall be resolved through Paragraph 7 of the collective bargaining agreement as a General Factory Grievance commencing at Step 3.

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