

COLLECTIVE BARGAINING AGREEMENT BETWEEN

OFFICE & PROFESSIONAL EMPLOYEES INTERNATIONAL UNION
LOCAL 153, AFL-CIO

AND

PEERLESS BEVERAGE COMPANY, INC.

JANUARY 1, 2019 - DECEMBER 31, 2023

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AGREEMENT entered into this 11th day of January, 2019 by and between PEERLESS BEVERAGE COMPANY, INC., hereinafter referred to as the "EMPLOYER", and the OFFICE & PROFESSIONAL EMPLOYEES INTERNATIONAL UNION, LOCAL 153, AFL-CIO, hereinafter referred to as the "UNION".

NOW, THEREFORE, be it mutually agreed to as follows:

ARTICLE I - RECOGNITION

The Employer agrees to recognize the Union as the sole collective bargaining agent for all outside salesmen at the Employer's Union, New Jersey location, excluding truck drivers, warehousemen, office clerical employees, professional employees, district managers, sales managers, supervisors, guards and all other supervisors as defined in the Act.

ARTICLE II - UNION SECURITY

Section 1 - The Employer agrees that all present employees covered under this Agreement shall as a condition of employment. Thirty-one (31) days from the effective date of this Agreement, become and remain members of the Union in good standing.

Section 2 - The Employer further agrees that all new employees hired subsequent to the effective date of this Agreement shall as a condition of employment, thirty-one (31) days from the date of employment, become and remain members of the Union in good standing.

ARTICLE III - CHECK-OFF OF DUES AND INITIATION FEES

Section 1 - The Employer agrees to deduct Union initiation fees and dues from the wages of each employee. The Employer agrees to forward such initiation fees and dues to the office of the Union monthly.

Section 2 - The Union agrees to file an initiation fee and dues deduction assignment form with the Employer for each employee prior to such deductions. Upon receipt by the Employer of a voluntary written assignment by an employee, of monies for the payment to the Union, of his monthly membership dues which shall be uniform, the Employer will thereafter deduct from the pay of each such employee on the second pay day of each month, during the existence of such assignment, his monthly dues for the preceding month.

ARTICLE IV - WORK WEEK

The regular work week shall consist of five (5) days of work, Monday through Friday inclusive, provided, however, that any outside salesman may be required by the Employer to work any Saturday whenever, in the opinion of the Employer, unusual circumstances make such work necessary.

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ARTICLE V - HOLIDAYS, SICK LEAVE AND VACATIONS

Section 1 - Each employee who shall have been employed for one (1) year, but less than three (3) years, shall receive one (1) weeks' vacation with pay.

Each employee who shall have been employed for three (3) years will receive two (2) weeks' vacation with pay.

Each employee who shall have been employed for ten (10) years will receive three (3) weeks' vacation with pay.

Unused vacation days will be paid at the end of each calendar year.

Section 2 - Sick leave will be based on past practice. The Employer may require a doctor's note for absence due to illness.

Section 3 - Holidays observed are:

New Year's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
July 4th	Christmas Day
Labor Day	

Employees shall receive five (5) personal days per calendar year. New employees shall be entitled to pro-rated personal days of .41666 days per month in the first year of employment. The personal days referred to herein are replacement holidays for Washington's Birthday, Columbus Day, day before Christmas, day before New Year's Day and Martin Luther King's Birthday.

If due to Company needs and/or operating conditions employees are unable to take entitled holidays or personal days referred to in this article, such days shall be paid as additional compensation at the end of the calendar year.

ARTICLE VI - DISCHARGE

The Employer reserves the right to discharge or discipline employees for sufficient cause. The Employer may issue from time to time reasonable work rules and performance standards. Employees who fail to comply with the established work rules and/or meet performance standards shall be subject to discharge.

In terms of sustaining a discharge, the Employer need only show that the employee failed to follow the established work rules and/or performance standards for the sales territory assigned.

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ARTICLE VII-DEATH IN THE IMMEDIATE FAMILY

In the case of death in the immediate family, an employee shall be granted a leave of absence up to three (3) days for the purpose of attending the funeral and shall be compensated up to three (3) days for time lost from work by reason of such death.

For the purpose of this article, immediate family is defined as the current spouse, mother, father, child, sibling of the employee.

In the event of death of the employee's father-in-law, mother-in-law or grandparents, the employee shall be entitled to two (2) days of compensated leave.

ARTICLE VIII - SENIORITY

Section 1 - Newly placed salesmen shall be considered on a trial basis for a period of six (6) months from the date of hire.

Section 2 - During the term of the six (6) months probationary period, such employee shall be entitled to all rights and privileges of this Agreement, except with respect to discharge. Such employees may be terminated any time during this period of six (6) months without recourse.

Section 3 - The Chief Steward and Shop Steward will have super seniority. After the completion of the six (6) month trial period, seniority shall be effective as of the original date of employment in the sales force.

Section 4 - Open routes shall be assigned by the management based on its assessment of skill and ability.

Route Revisions and Transfers - The parties hereto shall discuss route revisions and transfers before they are made for the purpose of working out, on a mutually satisfactory basis, any necessary earnings adjustments. In the event of such route revision or transfer, the salesman's earnings shall not be reduced for the subsequent 12-month period after such revision or transfer.

ARTICLE IX - LAYOFF AND RECALL

Section 1 - If reduction of the sales force is necessary due to economic reasons, the Employer shall meet with the Union representative and discuss the reasons therefore, and the following procedure shall be adopted:

The employee with the least amount of seniority in the sales force will be the first laid off. Notice of such layoffs shall be given two (2) weeks before the scheduled layoff.

Section 2 - Rehiring shall be made in the reverse order of seniority. In other words, the last laid off shall be the first rehired.

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Section 3 - A salesman laid off will have recall rights for a period not to exceed one (1) year.

ARTICLE X - SEVERANCE PAY

Severance pay shall be granted in accordance with Schedule A.

ARTICLE XI - SALARIES, COMMISSIONS AND CAR ALLOWANCE

Effective January 1, 2011 - each salesman shall receive a weekly salary of \$375.00.

On January 1, 2019, Each salesman shall receive a Company fuel card for use in acquiring fuel, along with a Company EZ pass for use for normal business activity, along with a Company cell phone. Each Salesman has the option to receive a \$35 weekly expense check in lieu of the Company cell phone.

Automobiles - The Employer agrees that he will provide company cars with generally accepted standard equipment to his sales people. The Employer agrees that newly hired salesmen shall receive \$65.00 per week car allowance until such time as a company car becomes available.

Employees hired after 12/31/88 or existing employees who relocate after 12/31/88. and use a company car shall be charged fifteen cents (\$.15) per mile per day for each mile greater than 2 miles (4 miles round trip) distance outside the company marketing area to their residence.

Commissions - Effective January 1, 2019, salesmen shall receive seven cents per case on sales of domestic beer, (free goods shall count as goods sold for commission purposes) from case 1 sold.

Effective January 1, 2016, the salesman shall receive thirty-three cents per case on sales of imported beers, FMB, Wine Coolers, non-alcoholic beverages, and specialty/craft beers in excess of \$15.00 per case.

Effective January 1, 2022, the salesman shall receive thirty-two cents per case on sales of imported beers, FMB, Wine Coolers, non-alcoholic beverages, and specialty/craft beers in excess of \$15.00 per case.

Effective January 1, 2019, salesmen shall receive fifty-five cents per case on products with a front line price of \$70 or higher.

Effective January 1, 2019, salesmen shall receive one dollar and twenty-five cents per case on products with a front line price of \$100 or higher.

The salesman shall receive the following:

- 1/4 barrel- twenty-six cents per barrel
- 1/2 barrel and 1/6 barrel- forty-five cents per barrel domestic
- 1/2 barrel- eighty-five cents per barrel imported
- 1/2 barrel wine - one dollar and sixty cents (\$1.60)
per 1/2 barrel, eighty cents (\$.80) per 1/4 barrel

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Monthly base figures have been established and it is agreed these quotas shall not be increased during the life of this agreement.

Commission payments for employees hired after December 31, 1995 shall be as follows:

First Year of employment 80%
Second Year of employment 90%
Third Year of employment 100%

The Company further agrees that in no event shall monthly commissions fall below \$1,000.00. Salesman working in the Northern Territory shall receive a minimum monthly commission of \$1,250.00.

House Accounts - In the event a new house account opens in a territory, the salesman in that territory shall receive any commissions on that account.

ARTICLE XII - NON-DISCRIMINATION

Section 1 - The Employer agrees that he will not discriminate against an employee because of his activity as a member of the Union.

The provisions of this agreement shall apply without regard to race, religion, color, age, sex or national origin. The provisions of this agreement will be applied so as to make reasonable accommodations in all aspects of employment with respect to mental and/or physical handicaps. It is agreed that the Company and the Union will mutually cooperate toward the furtherance of this policy.

Section 2 - No clause in this agreement shall be understood to imply any lowering of the working conditions heretofore existing in the office of the Employer, nor shall it diminish any job rules. It is further agreed that the Employer shall have the right to publish reasonable and just work rules and shall have the right to define the duties and responsibilities of the route salesmen.

ARTICLE XIII - WELFARE

To help maintain standards and morale and give the employees a greater sense of security, the Employer agrees to carry for each employee covered by this Agreement a health plan which includes hospitalization, major medical and dental care and a life insurance in the amount of \$15,000.00. The Employer reserves the right to change insurance carriers and such change shall not result in a reduction of benefits. All employees shall contribute sixteen (\$16) dollars per week on a pretax basis towards the cost of the health care plan premium.

The Employer will apply the value of the base plan to any upgraded plan and the employee shall pay any additional costs of the upgraded plan, if made available.

The Employer will provide a 401-K Plan and will provide for 50% matching of employees contributions of up to 6%. Example: Employee contributes 3% toward plan; Company will contribute 1 1/2%. Employer maximum contribution will not exceed 3% per employee.

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ARTICLE XIV - GRIEVANCE MACHINERY AND ARBITRATION

Section 1 - A grievance within the meaning of this Agreement shall be any difference of opinion, controversy or dispute arising between the parties hereto relating to any matter of wages, hours, and working conditions, or any dispute between the parties involving interpretation or application of any provision of this Agreement.

Section 2 - An aggrieved employee shall present his grievance within five (5) days of its occurrence or such grievance will be deemed waived by the Union and the Employer.

Section 3 - In the event of such grievance, the steps hereinafter set forth shall be followed:

STEP 1: The employee and the steward, or the employee individually, but in the presence of the steward, shall take up the complaint with the immediate supervisor. In the event the complaint is not satisfactorily settled within two (2) working days, the employee, the steward and the immediate supervisor shall complete and sign a written complaint and forward the grievance to the next step in the procedure.

STEP 2: The Union Representative and the Company Labor Relations Representative or any such designated person shall meet to discuss the grievance within three (3) working days at the completion of the previous step. In the event of failure to reach a satisfactory adjustment of the grievance within five (5) working days, the grievance may be taken to arbitration by either of the parties upon notice to the other party.

Section 4 - If in any of the foregoing steps, either party fails to carry out the procedures involved in these steps, the other party may take the dispute to arbitration.

The Arbitrator shall not review more than one grievance on the hearing date(s) except by mutual agreement of both parties.

ARBITRATION: If within three (3) days, the parties cannot agree to a mutually acceptable arbitrator, then either party may apply directly to the American Arbitration Association.

Section 5 - The decision of the arbitrator shall be final and binding upon the parties hereto and the arbitrator's fee shall be borne equally by the parties.

Section 6 - It shall be the intention of the parties to settle all differences between the Employer and the Union through grievance machinery and arbitration, in accordance with the provisions of this Agreement. Therefore, the Employer agrees that he will not lock out his employees and the Union agrees that it will not sanction a strike, slow down or work stoppage during the life of this Agreement.

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Section 7 - In the event any other employees of the Employer engage in any strike or refusal to work, place or maintain pickets at or on the Employer's premises, then any refusal to work or failure to cross such picket line by members of the Office and Professional Employees International Union, Local 153, shall not be considered a violation of this Agreement, any other language to the contrary notwithstanding.

ARTICLE XV - SEPARABILITY

In the event that any provisions of this Agreement, shall, at any time be declared invalid by any court of competent jurisdiction or through government regulations or decree, such decision shall not invalidate the entire Agreement, it being the express intention of the parties hereto that all other provisions not declared invalid shall remain in full force and effect.

ARTICLE XVI - BULLETIN BOARDS

Bulletin boards will be made available to the Union and the Employer for the purpose of posting Union notices relating to meetings, dues, entertainment, health and safety, and general Union activities. All notices shall be submitted to the Employer or his designated representative before being posted. Approval shall not be withheld unreasonably by the Employer.

ARTICLE XVII - STRIKES, STOPPAGES AND LOCKOUTS

During the term of this Agreement, or any renewal or extension thereof, or during the continuance of any negotiations for the purpose of attempting to work out a mutually acceptable new Agreement, not strike, walk -out, picketing or any other interruption or suspension of any kind of the work of the Employer shall be sanctioned, undertaken or engaged in by the Union or the members of the Union. The Employer further agrees that there shall be no lock-out.

Shop Stewards - Shop Stewards and alternates have no authority to take strike action, or any other action interrupting the Employer's business, except as authorized by official action of the Union.

The Employer recognizes these limitations upon the authority of Shop Stewards and alternates, and shall not hold the Union liable for any unauthorized acts. The Employer in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the Shop Steward has taken unauthorized strike action, slow-down or work stoppage.

ARTICLE XVIII - MANAGEMENT RIGHTS

Section 1 - Except as expressly and specifically limited or restricted by a provision of this Agreement, the Employer has and shall retain the full right to manage the business and direct the

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work force. These management rights shall include, but not be limited to the management of the business, to plan control, increase, decrease, change or discontinue routes or operation in whole or in part; to subcontract; to introduce new or improved methods, techniques and or equipment; to hire, suspend, transfer, discharge, or discipline covered employees for good cause, to layoff employees for lack of work, and terminate probationary employees during the trial period without recourse; to establish or change work schedules to meet customer demands; to determine the number and qualifications of employees to be employed; to define jobs it now has or create in the future; and assign existing employees to meet current work needs; and to adopt and from time to time modify, rescind, or change reasonable safety rules and work rules so long as such rules are not inconsistent with any existing provisions of this agreement, and to enforce such rules.

Section 2 - All rights heretofore exercised by the Employer or customarily reserved for an Employer and not contracted away by this Agreement are retained solely by the Employer. It is further agreed that the rights specified herein may not be impaired by an arbitrator even though the parties may agree to arbitrate the issue.

Section 3 - The Employer agrees that in the exercise of these management rights that any action taken or contemplated that has the ultimate effect of substantially reducing the work force or work schedule for any period of extended time will be reviewed with the Union shall have an opportunity to discuss the matter, and the impact of the potential decision on the employees. However, nothing herein shall prevent the Employer in implementing its management decision at the time of notice to the Union prior to the discussion referred above.

Section 4 - The failure of management to exercise any rights contained herein shall not constitute the waiver of same.

Section 5 - It is further agreed that the rights specified herein may not be impaired by an arbitrator or arbitration even though the parties may agree to arbitrate the issue involved as provided hereinafter.

ARTICLE XIX - WAIVER

It is agreed that during negotiations leading to the execution of this Agreement, the parties have had full opportunity to submit all items appropriate to collective bargaining, that the parties expressly waive the right to submit any additional items for negotiation during the term of this course of negotiation leading to the execution of this agreement; and that this agreement incorporates their full and complete understanding, superseding and invalidating all previous commitments of any kind oral or written, past practices, existing conditions, and any and all prior employee and Union rights and benefits not specifically incorporated herein.

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ARTICLE XX- TERM OF AGREEMENT

This Agreement shall become effective January 1, 2019 and shall remain in effect until December 31, 2023 and shall remain in effect from year to year thereafter unless and until either party hereto gives the other party written notice by certified mail not less than sixty (60) days prior to the expiration date in any year, terminating this Agreement or specifying what changes or amendments are desired. Promptly after any such notice is given by either party, the Employer and the Union shall commence and continue negotiations for the purpose of working out a mutually acceptable new Agreement or a mutually acceptable modification of the existing Agreement. If such modified Agreement is not executed during the sixty-day period, then this Agreement shall be automatically extended upon the expiration of the said sixty day period, and continued in full force and effect until the parties hereto do execute a modified Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

PEERLESS BEVERAGE COMPANY, INC.

**OFFICE & PROFESSIONAL EMPLOYEES
INTERNATIONAL UNION, LOCAL 153
AFL-CIO**

BY 
Marc Kramer
Vice President/General Manager

BY 
Myra Hepburn
Secretary-Treasurer

BY 
Seth Goldstein
Senior Business Representative

BY 
Michael Dayton
Shop Steward

SCHEDULE A

1. In the event of an anticipated permanent layoff of an employee or employees, severance pay shall be paid in accordance with the following:

All employees on the payroll of the Employer on January 1, 1973 shall be granted one (1) week's severance pay for each completed six (6) months of service, provided, however, that such severance pay shall not exceed twenty-six (26) weeks.

2. Employees hired subsequent to January 1, 1973 shall be granted one (1) week's severance pay for each completed year of service, not to exceed thirteen (13) weeks.

3. An anticipated permanent layoff shall be deemed to mean a layoff which is expected to, or does exceed thirteen (13) complete weeks.

In the event of such layoff it is understood, however, that the provisions of Article IX, Section 3 shall remain applicable.

4. In the event an employee is recalled, who has already received severance pay, he may, at his option, repay such severance pay in amounts which shall be no less than fifty dollars (\$50.00) per week or, he may begin accumulating severance in accordance with Sections 1 or 2 of this Schedule, based on his original seniority date.

In accordance with this Schedule, it is the intent of the parties thereto, that such severance pay shall be in an amount not to exceed the regular weekly base salary of the employees covered there under.

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