KOWALSKI'S CENTRAL BAKERY . INDEX

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KOWALSKI'S WHOLESALE BAKERY CONTRACT COVERING WORKING CONDITIONS AND SCALE OF WAGES IN THE HANDCRAFT AND SEMI-MACHINE BAKERIES UNDER THE JURISDICTION OF UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL NO. 1189 SAINT PAUL, MINNESOTA AND VICINITY

THIS AGREEMENT made and entered into this May 7, 2022 by KOWALSKI'S CENTRAL BAKERY, A DIVISION OF KOWALSKI'S COMPANIES, INC., hereinafter referred to as the "Employer" and UNITED FOOD AND COMMERCIAL WORKERS UNION, LOCAL NO. 1189 St Paul, Minnesota and vicinity, by its duly authorized representatives thereof; hereinafter referred to as the "Union".

LENGTH OF AGREEMENT: Through May 4, 2024

WITNESSETH:

WHEREAS, the employees herein have elected to bargain collectively with the Employer, and for said purpose have affiliated themselves as members of said Union, and have chosen the duly authorized members of said Union to bargain collectively with the Employer for wages, hours and working conditions.

NOW THEREFORE, for the purpose of carrying out the intention of the parties, it is mutually agreed as follows:

ARTICLE 1 <u>UNION SECURITY - CHECKOFF - MANAGER'S CLAUSE</u>

- A. <u>UNION SECURITY</u>: All present employees who are members of the Union shall remain members of the Union as a condition of employment, and all present employees who are not members of the Union shall become and remain members of the Union on the 61st day after the execution of this Agreement as a condition of employment, and all new employees shall become and remain members in good standing of the Union on the 61st day after date of hire as a condition of employment for the duration of the Contract.
- B. <u>CHECKOFF</u>: The Employer agrees to deduct from an employee's check once each pay period, initiation fees and Union dues owed to the Local Union for each employee, provided that the Union or individual employee files individual/authorization cards with the Company expressly granting the right to the Company to deduct said amounts.
- C. <u>MANAGER'S CLAUSE</u>: It shall be at the Employers discretion to determine whether the bakery manager will be a part of the bargaining unit.

. ARTICLE 2 . DEFINITION OF EMPLOYEES

A. <u>FULL TIME</u>: Regular full-time employees shall be those employees who are regularly scheduled to work forty (40) hours or more. Part-time employees may work more than thirty-two (32) hours without penalty to the employer.

B. <u>VACATION RELIEF/SUMMER WAIVER EMPLOYEES</u>, <u>EMERGENCY</u> WAIVER:

1. The Employer will be allowed to hire part-time employees for up to eight (8) weeks per year. These Employees will be scheduled to work less than thirty-two (32) hours per week. Regularly scheduled employees shall not have their hours reduced while utilizing these temporary employees. These Employees shall not be eligible for any benefits under this agreement; however Appendix A (Wages) shall apply.

ARTICLE 3 WORK WEEK - HOURS – OVERTIME

- A. <u>WORK WEEK</u>: The basic workweek for full-time employees shall be forty (40) hours to be worked in any five (5) days, Sunday through Saturday. Work performed by any employee in excess of forty (40) hours per week shall be paid at the rate of one and one-half (1 1/2) times the employee's rate of pay except as otherwise provided in this agreement.
- B. <u>GUARANTEED HOURS</u>: All regular full-time employees shall be guaranteed a minimum of thirty-two (32) hours' work or thirty two (32) hours' pay. Any regular full-time employee shall be guaranteed eight (8) hours' work, or eight (8) hours' pay on their regular work day, All employees other than full-time shall be guaranteed three (3) hours' work, or three (3) hours' pay when reporting for work.

In the event of an emergency, Section A and Section B of ARTICLE II, shall not apply. Emergency to be defined as an Act of God beyond the control of the Employer.

C. OVERTIME:

- 1. Employees who work unscheduled hours beyond the eight (8) hours will waive the daily overtime provision for hours worked up to nine (9) hours in a day. The employer may adjust schedules later in the workweek to avoid weekly overtime. Such adjustments will be initiated by the employer. The employer will have the ability to send employees home to avoid weekly overtime. After nine (9) hours, the ability to waive incidental overtime becomes void and overtime will be paid on all time worked after eight (8) hours.
- 2. Time worked on the sixth or seventh day will be rotated among all employees as evenly as possible, provided the employee is qualified to perform the duties of the job. Should the Employer find it necessary to change the employee's regularly

- scheduled workday, he shall give the employee one week's notice with reference to such change.
- 3. Cake decorators will be paid a minimal of one hour pay for being on call from 8am-9am on Sundays. Employees called in to work for a "cake emergency" will be paid time and one half for all hours worked including travel time to and from the workplace. Sunday on-call assignments will be rotated equally among all cake decorators.
- D. <u>EMPLOYEE BREAK TIME</u>: All employees shall receive a paid rest period of fifteen (15) minutes for any three (3) hours worked not to exceed thirty (30) minutes in any workday. Employees entitled to two (2) fifteen (15) minute paid break periods will continue to be allowed to take their breaks consecutively where the practice exists. No rest period shall be provided in any four (4) hour period that is broken by a paid supper period.
- E. <u>SCHEDULES</u>: Schedules for all employees will be posted by Friday noon for the following one (1) work week. The Employer will respond to time-off requests in a timely fashion.

ARTICLE 4 WAGES

<u>WAGES</u>: The following schedule of minimum hourly wages shall be paid **to** employees in the following classifications: (See attached Wage Schedule – Appendix A).

ARTICLE 5 SENIORITY, LAYOFF AND RECALL

A. SENIORITY DEFINED:

- 1. Bargaining Unit Seniority is the length of continuous employment of an employee while working under the jurisdiction of this Agreement. Departmental Seniority shall be defined as the employee's length of continuous service in the following categories:
 - 1) Bakery Department
 - 2) Production Kitchen
 - 3) Smokehouse
- 2. The Employer may assign work in another department. This work assignment has no impact on the employees' seniority.
- B. <u>Probationary PERIOD</u>: All regular full-time and part-time employees who are original hires, or rehires following separation, shall serve a probationary period of sixty (60) days.

At any time during the probationary period, an employee may be discharged by the Employer without such discharge being a violation of this Agreement or being grievable as provided by the Grievance Procedure, Article 20.

Any employee selected from the bargaining unit to fill a posted position shall have a sixty (60) day probationary period to achieve proficiency. An additional thirty (30) days may be added when his/her abilities are in question. Should the employee fail to make the transition, he/she shall have the right to move back to his/her previous position and hours. In either case an employee will retain his/her original date of hire as his/her seniority date.

C. LAYOFFS:

- 1) Employees may be laid off to meet the needs of the Employer. In the event a layoff is necessary the work force will be reduced based on reverse Departmental Seniority; with the exception of an employee with a suspension in their classification within their previous 6 months would be laid off first, regardless of seniority.
- 2) Employees designated as Department Heads shall have Super Seniority after serving twelve (12) months in the position.
- 3) Should a layoff occur in one department and hours of work remain available in another department, an employee affected by the layoff may elect to accept hours as available, provided the employee is qualified to perform the duties. The employee will be paid according to the appropriate scale based on their hours of service. Employees accepting work in other departments will maintain their original Departmental Seniority date for the purposes of Recall.
- D. <u>RECALLS</u>: In the event of a layoff, employees will retain recall rights for six (6) months. Employees who are laid off and subsequently recalled to work within one (1) year shall retain their seniority. Employees shall be recalled in the reverse order of the layoff within the Department(s) affected.
- E. <u>NOTICE OF LAYOFF</u>: No employee shall be laid off, or put on a part-time basis after working sixty-one (61) calendar days without being given one week's previous notice, or pay for same. No employee shall quit their position after working sixty-one (61) calendar days without giving the Employer one week's notice.

F. TERMINATION OF SENIORITY:

An employee's seniority and employment shall be terminated if the employee;

- a) Quits;
- b) Is discharged for cause;
- c) Fails to return from any of the leaves of absence referenced in ARTICLE 11 of this Agreement, within the time limits;
- d) Fails to respond within ten (10) calendar days of the date notice to return is registered with the U.S. Postal Service, or;
- e) Is absent from the job for any reason, other than sickness or injury, for a period

ARTICLE 6 PROMOTIONS

- A. <u>MANAGEMENTS RIGHTS</u>: No worker shall be promoted solely on the basis of seniority. Promotions will be based on skills and qualifications, which are credited to the position in question.
- B. <u>QUALIFICATIONS</u>: Promotions and considerations of applicants will also be based on historical time and attendance records and an overall display of superior job responsibility. When two candidates are qualified, seniority will be the deciding factor.
- C. <u>PROMOTIONS</u>: The Employer shall post all open full-time positions. **Internal** candidates will be considered before hiring off the street.

ARTICLE 7 DISCHARGE

- A. No Employee shall be discharged, suspended, disciplined or demoted except for just cause. Serious offenses or misconduct will result in immediate termination. Serious offenses include (but are not limited to) theft and other criminal activity, falsifying attendance records, sexual, racial, physical or verbal harassment of another employee or customer, and the use of alcohol, drugs or illegal substances consumed or possessed on company property or prior to reporting to work. All serious offenses will be clearly stated and posted wherein the employee can read and fully understand the offenses and subsequent circumstances. Issues, such as poor job performance, punctuality, attendance or personal conduct, termination shall be handled according to company policy. A regular member who is discharged shall within three (3) days from date of discharge receive in writing reason for such discharge.
- B. Any objection to any discharge must be registered in writing with the Employer within seven (7) calendar days after reason for discharge is supplied.

ARTICLE 8 PERSONAL DAYS

- A. All full-time employees, after completing one (1) full year as a full-time employee, anniversary date of full-time will be used to determine eligibility rather than anniversary date of hire), are granted four (4) personal days a year, All personal day requests must be made at least two weeks prior to the day you want to take off. Part-time employees who averaged 35 or more hours per week in the previous year will receive eight (8) hour personal days.
- B. One (1) six (6) hours personal day after one (1) year of employment.
- C. Two (2) six (6) hour personal days after two (2) years of employment.

- D. Three (3) six (6) hour personal days after three (3) years of employment.
- E. Personal Days will be scheduled by mutual agreement.
- F. Personal days are not to be used in lieu of sick days.
- G. Unused personal days do not accrue into the next year.
- H. Unused personal days will not be paid in lieu of actual time off.

ARTICLE 9 HOLIDAYS

A. Holidays under this Agreement shall be:

New Year's Day - Memorial Day - Fourth of July Labor Day - Thanksgiving Day - Christmas Day

- B. <u>HOLIDAY WORK WEEK</u>: Regular full-time employees covered by this Agreement shall be guaranteed a full weeks pay of forty (40) hours for thirty two (32) hours of work in weeks the above holidays appear and time and one-half (1 1/2) for hours worked in excess of forty (40) hours.
- C. <u>EMPLOYEE ABSENCES</u>: Regular employees shall receive holiday pay in the event of vacation during the holiday week. Otherwise, employees that do not work during the holiday week shall not receive holiday pay.
- D. <u>PART-TIME EMPLOYEE HOLIDAYS</u>: All part-time employees who have been regularly employed for one hundred eighty (180) calendar days will receive four (4) hours' holiday pay for holidays as defined in paragraph A of this Article. Part-time employees who averaged twenty four (24) or more hours per week in the previous anniversary year will receive six (6) hours holiday pay; Part-time employees who averaged thirty five (35) or more hours per week in the previous anniversary year will receive eight (8) hours of holiday pay for the holidays defined in paragraph A of this Article.
- E. Employees on vacation when a holiday as defined in Paragraph A of this Article is celebrated will receive an additional day's pay or an additional day of vacation.
- F. In addition to any Holiday Pay an employee might be entitled to receive, employees who work on the Fourth of July and New Year's day will be paid at time and one half for all hours worked on the holiday.

ARTICLE 10 PAID TIME OFF (PTO)

A. PTO ALLOWANCE:

- 1. 1. Full-time and part-time Employees will accrue PTO according to the chart below for all hours worked up to 40 hours per week.
- 2. The Employer will continue to award PTO overtime hours under the existing practice.
- 3. New employees will begin accruing PTO immediately but will not have any PTO granted for use until completing 90 days of service AND employees who end employment with less than one (1) year of service will not have any PTO time paid out.
- 4. PTO hours may be used under the same terms and conditions as the St. Paul Earned Sick and Safe Time Ordinance (ESST).

PTO Accrual Chart:

| Years of service | Annual PTO | Weekly Rate |
|---------------------------------|------------|-------------------------|
| between 0-1st anniversary | 1 week | 0.02308 per hour worked |
| between 1st - 7th anniversary | 2 weeks | 0.03846 per hour worked |
| between 7th - 15th anniversary | 3 weeks | 0.05769 per hour worked |
| between 15th - 19th anniversary | 4 weeks | 0.07692 per hour worked |
| beginning 19th anniversary | 5 weeks | 0.09615 per hour worked |

B. SCHEDULING PTO:

- 1. Employees shall have their choice of PTO according to seniority in each department, but will have only one first choice.
- 2. Employees must take PTO. Hours earned in a particular year are not accruable into the next year with the exception of the carryover hour limits set forth in the City of St. Paul's Earned Sick and Safe Time Ordinance.
- 3. PTO may be taken year around, but only with mutual agreement between the Employer and the employee for holiday weeks.
- 4. Employer will post the PTO schedule January 15th February 28th for employees to post and date requests. The Employer shall award PTO requests and the PTO Schedule shall be reposted by March 15th and remain posted throughout the year. A minimum of one employee per department will be allowed to go per week.
- 5. After the initial awarding of PTO, requests will be granted on a 1st come basis. This granting will be automatic for the first request per department. The Employer

- will, within five (5) days of the request, confirm the employee's request on the posted PTO schedule.
- 6. All regular employees may take their PTO by individual days, up to one (1) week (5 days) per year. The employer may allow employees to take an additional week as individual days based on the needs of the employee and subject to management approval. Such request should be made in writing and will not be arbitrarily denied.

C. PTO PAY:

- 1. PTO pay shall be based on the Employee's current rate of pay at the time PTO is taken. The Employer's method must be consistent for all employees from year to year. All vacation pay will be paid at straight time rates.
- 2. Unless terminated for theft of any kind and for any amount, an employee who has completed one year of service and who has accrued PTO hours in their PTO bank will receive payment for those PTO hours at their rate of pay at the time of their termination from employment.

ARTICLE 11 LEAVES OF ABSENCE

A. PERSONAL LEAVE:

- 1. An employee may apply for a non-medical leave of absence. Application for leave does not guarantee that management will grant that request. The Employer will use reasonable and fair judgment in its decision to grant or deny leaves. The Employer may require proof of need when making this decision.
- 2. Employee requests for leaves and/or extensions must be in writing. Employer's response to such requests must be in writing with a copy to designated Union representative and employee.
- 3. The employee shall advise their supervisor of their intent to return to work a minimum of two (2) scheduled work weeks prior to their anticipated return.
- 4. Failure to return from a personal leave of absence shall be considered as a voluntary quit.
- 5. Employees on leave of absence shall not be eligible for any benefits during such leaves.
- 6. The Employee will be reinstated without loss of seniority.

B. MEDICAL LEAVE OF ABSENCE:

1. After one (1) year of employment, if it is determined by a licensed medical

- practitioner that an employee as a result of illness, injury, accident or pregnancy is physically unable to perform their normal duties, they will be granted a leave of absence for up to one (1) year.
- 2. The leave will commence when it is determined the employee physically is unable to perform their normal duties and shall end when the employee is determined physically able to perform their normal duties.
- 3. The employee must be able to pass a physical examination if requested by the Employer before they return to work. In the case of a request by the Employer, the exam shall be scheduled, at the employee's convenience, and paid for by the Employer.
- 4. The employee shall advise their supervisor of their intent to return to work a minimum of one (1) scheduled work week prior to their anticipated return.
- 5. Failure to return from a medical leave of absence shall be considered a voluntary quit.
- 6. Employees to be eligible for medical leave of absence must have completed their probationary period.
- 7. Employees who are absent for illness or injury compensable under Workman's Compensation shall be granted a leave for a period of up to one (1) year.
- 8. Employees will be required to provide Employer with timely medical reports as required.
- C. <u>JURY DUTY</u>: The Employer shall grant to full-time employees, who are required to serve on a petit jury, the difference between the employee's regular straight-time weekly earnings not to exceed forty (40) times the employee's straight time hourly rate of pay, and any jury fee paid to the employee. The employee shall notify the Employer, upon receipt of jury service notice, as soon as possible. Time spent on jury duty shall be considered as time worked for all purposes of this Agreement. When an employee is released for a day, or part of a day, during any period of jury service, they are to report for work.

D. BEREAVEMENT LEAVE:

1. After completing the probationary period all employees shall be entitled to a maximum of three (3) days paid leave when it is necessary to be absent on scheduled work days to grieve, arrange for, travel to, or attend the funeral of an immediate family member. Immediate family member is defined as the employee's spouse, parents, step-parents, grandchildren, brothers, sisters, mother-in-law, father-in-law or grandparents. In the event of the death of a spouse, domestic partner or children (child, step-child, adopted child, foster

- child and legal guardian's child), the employee shall be entitled to a maximum of four (4) days bereavement leave.
- 2. Employees are responsible for limiting their time away from work to those days that are reasonably required for the particular circumstance.
- 3. One (1) day leave of absence with pay in the event of death of brother-in-law, sister-in-law, or any other relative living in the employee's home at time of death.
- 4. Domestic Partner shall be defined to mean a person who: 1) is in a committed and mutually exclusive relationship, jointly responsible for the other domestic partner's welfare and financial obligations; 2) resides with the domestic partner in the same principle residence and intends to do so permanently; 3) is at least eighteen (18) years of age and unmarried; 4) is not a blood relative of the other domestic partner; and 5) has been in a relationship for six (6) continuous months prior to the date on which the person seeks benefits under this Section.
- 5. Funeral leave pay will only be granted for time actually lost on scheduled work days.
- 6. Pay will be calculated on wages at the time of leave and average hours worked.

E. <u>EMERGENCY WEATHER SCHOOL/DAYCARE CLOSINGS LEAVE</u>

Employees who miss work due to child care responsibilities because of Emergency and/or Weather situations that cause schools and/or daycare facilities to close will not have such absences counted against them for the purposes of the attendance policy provided the employee provides the Employer with proof of such closure.

F. VETERAN'S RE-EMPLOYMENT:

The Employer agrees to comply with the provisions of the Military Selective Service Act of 1967, and all amendments thereto.

ARTICLE 12 UNION BUSINESS

A. An authorized business agent or other designated representative of the Union shall be permitted to enter a facility covered by this Collective Bargaining Agreement during working hours to attend to the business of the Union, with the right to examine pay checks and time cards of its members providing that such representatives do not interfere with the Company's business or operation. The Union business agent must contact the individual in charge of the facility immediately upon entering the premises.

B. The Union shall have the right to have a bulletin board on the working premises of

each Employer and post official notices of the Union thereon.

- C. The Employer shall not discriminate against a shop steward or any other member of the Union for any Union activity.
- D. <u>Orientation</u>: The Employer will allow a representative of the Union or a steward, who is on duty, Ten (10) minutes of paid time with new employees during the Employer's scheduled orientation to reinforce the company paid employee benefits provided through the collective bargaining agreement (CBA) with the Union, and to review other CBA and Union matters.

ARTICLE 13 MISCELLANEOUS

- A. <u>WEEKLY PAY</u>: Employees shall be paid weekly or bi-weekly according to company policy.
- B. <u>BREAKAGE</u>: No employee shall be charged for breakage, material damage or products damaged unless caused by willful misconduct.
- C. <u>DRUG TESTING</u>: The Employer shall have the right to require employees to submit to drug testing, at random or otherwise. Any employee refusing to submit to drug testing may, at the discretion of the employer and in accordance with a written policy on drug testing, be discharged or otherwise disciplined by the Employer. Drug testing will be done in accordance with state and federal statutes.
- D. <u>PAYROLL DEDUCTIONS</u>: The Employer shall not be allowed to deduct anything from pay checks except deductions required by law unless authorized in writing by the employee.
- E. <u>REASONABLE DAY'S WORK</u>: The Employer agrees to carry on its operations without demanding or requiring more than a day's work from any member of the Union.

ARTICLE 14 INJURY ON THE JOB

Where an employee is injured on the job and such accident is compensable under Workers' Compensation, said employee shall be entitled to full pay not to exceed eight (8) hours at his/her regular straight-time hourly rate for a period not to exceed three (3) days. If Workers' Compensation provides compensation from the first day of the injury, then the aforementioned provision will not apply. It is understood that in order to be eligible for compensation, the employee shall report, upon receipt of the injury, to his Supervisor who will refer the employee to the Employer's physician, or a physician of the employee's choice. The physician's decision with respect to the length of time required off from the job shall be the controlling factor in determining loss of time compensation.

ARTICLE 15 HEALTH AND WELFARE

A. COVERED EMPLOYEES:

- 1. The Employer agrees to pay into the United Food and Commercial Workers Union, Local 1189 and St. Paul Food Employers Health Care Plan contributions on behalf of all its fulltime employees. Such Trust Fund is jointly administered, is a part of this agreement, and is in lieu of all Employer established programs including life insurance, sickness and accident insurance, hospitalization insurance, or any other said forms of insurance now in practice.
- 2. It is agreed that in the event that net reserves (net of IBNR and all liabilities) of the Fund falls below one and one half (1.5) months as of October 1, 2019 or in a month thereafter for the life of this agreement, then the Trustees will determine the needed plan design changes required to maintain a minimum of one and one half (1.5) months net reserves (net of IBNR and all liabilities) at no additional cost for Employers. Eligible participants will be allowed to vote between either a plan reduction or participant contribution increases to maintain the plan and achieve the net reserves. Trustees will agree to implement the resulting changes.

Employer Healthcare Contributions:

| | Current | 5/7/2022 | 5/6/2023 |
|---------------------------------------|----------|----------|----------|
| <u>Full Time</u> <u>Healthcare</u> | | | |
| Employer Weekly Contribution | \$187.63 | \$206.39 | \$227.03 |
| Employer Weekly Increase | | \$18.76 | \$20.64 |
| Employee Weekly Contribution | \$20.00 | \$20.00 | \$20.00 |

Employee weekly contribution increases \$0.00

PT employees who averaged 30 hours of compensated time or more in the period from November of one year to November of the following year will be offered the employer's health plan.

- 3. No contributions shall be made by the Employer for any employees off the job for any reason other than those absent under federally mandated laws (i.e., FMLA).
- 4. The program of benefits of this full-time plan are as agreed to between the Employer and the Union trustees and will be maintained for the life of this Labor Agreement at no **additional** contribution cost to employees. Benefits may be modified by mutual agreement of the board of trustees.
- 5. The Employer is bound by the existing Trust Agreement covering the aforesaid Trust Fund and any amendments thereto.

ARTICLE 16 RETIREMENT PLAN

- A. The Employer will make the following contributions on all hours worked up to 40 hours per week into the Company 401K plan. Employees employed at the time of ratification will have contributions made on their behalf on all regular hours worked retroactive back to 5/8/2022. Part-time Employees hired after ratification will begin receiving the benefit after both completing one (1) year of service and working 1000 hours in either their first full year of employment or in any single calendar year thereafter.
- B. Employees who have completed the probationary period will have the option to contribute to this 401K retirement plan or have the option to offer a Roth Plan subject to the conditions and requirements of this plan.

| 401K Contributions | Current | 5/8/2022 | 5/7/2023 |
|-----------------------|---------|--------------|--------------|
| Full-Time | \$0.55 | \$1.30/hour | \$1.80/hour |
| (Increase) | | +\$0.75/hour | +\$0.50/hour |
| Part-Time | \$0.00 | \$0.50/hour | \$0.85/hour |
| (Increase) | | +\$0.50/hour | +\$0.35/hour |

ARTICLE 17 GRIEVANCE AND ARBITRATION PROCEDURE

- A. Should any difference, disputes or complaints arise over the interpretation or application of the contents of this Agreement, there shall be an earnest effort on the part of both parties, to settle such promptly through the following Steps:
 - STEP I By conference between the aggrieved employee, the Shop Steward, or both and the Supervisor, within five (5) working days of the occurrence of the grievance.
 - STEP II By conference between the Business Representative of the Union, and Management within ten (10) working days of the occurrence of the grievance.
 - STEP III In the event that STEP I and II do not resolve the dispute, the parties agree that they will seek the assistance of State or Federal Mediation Services available before STEP IV is implemented.
 - STEP IV A. If the grievance is not resolved in STEP I, II, or Ill, either party may refer the matter to arbitration. Any demand for arbitration shall be in writing and must be received by the other party within five (5) calendar days following the STEP III meeting. The Employer and the Union shall attempt to agree on a

neutral arbitrator who shall hear and determine the dispute. If no agreement is reached, the arbitrator shall be selected from a list of five (5) neutral arbitrators to be submitted to the parties by the Federal Mediation and Conciliation Service. The Employer and Union shall each alternately strike one (1) name, and the order of striking shall be determined by chance. The remaining arbitrator, after each party has made two (2) strikes, shall hear and determine the dispute.

- B. The authority of the arbitrator shall be limited to making an award relating to the interpretation of or adherence to the written provisions of this Agreement, and the arbitrator shall have no authority to add to, subtract from or modify in any manner the terms and provisions of this Agreement. The award of the arbitrator shall be confined to the issues raised in the written grievance and the arbitrator shall have no power to decide any other issue.
- C. The award of the arbitrator shall be made within sixty (60) calendar days following the close of the hearing. The award of the arbitrator shall be **final** and binding upon the Employer, Union and employees involved. The fees and expenses of the neutral arbitrator shall be divided equally between the Employer and the Union.
- D. The time limitations set forth herein relating to the time for filing a grievance and the demand for arbitration shall be mandatory. Failure to follow said time limitations shall result in the grievance being permanently barred, waived and forfeited, and shall not be submitted to arbitration. The time limitations provided herein may be extended by mutual agreement of the parties.

ARTICLE 18 NON-DISCRIMINATION

The Employer and the Union agree that no employee will be discriminated against because of race, color, religion, sex, national origin, age, physical or mental handicap, veteran's status, including Vietnam era veterans or Union activity.

ARTICLE 19 MANAGEMENT RIGHTS

The management of this business and the direction of the employees including the right to plan, direct and control operations, hire, suspend or discharge, transfer, relieve, demote or promote employees, to grant merit wage or other compensation increases, the right to study or introduce new or improved production methods or facilities, the right to establish starting and quitting times, work schedules and the right to establish and maintain rules and regulations covering the operation of the business, a violation of which shall be among the causes for discipline or discharge, are vested in the Employer; provided, however, that this right shall be exercised with due regard for the rights of the employees, and provided further that it will not be used for the purpose of discrimination against any employee.

. ARTICLE 20 . LENGTH OF AGREEMENT

A. This Agreement shall be effective from May 7, 2022 through May 4, 2024 except as provided as follows:

Signed and dated this day of September, 2022

KOWALSKI'S CENTRAL BAKERY A DIVISION OF

KOWALSKI'S COMPANIES, INC.

UNITED FOOD AND COMMERCIAL WORKERS UNION LOCAL 1189

Appendix A . Wage Schedule

Effective May 5, 2019 all full-time and part-time employees that are at top rates or over scale rates will receive the over scale increase indicated below in each classification.

Classification: 1 Full-Time with benefits

Bakers/Helpers/General Duties/Cake Decorator/Pastry/Deli/Smokehouse

| \$13.00 \$13.75 \$14.50 \$15.25 \$16.00 \$16.75 \$17.50 | \$13.00 \$13.75 \$14.50 \$15.25 \$16.00 \$16.75 \$17.50 |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| \$14.50 \$15.25 \$16.00 \$16.75 | \$14.50 \$15.25 \$16.00 \$16.75 |
| \$15.25 \$16.00 \$16.75 | \$15.25 \$16.00 \$16.75 |
| \$16.00 \$16.75 | \$16.00 \$16.75 |
| \$16.75 | \$16.75 |
| | |
| \$17.50 | \$17.50 |
| ###################################### | |
| | i |
| \$18.50 | \$18.50 |
| | |
| \$19.25 | \$19.25 |
| | |
| \$20.25 | \$21.00 |
| \$1.00 | \$0.75 |
| 5/8/2022 | 5/7/2023 |
| \$21.95 | \$22.70 |
| \$21.95 | \$22.70 |
| \$1.00 | \$0.75 |
| | \$19.25 \$20.25 \$1.00 5/8/2022 \$21.95 \$21.95 |

At ratification, those individuals in the scales will moved to the next highest pay rate and will be credited with their hours towards their next increase. Those at the top and over scale will receive the top/over increase and will be paid retroactively back to 5/8/2022. \$19.12 moves to 20.25.

<u>Classification: 2 Part-Time</u> Packages/General Duties and Maintenance

| Part Time Scale | Current | 5/8/2022 | 5/7/2023 |
|------------------------------------------------------|---------|----------|----------|
| Hire-830 | \$10.00 | \$11.50 | \$11.50 |
| Next 830 | \$11.00 | \$12.25 | \$12.25 |
| Next 830 | \$11.50 | \$13.00 | \$13.00 |
| Next 830 | \$12.13 | \$13.75 | \$13.75 |
| Next 830 Only for employees hired after ratification | \$12.50 | \$14.50 | \$14.50 |
| Next 830 Only for employees hired after ratification | \$13.00 | \$15.00 | \$15.00 |
| Next 830 | \$13.75 | Go to | Go to |
| | | top rate | top rate |
| Top of Scale | \$15.00 | \$15.75 | \$16.50 |
| Overscale Increases | | \$0.75 | \$0.75 |

Individuals in the scales will be credited with all hours towards their next increase at ratification.

Appendix B Letter of Agreement

The Employer and the Union have agreed to the following:

- 1) That the Employer, in establishing a Production Deli Kitchen and a Production Pastry Operation at the Central Bakery location, will have the right to transfer the following employees, currently covered under the UFCW 1189 Kowalski's Retail Contract, to the Central Bakery Location:
 - a. Laura Fischer
 - b. Mary Emms
- 2) That all of the employees listed will be "grand mothered in" and remain covered under all terms and conditions of the UFCW 1189 Kowalski's Retail Grocery Contract and all subsequently negotiated Industry Retail Contracts and maintain all of the rights and benefits specified therein so long as they remain employed by Kowalski's Companies;
- 3) That it is understood that all subsequent employees hired into the Production Deli Kitchen or Production Pastry Operation will be covered under the Kowalski's Bakery Agreement;
- 4) That it is further understood that the employees covered under the Kowalski's Bakery agreement shall have the right to work in the Production Deli Kitchen and the Production Pastry Operation at the Central Bakery.

| For the Company: | For the Union;) |
|---------------------|----------------------------|
| Name: Mitelae Mello | Name: CHOMO |
| Title: COO | Title: SECRETARY-TREASURER |
| Date: 9/29/3022 | Date: 9-29-2022 |

Appendix C Journeyman Baker Qualifications

The ability to perform a full range of baking activities as listed below, (but not limited to this list):

- The mixing of products totally "from scratch"
- The hand forming and/or proofing of products
- Baking of all types of products (i.e. breads, buns, cakes, cookies, etc.)
- The ability to operate all pieces of equipment in order to do the above
- Base icing of cakes

Letter of Agreement Regarding Receiving

It is understood that the duties of receiving product will be shared between the Central Facility and Kowalski's Retail Store in Shoreview in order to allow for the proper receiving of product for both businesses.

SIGNED AND DATED:

Appendix D Letter of Agreement

The Employer and the Union have agreed to the following:

- 1) That the following employees will remain covered under the UFCW 1189 Kowalski's Retail Contract:
 - a. John "Jorge" Chambers
 - b. Ryan Shomback
- 2) That all of the employees listed will be "grandfathered in" and remain covered under all terms and conditions of the UFCW 1189 Kowalski's Retail Grocery Contract and all subsequently negotiated Industry Retail Contracts and maintain all of the rights and benefits specified therein so long as they remain employed by Kowalski's Companies.

| For the Company: | For the Union: |
|---------------------|----------------------------|
| Name: MA CASE Cuclo | Name: ASE CUARINO |
| Title: COO | Title: SECRETARY-TREASURER |
| Date: 9/29/2022 | Date: 9-29-2022 |