

COLLECTIVE BARGAINING AGREEMENT

BETWEEN

THE AMERICAN BOTTLING COMPANY

**d/b/a
Keurig Dr Pepper**

AND

BAKERY, CONFECTIONERY, TOBACCO WORKERS

AND GRAIN MILLERS INTERNATIONAL UNION

LOCAL # 26, AFL-CIO

JUNE 4, 2022

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ARTICLE 1 – AGREEMENT

This Agreement is made and entered into by and between The American Bottling Company, d/b/a Keurig Dr Pepper, 2840 South Zuni Street, Englewood, CO 80110 and/or its successors and assigns, hereinafter referred to as the “EMPLOYER”, and the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union, Local 26 AFL CIO, hereinafter referred to as the “UNION”.

ARTICLE 2 – RECOGNITION

The Employer recognizes the Union as the sole collective bargaining agent for all Distribution and Warehouse Employees, in the classifications set forth in Appendix A, employed by the Employer at its distribution establishment located at 2840 South Zuni Street, Englewood, Colorado and drop off points in Colorado Springs and Pueblo, Colorado, but excluding all other employees including office clerical employees, sales persons, sales marketing employees, merchandisers, guards, and supervisors as defined in the Act. (Case No. 27-RC-7888) and as certified by the State of Colorado (DOL).

ARTICLE 3 – SUPERVISORY EMPLOYEES

Supervisors and other employees excluded from the bargaining unit will not perform bargaining unit work, except in cases of emergencies or for the purpose of instruction, to the extent that it would deprive an employee of employment. When instructing or training, the supervisor must be accompanied by the driver he is instructing or training. In addition, the supervisor will not personally perform all of the work.

ARTICLE 4 – RESPONSIBILITY OF THE UNION

All employees covered by this Agreement shall be members in good standing with the Union, not later than 31 days after the execution of this Agreement. All employees hired hereafter covered under this Agreement shall as a condition of employment, become members of the Union on or before the 31st day of employment, and shall remain members of the Union in good standing during the term of this Agreement.

It is agreed that the Employer will not be asked by the Union to discharge any employee for non payment of dues, or failure to join the Union until 10 days following receipt by the Employer of written notice from the Union indicating such delinquency.

The payment of dues, and initiation fees, shall be in accordance with Article 5.

The Union agrees that it will be their responsibility to promptly notify all current employees covered by this Agreement and all employees subsequently hired which would be covered by this Agreement of their right to (a) refrain from joining the Union, (b) the right to resign from Union membership and avoid any post resignation fines or discipline, and (c) the right to stop paying full Union dues and instead pay only a reduced financial core fee.

ARTICLE 5 – MEMBERSHIP

The Company agrees to deduct from the wages of those employees covered by this Agreement, initiation fees and regular monthly Union membership dues required to be paid by the employee to his/her local Union. This Payroll deduction will be made on a bi-weekly basis and paid to the Union within 30 days. The Union will notify the Company of the amount of deduction to be made at least 7 days prior to the each pay period of each month. If an employee should contend at anytime that the Company acted wrongfully or illegally in making such calculation, the Union will defend and protect the Company from any and all liability including attorney fees. The Company will notify the Union in writing by a form provided by the Union of all new hires hired under the jurisdiction of the local Union.

ARTICLE 6 – GRIEVANCE AND ARBITRATION PROCEDURE

A grievance is a dispute or controversy arising during the life of this Agreement regarding the intent or meaning of specific provisions of this Agreement. Only the Union or an employee may file a grievance.

STEP 1: The employee, with the steward if so desired, shall first take the grievance up with his/her immediate supervisor (in writing) within ten (10) working days from the actual occurrence of the fact which gave rise to the grievance or within ten (10) working days from when the employee knew of the fact which gave rise to the grievance. The supervisor shall give his/her answer (in writing) within seven (7) working days. For purposes of this Article, a working day is defined as Monday through Friday. Failure of the employee to follow the prescribed step of the grievance process will not obligate the Company to process the grievance further and the grievance will be disallowed. Should an employee desire to present a grievance to the supervisor they must state to the supervisor (in writing) that they desire a 1st Step meeting.

STEP 2: If the employee is not satisfied with the supervisor's answer, he/she shall, within ten (10) working days from receipt of the supervisor's answer, submit his/her grievance in writing, specifying the violation, and the desired remedy, and present the grievance to the Operations Manager or his/her designated representative with a copy to the Union. Within ten (10) working days after the Employer has received the written grievance, it shall be considered at a meeting between the Business Representative, Shop Steward, Human Resources and the Operations Manager or his/her designated representative. Should the Operations Manager or his/her designated representative not set the above referred to meeting within ten (10) working days after properly being presented the grievance, the grievance will be granted.

STEP 3: If the grievance is not satisfactorily settled in Step 1 or Step 2, the Union may appeal the grievance to the Operations Manager in writing within ten (10) working days after the Step 2 meeting. Within ten (10) working days after the Branch Manager has received the written appeal, it shall be considered at a meeting between the President/Business Manager of the Local Union, Business Representative assigned to service the plant, the Human Resources Manager and the Operations Manager which meeting will be set by mutual agreement.

STEP 4: If the grievance is not satisfactorily resolved in Step 1, Step 2, or Step 3, the Union may appeal the grievance to Arbitration by presenting the Operations Manager a written notice of such an appeal within ten (10) working days after the Step 3 meeting. All final statements of position with respect to the matter in dispute must be in writing.

In the case of discharge, the discharged employee must file a written grievance within seven (7) calendar days of such discharge and such grievance will be submitted directly to the Step 2 of the grievance procedure.

Since time is of the essence, failure to comply with the time limits set forth in this Article will serve to declare the grievance as null and void or granted. However, the time limits set forth above may be extended by mutual Agreement of the parties in writing.

If the Union elects to pursue an arbitral grievance through this Article, the parties will proceed as follows:

(1) The Employer and the Union shall endeavor to select a mutually agreed upon impartial arbitrator within seven (7) calendar days of receipt of notice of the Union's intent to proceed to arbitration.

(2) If the Employer and the Union are unable to agree upon an impartial arbitrator, the Federal Mediation and Conciliation Service shall be requested to nominate seven (7) potential arbitrators. The cost of this charge by FMCS, if any, shall be divided equally between the parties.

(3) From the list of seven (7) prospective arbitrators, the Union and the Employer shall strike one (1) name until there remains only one (1) name on the list, the Union striking first. The person whose name remains shall become the sole arbitrator of the grievance.

Pending the settlement by arbitration of any dispute or controversy which may arise hereunder, there shall be no lockout or strike or picketing.

The arbitrator shall have all the rights, power and duties herein given, granted and imposed upon him/her, but his/her award shall not change, alter or modify any of the terms and conditions set forth in this Agreement. The parties specifically agree that the hearing shall be conducted in accordance with the recognized, formal arbitration practices and procedures. The parties also agree that the post hearing brief shall be written and submitted to the arbitrator in all discharge and contract interpretation cases unless otherwise mutually agreed to by the parties. In those cases where the grievance is sustained, the Employer will pay the arbitration expenses. In those cases where the grievance is denied, the Union will pay the arbitration expenses. If the grievance is denied in part and sustained in part, the parties will share the expenses equally. The arbitrator will issue a decision within thirty (30) calendar days after the close of the proceedings. This thirty (30) calendar day time limit may be extended by mutual agreement between both parties. The decision of the arbitrator upon any matter subject to arbitration as herein provided shall be final and binding upon all parties of this Agreement, provided that the arbitrator shall have no authority to add to, detract from or in any way alter the provisions of this Agreement. It is

specifically agreed that the provisions of this Agreement providing for no strike or lockout and the interpretation or application of such provisions shall not be subject to arbitration.

ARTICLE 7 – SENIORITY

All full-time employees shall be on a probationary period for the first ninety (90) calendar days of his/her employment in a bargaining unit classification. The Company and the Union may mutually agree to extend the probationary period. Probationary employees may be disciplined and discharged for any reason and shall not have recourse to the grievance and arbitration procedures of this Agreement.

Seniority shall be defined as length of continuous service based on the employee's date of hire within the Bargaining Unit. When two or more employees' date of hire in the Bargaining Unit is the same, the tiebreaker will be alphabetical order (legal last name). The principal of seniority shall apply in matters affecting layoffs, rehiring, job preference, shift changes, and job vacancies within the Divisions (i.e. Warehouse and Distribution). Where a Layoff situation exists, affected employees will have priority consideration for any open hourly and/or daily rate/commissioned positions within the Bargaining Unit as long as the employee meets the minimum qualifications and is able to perform the essential functions of the position. Recall from a layoff will be in reverse order of seniority.

Seniority will terminate for the following reasons:

- a) Voluntarily quitting
- b) Discharge
- c) Failing to return to work after a leave of absence
- d) Failure to return upon recall within five (5) days after date of receipt of a recall notice.
- e) Absence from work for any reason for eighteen (18) consecutive months, until the employee reaches Maximum Medical Improvement ("MMI"), or length of seniority, whichever is less. Employees on a transitional duty assignment shall not be considered to have returned to work for purposes of this subsection (e).

When a job opening occurs, the job will be posted for five (5) working days. The most senior employee within the division will be awarded the job as long as the employee meets the minimum required qualifications, is able to perform the essential functions of the position, has not incurred any preventable accidents or injuries in the past six (6) months, and are not on a written warning or greater for attendance. If no one within the division bids on said job, the Company may award the vacancy to a current employee outside of the division/department who is qualified or hire to fill the position.

The Employer agrees to train any employee who wins a job bid during a qualification period. This period will be thirty (30) days but may be extended by mutual agreement for an additional thirty (30) days. If an employee fails to meet position standards and expectations for quality and quantity, he/she will have priority consideration back to the job title held at the time of the transfer and the position will be reposted.

When a reduction in force occurs, it will be done in the reverse order of seniority within the division as long as the employee meets the minimum qualifications and is able to perform the essential functions of the position. The Company will make every effort to recall any employee back from the layoff in seniority order by the most senior first if the recall occurs within (ninety) 90 days of the reduction in force.

If an employee accepts a promotion into management and within 90 days decides to transfer back to their previously held position, he/she will have priority consideration when an opening exists without a break in seniority.

ARTICLE 8 – SHOP STEWARD

The Union will appoint shop stewards. The Operations Manager shall be advised of the identity of said stewards and in order that there shall be no misunderstanding of the duties and function of the stewards, this shall be discussed with the Business Representative of the Union, Operations Manager, and the Stewards prior to the employee acting as a steward.

When an employee requests a shop steward for an interview where discipline is being considered, the following procedures will apply:

- (1) When the shop steward arrives, the supervisor must inform the steward of the subject matter of the interview, i.e., the type of misconduct for which discipline is being considered.
- (2) The steward must be allowed to take the employee aside for a private pre-interview conference before questioning begins.
- (3) When questioning ends, the steward can provide additional information to the supervisor.

A reasonable amount of time will be extended to the steward and the employee to privately discuss these issues. The Company when needed will provide an interpreter. An employee has the right to have his/her choice of shop steward, if on the premises at the time, when dealing with disputes.

Shop Steward Education

The Company will provide on request by the Union one (1) eight-hour paid day at the straight-time rate per year for two (2) Shop Stewards to attend a Union Education Conference. The Company must be notified in writing fifteen (15) days in advance of the Conference. The Company shall not unreasonably deny Shop Stewards time off to attend said Education Conferences.

ARTICLE 9 – WORKWEEK AND OVERTIME

The workweek is defined as beginning on Monday and ending on Sunday. All regular full-time employees shall be subject to the following conditions:

In the event of unanticipated/special deliveries, the first driver returning from route will be required to run the delivery regardless of seniority unless prior arrangements have been communicated to and approved by the Distribution Supervisor. If more than one qualified driver is available to make the delivery, the Company will offer it to the most senior employee who is available. If the most senior employee available declines the assignment, the Company reserves the right to force the least senior employee.

When overtime on an unscheduled day is necessary, the Employer will offer it by seniority to the most senior employee who signs the weekly overtime list. If the Company cannot fill any overtime assignment, they can force the least senior employees.

(1) Should an employee show up for work on time and the Employer sends him/her home due to lack of work, they will receive no less than four (4) hours of pay for the day. This Article shall not apply if the work is not available due to a cause beyond the control of the Employer such as an Act of God, provided the Employer makes every reasonable attempt to notify the employee not to come to work because of an Act of God. The Employer will attempt to speak directly to the employee by calling him at his phone number on file, but if the employee does not answer, the Employer may leave a voicemail message.

(2) All employees covered under this Agreement will be granted a ten (10) minute rest period approximately in the middle of each four (4) hour work period. In addition, warehouse employees will be required to take a 30 minute non-paid meal period if the employee works more than 5 hours, and an additional 30 minute non-paid meal period if the employee works more than 12 hours. Drivers will be permitted to, but shall not be required to take, an unpaid meal period(s), unless mandated by applicable DOT regulations or state law.

(3) This Article shall not apply to part-time employees.

(4) All regular full-time hourly paid employees scheduled to work a five (5) day workweek shall be paid at the rate of time and one-half (1-1/2) the employees classified hourly rate of pay for all hours actually worked in excess of forty (40) hours in a workweek.

(5) Any work performed on Sunday shall be paid at two (2) times hourly rate, or at twice the benefit pay rate, where applicable.

All daily-based plus commissioned employees shall be paid variable rate overtime for all hours worked in excess of 40 hours in a workweek.

Saturday overtime work will be posted for voluntary sign-up by no later than 9:00 a.m. on the Wednesday of the week in which the work may be performed. Voluntary sign-up will close the next day, Thursday, at 2:00 p.m. All Saturday overtime work will be awarded on a seniority basis. If there are not enough volunteers, Saturday overtime work will be assigned to the volunteers and to other needed employees in reverse-seniority order by 8 a.m. on Friday morning for the warehouse classification and 4:00pm on Thursday afternoon for the driver classification. The posting of a voluntary sign-up list for Saturday overtime work is not a guarantee that any such work will be available.

The Company reserves the right to require employees to work the Saturday prior to the Holidays listed in Article 12 of this Agreement.

Four Day – Ten Hour Workweek Option

The Employer may establish a straight-time workweek of four (4) ten (10) hour days.

There will be a minimum of forty-eight (48) hours notification for overtime assignments for employees working a four day-ten hour workweek option. If there are not sufficient enough employees to work the assignment, the employees will be selected in inverse seniority order.

ARTICLE 10 – NO STRIKE – NO LOCKOUT

During the term of this Agreement, the Union agrees that there will be no strike, sympathy strike, walkout, slowdown, work stoppage, picketing or any other activity by the Union which interferes with plant operations or the handling, sale or delivery of products from The American Bottling Company, d/b/a Keurig Dr Pepper and/or any of its parents, affiliates, and/or subsidiaries. It shall not be a violation of this Agreement for the employees covered hereunder to refuse to cross a picket line established at another employer's place of business, provided the picket has been officially established or recognized as a legal authorized strike by the Union. The Company may discharge or discipline any employee who violates any provision of this Article and such action shall be subject to review under the grievance procedure, but only upon the question of whether the employee participated in such prohibited activity. During the term of this Agreement, the Company agrees that it will not lock out any of its employees. It is understood that the closing of all or a part of the plant for economic reasons is not a lockout.

Damages or Other Remedies. In addition to any other remedy set forth in the “No Strike or Lockouts” section of this Agreement, the Company, without submitting the issue of damages to arbitration, may institute, in any court of competent jurisdiction, an action against the Union for damages suffered by the Company as a result of a violation of the “No Strike or Lockouts” section of this Agreement. The remedies set forth in the “No Strike or Lockouts” section are not exclusive, and the Company may pursue whatever other remedies are available to it at law or equity.

The Union has the same rights as the Company as described above.

The Company acknowledges the importance of a safe work environment for all employees. Please refer to Article 20 – Safety.

ARTICLE 11 – VACATION

Regular full-time employees are eligible for paid vacation as follows:

LENGTH OF SERVICE WITH THE COMPANY VACATION AVAILABLE

After: 1 Year	1 Week
2 Years	2 Weeks
7 Years	3 Weeks
15 Years	4 Weeks

Employees earn their vacation time on an anniversary year basis, but vacation will be scheduled and taken on a calendar year basis.

Employees eligible for 1 week of vacation will earn 3.33 hours for each complete month worked; those eligible for 2 weeks of vacation will earn 6.66 hours for each complete month worked; those eligible for 3 weeks will earn 10 hours for each complete month worked; and those eligible for 4 weeks will earn 13.33 hours for each complete month worked. Vacation does not accrue while an employee is on a leave of absence longer than 30 days.

Even though not yet earned or accrued, the full vacation time that an employee will be expected to earn in a given year based on his years of service and anniversary date will be advanced and available January 1 of that year.

Employees who have completed their probationary period, but who have not yet been continuously employed for one (1) year, shall be granted pro rata vacation as follows:

After completion of the probationary period, 4.44 hours per fully completed month of service. Employees hired on or before the 15th of the month may use that month in the proration calculation.

Hourly employees will be paid eight (8) times their hourly pay for each day of vacation. If working a regular four (4) day ten (10) hour shift, employees receive ten (10) hours of pay for each day of vacation. Base-plus-commission paid employees shall receive 1/52nd of the employee's prior year's W-2 earnings minus the value of any contest, prizes, bonuses, awards, or other incentives.

Employees may not receive vacation pay in lieu of time off.

Upon termination of employment, employees will be paid for earned but unused vacation. A maximum of 5 approved days carry-over vacation may be included in the payment if the carry over time was previously approved in writing by the Branch Manager.

Vacation Selection Process

The vacation period shall be twelve (12) months in length administered on a calendar year basis. All vacation must be taken on or before December 31 of the calendar year in which the vacation was earned. One week (5 consecutive days) of Carry-Over Vacation time will be granted only with the approval of the Branch Manager and must be done in writing within 45 days of the vacation time expiring. Any Carry-Over Vacation time granted by the Branch Manager must be scheduled and taken within 90 days of the approval.

Vacations shall be selected on a seniority basis, determined by the Date of Hire into a Union position.

Employees are expected to schedule all of their requested vacation time during the selection process. All unscheduled vacation time is subject to availability and needs of the business. The vacation selection process shall begin on November 15 and be completed no later than December 15 for the following calendar year. Management will post the completed vacation schedule by January 1. The vacation schedule shall be posted or accessible at all times to employees. The Company will make adequate time off available during the calendar year so that all employees in the workgroup may schedule their vacation time during the calendar year.

Vacation Guidelines:

- During the first round of the vacation selection process, full weeks of vacation shall have priority over single vacation days. Employees shall be allowed to select up to two (2) full week vacations (5 or 10 consecutive day period as defined in Article 9 Workweek) during the first round. The second round of the vacation selection process will be used to schedule any remaining full weeks (5 consecutive days) or single vacation day requests.
- No more than one employee per workgroup will be allowed to take full vacation week (5 consecutive days – as defined in Article 9 Workweek) off at one time.
- One additional employee may be granted a single vacation day while another employee is taking a week of vacation, based on the needs of the business.
- One employee per workgroup will be allowed to schedule vacation during the following restrictive periods. The restrictive periods shall be defined as seven (7) calendar days around Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas and New Year's. The Employer will notify the Union and employees of the restrictive periods it has selected before employees are required to select and schedule their vacation. During the restrictive period single day requests will not be granted if another employee in the workgroup is scheduled off the entire week (5 consecutive days as defined in Article 9 Workweek). Single day requests need not be granted during the restrictive periods.
- When an employee is taking a vacation or floating day either on Friday or Monday of the same weekend, the employee will not be forced to work the weekend after the Friday or before the Monday.

During the vacation selection process, full weeks of vacation have priority over single day vacations. An employee cannot be forced to work the 2 days before and 2 days after his scheduled full week vacation. Any employee who has earned two (2) or more weeks of vacation time may elect to take one (1) week of vacation in single day increments providing that a request to do so is in writing, submitted no less than one (1) week in advance and is mutually agreed upon between the employee and the direct supervisor. The request will be granted or denied in writing within 48 hours of receipt of request. Failure to give consent shall not be subject to the grievance procedure; however the employee may take the matter up immediately with the Branch Manager. Vacation time not scheduled during the selection process shall be granted based on the earliest request in writing, subject to the needs of the business.

A previous vacation bid or selection can be changed via a written request by the employee at any time after the selection process with the consent of the supervisor.

Both the employee and the Company will be responsible for tracking vacation time. If vacation time taken by an employee exceeds the amount of vacation time that the employee is eligible for, overpayment for excess time shall be recovered by the Company, including by payroll deduction from the employee's final paycheck.

ARTICLE 12 – HOLIDAY

All employees who are regular full-time employees will receive eight (8) hours. Employees normally scheduled to work four (4) ten (10) – hours days will receive ten (10) hours of holiday pay if they are scheduled to work three (3) days during the holiday week, or eight (8) hours of holiday pay if they are scheduled to work four (4) days during the holiday week, or if working four (4) ten (10) hour days, ten (10) hours of compensation at their straight-time hourly rate of pay if no work is performed on the following holidays, and they were scheduled to work the day the holiday is observed.

Daily Rate/Commissioned Sideload Drivers will be paid a Benefit Pay Rate (BPR) calculated on prior year W2 earnings for each Holiday (see Appendix A – Miscellaneous). Should a driver work the holiday, in addition to the holiday pay he/she shall be paid the same effective daily rate for working the holiday.

The following are the approved holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day
- (2) Floating Holiday

An employee must give at least forty-eight (48) hours' advance written notice of a request for his floating holiday. If the employee does not take his Floating Holiday, it will be paid out in the paycheck covering the first full payroll period following January 1 and provided the employee is still actively employed at time of payout.

An employee shall receive pay for the above named holidays under the following conditions:

(1) The employee must work the scheduled day before and the scheduled day after, to receive pay for the holiday, unless they are off due to a previously scheduled vacation. And, if scheduled to work the holiday, the employee must work the holiday as well.

- (2) If an employee works on any of the above-mentioned holidays he/she shall receive, in addition to the holiday pay as set forth above, pay for all hours actually worked on the holiday.
- (3) Any holiday which falls on Saturday or Sunday will be celebrated on Monday.

ARTICLE 13 – SICK LEAVE

Section 1 – Covered employees under this agreement will be provided six (6) paid days sick leave on January 1st for use during the calendar year. Employees may use sick days for use as outlined within the Colorado Statutory requirement. New employees will accrue sick leave at a rate of one (1) hour of paid sick leave for every thirty (30) hour worked, up to a maximum of forty-eight (48) hours in their first year of employment.

Sick days will be paid at eight (8) hours for scheduled eight (8) hour shifts, or ten (10) hours for scheduled ten (10) hour shifts, at the applicable hourly rate or the Benefit Pay Rate (BPR) for Daily rate Sideload drivers. Unused sick days at the end of each calendar year may carry over up to forty-eight (48) hours of unused leave. Employees may not use more than forty-eight (48) hours of sick leave in any calendar year, unless otherwise outlined within Article 13 as a provision. The employee can elect to be paid out in the paycheck covering the first full payroll period following January 1 and provided the employee is still actively employed at time of payout. The employee must notify operations manager in writing by December 1st before the end of each year of the payout option.

Current employees who have accrued more than six (6) sick days under any prior sick leave program may use their earned time to supplement their pay for non-occupational illness or injury greater than 7 days until they have used the time in their current bank. They will not be entitled to any further accumulation until such time as their sick days drop below six (6) days and they are on the above annual system for sick days.

A current listing of these employees with their number of sick days will be provided ~~to the Union~~ and will be provided to each member upon his/her reasonable request to the Human Resources Office. Upon termination of employment no payment will be made for any accumulated sick days.

Section 2 – When an employee has worked less than one quarter (1/4) of his/her regular day and goes home due to illness this will count as his/her first (1st) day of illness absence.

Section 3 – The Company may require a doctor's certificate of illness for illnesses lasting longer than three (3) days.

Section 4 – In the event of injury on the job, the Company agrees to pay employees their accumulated sick leave up to the time they are eligible for Workmen's Compensation, it being understood that an employee is not to receive sick leave pay from the Company and Workmen's Compensation for the same period of illness or injury.

Section 5 – The Company (KDP) will comply with all required temporary or permanent leave requirements as dictated by the State of Colorado. Should the State regulation differ than the policy as written within this agreement, the regulation will govern.

ARTICLE 14 – BEAREVEMENT LEAVE

Upon request, an employee who has passed his probation period, if covered by this Agreement, shall be granted the necessary time off with pay at his/her regular straight-time rate of pay in order to make arrangement for and/or attend a funeral occasioned by a death in his/her immediate family. Such time off with pay shall in no event exceed three (3) regularly scheduled working days. The immediate family is defined as the employee’s father, mother, step-parents, grandparents, spouse, children, stepchildren, grandchildren, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, brother or sister. Payments shall not be made hereunder where the relative’s death occurs while the employee is on vacation, on a leave of absence or workers compensation leave of absence. Compensation for bereavement pay will be either eight (8) or ten (10) hours, determined by the employee’s normally scheduled hourly shift or daily pay for those drivers who receive a daily rate. Additional leave may be granted without pay in the form of a leave of absence when necessary at management’s discretion. Vacation days may be used for bereavement leave if approved by the Company.

ARTICLE 15 – JURY DUTY LEAVE

When an regular fulltime employee who has completed his/her probationary period is called for jury service or is required to appear in a proceeding in court as a witness (not as a party), he/she shall be compensated eight (8) or ten (10) hours, (depending upon schedule worked) for time lost from his/her job at his/her regular hourly rate, not to exceed 40 hours per week, or daily rate. The Employer’s obligation to pay for jury duty shall be limited to a maximum of twenty-five (25) working days. The employee shall give reasonable advance notice to the Employer of his/her intended absence.

Employees shall not be expected to report to work on any such day. Employees will not be required to serve on jury duty and perform work for more than five (5) days in a work week at a straight-time hourly rate of pay.

When the Employer requests an employee to appear in court, he/she shall be compensated at his/her regular straight-time hourly rate of pay for such time.

ARTICLE 16 – LEAVES OF ABSENCE

The Company agrees that it is subject to and will comply with all requirements of the Family and Medical Leave Act now in existence or as may be amended or changed.

The Company may grant other leave of absence as it may determine, at its sole discretion, for periods of up to thirty (30) days, which periods may be extended at the discretion of the Company.

All such leaves shall be without pay. Continuation of benefits shall be offered in accordance with the Employer's COBRA guidelines.

MILITARY LEAVE

A leave of absence without pay will be granted to any employee who enters any branch of the United States armed services, in accordance with applicable law. Any employee who is a member of a reserve component of the armed forces will be placed on unpaid leave for his/her annual two-week training duty. Benefit programs will be unaffected by the leave, and the employee may elect to use any vacation entitlement for the absence. Training leaves will not normally exceed two weeks per year, plus reasonable travel time. (pay what the law allows)

REQUEST FOR LEAVE OF ABSENCE

For leaves of absences that may be covered by FMLA, employees must notify the Employer's leave administrator (currently UNUM), and provide requested supporting documentation. Appropriate medical supporting documentation must be provided in connection with the absence to substantiate the duration of the leave.

All other leaves of absence must be requested in writing to the Operations Manager unless the employee is physically disabled to the extent that such advance request is not possible and shall state: (1) the reason, (2) date leave is to begin, and (3) expected date of return to work. Leaves of absence if approved shall be granted in writing in advance and a copy shall be given to the employee.

RETURNING FROM LEAVE OF ABSENCE

The employee must be qualified to resume his/her regular duties upon return to work from an approved Leave of Absence. A doctor's certificate verifying that the employee is able to resume his/her normal duties may be required. The employee shall be returned to the job previously held, or to a job comparable with regard to rate of pay, no later than on the first (1st) weekly schedule, provided the notice of intent to return to work is received prior to 9:00 a.m. on Wednesday of the week preceding the next available schedule.

ARTICLE 17 – UNION REPRESENTATIVE VISITATION

The business representative or other duty authorized representative of the Union, who desires to visit the premises of the Employer, for the sole limited purpose of adjusting disputes and ascertaining that this Agreement is being adhered to, provided no interruption of the Company's working schedule, business or employees scheduled duties, shall before entering said premises, advise management of said branch of his/her intention. Union representatives shall

adhere to the Company's security and safety standards which are required by any other visitor on Company property.

ARTICLE 18 – JOB CLASSIFICATION AND WAGES

The rates of pay, their effective dates, and the job classifications shall be as set forth in Appendix "B".

Employees who are scheduled to begin work at 3 p.m. or later shall receive a \$0.20 per hour night shift differential for each straight-time hour worked after 3 p.m. This night shift differential shall be included in the employee's regular rate of pay for purposes of calculating the overtime rate of pay.

ARTICLE 19 – PROVISIONAL EMPLOYEES

The Company may use Provisional Employees. The Employer agrees not to hire more than eight (8) Provisional Employees. However, by mutual Agreement this number can be increased. Provisional employees will be governed under all the terms and conditions of this contract except that they will not receive insurance, vacation, or paid sick day benefits. Provisional employees will receive the pay rate of the job classification for which employed for the duration of their employment and may be assigned to any job classification as long as such assignment does not displace, either on a temporary basis or permanent basis, any regular employee. Should full time employment be offered to a Provisional employee, such employee's seniority will not commence until the first day of their full-time employment.

ARTICLE 20 – SAFETY

The Employer will maintain vehicles and equipment in safe operating condition. The employees and the Union will cooperate to this end by reporting any mechanical defects, in writing, on a suitable form to be provided by the Company. No employee will be required to drive or operate any vehicle or equipment that is not in safe operating condition as prescribed by law. The bulk drivers will be trained on equipment similar to equipment used at most stores and will service the stores in accordance to the store's needs when they unload the product. All Distribution employees (drivers) and Warehouse employees will be cross trained on all pieces of equipment.

The Company, the Union and the employees acknowledge the importance of a safe work environment for all employees. Should a situation arise that one of our employees feels that their safety is in jeopardy, the employee will contact their supervisor and/or another manager to report the situation. The supervisor and/or manager will review the situation with the employee and will make a decision to ensure the employee's safety.

ARTICLE 21 – SAVING CLAUSE

This Agreement, including all of its provisions, will be subject to and not operate in contravention of any Federal or State law or laws. The provisions of this Agreement are

severable and the legal availability of any provision or provisions will not affect or invalidate other provisions.

ARTICLE 22 – MANAGEMENT RIGHTS

The management of the business and the directions of the working forces, including the right to hire, promote, discharge and discipline, the right to maintain order and efficiency, the right to extend, maintain, curtail or terminate the operations of the Employer, the right to determine the type and amount of equipment to be used and the type and amount of work to be performed under this Agreement, the right to contract out work when deemed necessary, the right to assign work, including the right to introduce new and improved methods or facilities and to determine the number and starting times of shifts and the number of persons to be employed by the Employer, the right to communicate and enforce rules and regulations not inconsistent with this Agreement, and the right to determine the products to be distributed or service to be rendered, are the exclusive right of the Employer and shall not be subject to the grievance and arbitration procedure. Any rights, powers and authority the Company had prior to entering into this Agreement are retained by the Company except as modified by the Agreement. The Union, however, retains the right to grieve the Employer's exercise of such rights as allegedly violating this Agreement in accordance with Article 6.

ARTICLE 23 – SCHEDULE POSTING

The schedule for the workweek for each employee will be posted no later than 12:00 noon, Thursday of the preceding week, except in cases of emergencies, illness, accident, absence of other employees, breakdowns, order changes, or Acts of God.

ARTICLE 24 – UNIFORMS

The Company will pay for the cost of uniforms for all employees, should employees be required to wear uniforms. The cost of purchases and maintenance or leasing of such uniforms will be paid by the Company and the employee is responsible for the cleaning of such uniforms. Employer-provided equipment, such as handhelds, phones and Voice Pick headsets, are and shall remain the sole property of the Company, and the cost of repairing or replacing such equipment shall be borne by the Company. However, an employee may be subject to discipline for loss of or damage to such equipment.

ARTICLE 25 – SEVERANCE AND/OR PLANT CLOSURE

If the Company determines, in its sole discretion, to cease doing business at the location(s) covered by this Agreement or to phase out portions of its business, it shall give the Union forty-five (45) days advance notice of such total or partial cessation or removal of function(s) performed under this Agreement. Vacation shall be prorated and paid to employees as of the last date of employment. As to employees affected by the closure or removal, the Company shall negotiate with the Union all matters involving the impact of the decision on employees,

including, but not limited to, whether severances will be paid to affected employees and the amounts thereof.

ARTICLE 26 – PAYDAY

Payday will be on a biweekly basis no later than every other Friday.

The Employer shall provide a means of recording work time that complies with applicable Wage and Hour Regulations, which, at the Company’s discretion, may include electronic timekeeping on a device issued by the Company or on a Company-maintained time clock. Each employee shall accurately record and/or attest to his or her time in accordance with Company policies and procedures. Employees on direct deposit will have access to electronic pay slips.

Employees bear the responsibility of keeping the Employer informed about their address, and any changes to their address, and must complete any address changes on the Employer’s designated system.

ARTICLE 27 – HEALTH INSURANCE

HEALTH & WELFARE PLANS

Effective January 1, 2023, eligible employees (and eligible dependents) will be allowed to enroll in the Company's Health & Welfare Plans and participate in the Plans subject to its terms and conditions, as it may be amended from time to time. The actual text of the Plan and Insurance Contract (including amendments) shall control in all instances.

New, full-time employees are eligible to participate immediately upon hire.

The cost of the medical and dental coverage will be shared between the Company and Employees as set forth below (amounts stated are weekly premium contributions paid by employees):

Weekly Rates	Medical KDP Core Medical Plan	Dental Core Plan Delta Dental NE	Vision Core Plan EyeMed
Employee Only	\$9.10	\$2.33	\$0.95
Employee and Spouse/Domestic Partner	\$27.56	\$5.19	\$1.36
Employee and Child(ren)	\$18.19	\$4.42	\$1.61
Employee and Family	\$44.10	\$7.00	\$2.55

Employees and spouses/domestic partners who enroll in either medical plan and identify as a nicotine/tobacco user will pay an additional \$500 each in premiums per year. In an effort to support these employees and their spouses/domestic partners, the company will provide a

nicotine/tobacco cessation program at no cost to the participant. The nicotine/tobacco cessation program will follow non-union plan design and guidelines.

Medical premiums listed above assume you and/or your spouse/domestic partner have met the Wellness Credit requirements and are not incurring the nicotine/tobacco surcharge

Vision Plan benefits are voluntary employee paid benefits only. Weekly rates are subject to increase per the terms and conditions of the plan.

Spouses/domestic partners with access to other medical coverage through their employer are eligible to join the KDP Core Medical Plan with a \$25 weekly surcharge. The spouse/domestic partner surcharge is subject to change and will follow the non-union employee guidelines.

Note: A domestic partner is not considered a spouse under federal law. As a result, if you elect to have your partner covered under either medical plan, you will pay imputed income tax and Social Security payroll tax on the portion of the insurance premium that your employer contributes to your partner's policy. This will be reported on your annual Form W-2.

The Health Savings Account KDP seed for the KDP Core Medical Plan and Wellness Credit for the KDP Core Medical Plan dollar amounts are subject to change and will follow non-union employee guidelines.

In order to maintain the medical plan premiums listed above for the KDP Core Medical Plan, employees and medical enrolled spouses/domestic partners will be provided the opportunity to participate in a Wellness Program and each complete an annual physical, or any other necessary actions/steps established by KDP for non-union employees to earn the Wellness Credit toward their medical premiums on an annual basis. For the purposes of this contract, the employees and medical enrolled spouses/domestic partners will automatically receive the Credit through the 2023 plan year. Current premium discounts are \$1,000 per annum for the covered employee, and \$1,000 per annum for a covered spouse/domestic partner.

Employees who enroll in the KDP Core Medical Plan will receive the same Health Savings Account seed as currently in effect for a non-union employee. The current annual seed amount is \$500 for employee-only coverage and \$1,000 for all other coverage levels.

Employees who enroll in the KDP Core Medical Plan after January 1 of each year will receive an amount equal to one-twelfth (1/12) of the HSA seed for the number of full calendar months left in the calendar year. Then, after enrolling in the KDP Core Medical Plan during annual enrollment they will receive 100% of the next Plan year's HSA seed. This proration will only apply to all enrollments except those during annual enrollment.

On January 1 of each year, premiums will increase by the lesser of: actual increase or 7%. The KDP Core medical plan deductibles, out-of-pocket minimums/maximums, etc. must comply with the guidelines set by the IRS for qualified medical plans and are subject to change and will be the same as those of the non-union employees.

The Company reserves the right to change insurance carriers and administrators during the term of this Agreement, and to make other changes to the Plan, in which event employees will participate in those changes.

Unless otherwise expressly stated in this Article, continued participation in the Plan and required Company and employee contributions will be handled in accordance with the Plan Document and/or corresponding Insurance Contract(s).

If an employee fails to make any employee contributions, the Company shall cease the employee's benefit coverage.

The Company currently provides the following benefits to eligible employees at no cost to the employee. These benefits are subject to change will follow non-union employee guidelines:

- Basic Short-Term Disability – 50% of eligible earnings + where applicable, commissions, for up to 26 weeks
- Basic Employee Life Insurance – 1x eligible earnings + where applicable, commissions, \$40,000 minimum
- Employee Assistance Program (Full-time employees only)

The Company will allow employees to participate in other Voluntary insurance as may be offered from time to time, such as optional vision, optional employee and dependent life insurance, optional short and long term disability, flexible spending account and health savings account, and other voluntary plans. To be eligible to enroll in voluntary plans such as Accident Insurance, Critical Illness, Legal Insurance, and Identity Theft, you must enroll in the KDP Core Medical Plan. The employee will pay 100% of the costs of these benefits, and the Company reserves the right to amend and/or terminate these plans at any time.

In the event that the Company makes changes to optional benefit plans, employees will participate in those changes. The actual text of the Plan Document, including any amendments, controls in all instances. The Employer reserves the right to change insurance carriers during the term of this Agreement as long as the benefit level remains the same or comparable. Otherwise, during the term of this Agreement, no changes will be made to medical or dental coverage without advance notice to and bargaining upon request with the Union. The actual text to the Plan Document and Insurance Contracts (including amendments) shall control in all instances. The Plan(s) will comply with all applicable local, state and federal laws, including PPACA.

The Company agrees that providing coverage under the Health & Welfare plan is intended to satisfy the Company's obligation to provide full-time employees covered by this Agreement with minimum essential health care coverage that provides minimum value within the meaning of the Patient Protection and Affordable Care Act of 2010 and any regulations or regulatory guidance regarding such law ("PPACA").

In the event that an employee's share of premiums to participate in the Plan is unaffordable for an individual employee within the meaning of PPACA, and the employee receives a government subsidy, credit, or coverage through a state exchange, any of which result in an excise tax being

assessed on the Company, the Company shall have the option of adjusting that particular employee's premium to an amount that is affordable with respect to that employee.

Notwithstanding any terms in this Agreement to the contrary, including but not limited to any terms defining full-time, part-time, temporary, seasonal or probationary status, the Company shall have the right to determine who is a full-time employee within the meaning of PPACA and to use any look-back or stability period provided by regulatory guidance to make that determination. The Company's agreement to provide coverage under the Plan extends only to those employees who are "full-time" within the meaning of PPACA.

After eligibility coverage ceases, an employee may be eligible for benefit continuation under COBRA in accordance with the Plan and applicable law. The Company shall have no obligation to contribute toward or responsibility for administering such COBRA coverage. Wellness Credits do not apply towards COBRA premiums.

ARTICLE 28 – PENSION

Effective as soon as administratively feasible, eligible bargaining unit employees under this Agreement will be offered the opportunity to participate in a DPSG 401 (k) Retirement Plan as may be amended from time to time. The Plan provides a 100% Company match up to 4% of eligible employee contributions for a maximum Company contribution of 4%.

The details of the plan are as set out in the Plan description which is on file at the Company office. The Plan document governs at all times.

ARTICLE 29 – LABOR/MANAGEMENT PARTNERSHIP

The parties agree to establish a labor/management partnership. The Union and Management agree to communicate in a timely manner when issues or concerns arise. Participants will include the Union business representative, the steward, the managements designee(s).

ARTICLE 30 – TERM OF AGREEMENT

This Agreement shall be in full force and effect from and after March 21, 2022 and continues and remains in full force and effect through March 20, 2025 and will continue in effect for annual periods thereafter, unless written notice of the desire to modify or change is served on either party sixty (60) days prior to the expiration of this Agreement.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed, in duplicate, by their respective authorized officers and agents the day and year first above written.

Christopher Lopez Date
Director, Labor Relations

Clifford Horton Date
Bakers Union Local 26- President

Josiah Manes Date
Manager, Territory Sales

Drew Buchholz VP Date
Bakers Union Local 26- President

Jeremy Burris Date
Manger, Operations

Rocco Volante Date
Shop Steward – Bakers Local #26

Nancy Cline Date
Sr. Manger Human Resources

Laquantre Taylor Date
Shop Steward – Bakers Local #26

Kaitlyn Gonzales Date
Human Resources Business Partner

Joseph Nicholson Date
Shop Steward – Bakers Local #26

APPENDIX A– WAGES

The rates listed below are minimums, and nothing shall prevent the Employer from paying above the contract rates to attract and/or retain qualified employees, provided the Employer gives the Union at least two (2) weeks’ advance notice of its intent to do so. Similarly, the Employer may institute or discontinue, at its discretion, recognition, bonus or incentive plans.

The wage increases provided for under this Agreement are to be implemented on the specific dates specified herein and shall not be duplicated at or following the expiration of this Agreement. Any future wage increases, upon or after expiration of this Agreement, shall be negotiated by the parties.

Wage increases are applicable to full time active employees. Employees on a leave of absence at the time of a wage increase will receive the applicable wage increase when they return to work.

	Hourly Rate		
Bulk, Combo, Relief & Transport Drivers Hourly Rate	Year 1	Year 2	Year 3
Upon Hire	\$26.80	\$27.47	\$28.16
After Six (6) Months	\$28.20	\$28.91	\$29.63
Driver Lead	\$29.20	\$29.91	\$30.63
Side Load Driver (After 3/22/22) Hourly Training Rate	\$26.80	\$27.47	\$28.16
**Side Load Driver (After 3/22/22) After 91+ days	\$28.20	\$28.91	\$29.63
*Side Load Driver (Daily +\$.37/cs Commission) (pre 3/20/22 hire)	\$123.34	\$126.42	\$129.58
Driver Class B -Upon Hire	\$22.00	\$22.00	\$22.00
After Six (6) Months	\$23.20	\$23.20	\$23.20
Driver Class C -Upon Hire	\$20.90	\$20.90	\$20.90
After Six (6) Months	\$21.60	\$21.60	\$21.60
Warehouse Worker			
Upon Hire	\$20.33	\$20.84	\$21.36
After Six (6) Months	\$21.40	\$21.94	\$22.48
Forklift Operator			
Upon Hire	\$20.33	\$20.84	\$21.36
After Six (6) Months	\$21.40	\$21.94	\$22.48

**Additionally, moving forward, Sideload drivers hired after execution of this agreement will be hired in at the established hourly rate listed above. Upon completion of the new-hire probationary period, newly hired driver employees will have the opportunity to switch to the base and commission compensation structure as outlined in the CBA within thirty (30) calendar day in writing to their supervisor. If such notice is not provided, side load drivers will remain hourly.

Any current Sideload driver will have the opportunity to switch to the hourly rate. If the current drivers elect to move to the hourly rate, they will be required to remain on hourly pay.

Side-Load Drivers shall be paid for all work performed in excess of forty (40) hours in any one (1) workweek as follows: The Side-Load Driver's base pay and commission for the workweek will be divided by the total hours worked in the workweek to determine an average hourly rate of pay. The average hourly rate of pay will be divided by two (2) to arrive at an overtime rate. The overtime rate will be multiplied by the hours worked in excess of forty (40) to determine the overtime compensation. Example: Base pay and commission is \$600.00. Side-Load Driver worked 45 hours in the workweek. The average hourly rate of pay is equal to \$600.00 divided by 45 hours or \$13.33 an hour. The overtime rate is equal to \$13.33 divided by two (2) or \$6.67. The overtime compensation is \$6.67 multiplied by 5 or \$33.35. The Side-Load Driver's total compensation for the workweek is \$600.00 plus \$33.35 or \$633.35.

Additional Pay:

(1) ½ cases will be paid at the full case rate

(2) A differential of \$5.00 per day will be paid to commissioned sideload drivers who drive a route requiring deliveries outside a 45-mile radius from their starting point.

*Class B/C equipment will be reserved for Class B/C drivers, respectively. In the event a Class A driver is required to drive a Class B/C, he/she will maintain the Class A rate. In the event there are layoffs or lack of work for all Class A Drivers, the company will follow the contract provisions relating to lay-offs, however Class A drivers will have the opportunity to bump into any available Class B/C jobs as Class B/C drivers will be the first to be laid-off. Class B and Class C drivers can stay in their respective roles no longer than eighteen (18) months before they must progress to the next classification. If there are no open roles at the class A classification, the driver can go back to their previously held position at the appropriate classification rate of pay.