

COLLECTIVE BARGAINING AGREEMENT

between

HIRSHFIELD'S, INC.

and

**UNITED FOOD AND COMMERCIAL WORKERS UNION
LOCALS 653 and 1189**

Effective March 1, 2018– February 28, 2021

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HIRSHFIELD'S, INC.

AGREEMENT

THIS AGREEMENT, made and entered into this first (1st) day of March, 2018, by and between Hirshfield's, Inc., hereinafter referred to as the Employer, and the United Food and Commercial Workers Union, Local 653 and 1189, chartered bodies of the United food and Commercial Workers International Union.

WITNESSETH: That in consideration of the mutual covenants and agreements hereinafter contained, it is mutually agreed and understood between the parties hereto as follows:

ARTICLE I **RECOGNITION OF THE UNION**

SECTION 1.1: RECOGNITION: The Employer recognizes United Food and Commercial Workers Union, Locals 653 and 1189, as the sole and exclusive bargaining agents for the purpose of collective bargaining with respect to rates of pay, hours and all terms and conditions of employment for the employees in the appropriate bargaining unit established and described as follows:

SECTION 1.2: BARGAINING UNITS: All regular full-time and regular part-time hourly paid employees who work 20 hours or more per week, employed by the Employer in the Employer's facilities in the counties of Hennepin, Ramsey, Washington, Dakota, Anoka, Carver and Scott, in the State of Minnesota, which employees are engaged in manufacturing; handling or selling merchandise, or performing other services incidental or related thereto; warehouse employees; clerical employees working at Hirshfield's By Appointment and in accounts payable and accounts receivable; and salaried Assistant Managers and Outside Sales Representatives. The following separate units will be recognized in the following manner:

- A. Retail stores/Contract Service Centers.
- B. Corporate offices.
- C. Warehouse
- D. Hirshfield's Paint Manufacturing Plant.
- E. Outside sales.

Excluded will be management employees as defined in the National Labor Relations Act, as amended, and one confidential employee working as the administrative assistant for the Employer's Human Resources and Compensation Manager.

SECTION 1.3: BARGAINING UNIT MODIFICATION: The Employer may employ up to thirty (30) employees that will be allowed to work in excess of twenty (20) hours per week but shall not exceed on average twenty-five (25) hours per week during a fiscal year. These employees shall not be covered by this collective bargaining agreement. Upon request, the Employer will provide a list of these employees to the Union.

ARTICLE II **UNION SHOP AND CHECK-OFF**

SECTION 2.1: UNION SHOP: It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement, shall remain members in good standing and those who are not members on the effective date of this Agreement, shall on the sixty-first (61st) day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date, shall on the sixty-first (61st) day following the beginning of such employment, become and remain members in good standing in the Union. For the purpose of this Section, the execution date of this Agreement shall be considered the effective date.

"In Good Standing," for the purposes of this Agreement between this Union and this Employer, is defined to mean the payment of a standard initiation fee or a standard reinstatement fee, if applicable, and standard monthly dues as applies uniformly to all employees covered by this Agreement.

Both parties agree that the employer shall have no financial obligation arising from any claim by an employee regarding deductions required by the union. Once the funds are remitted to the union, their disposition thereafter shall be the sole and exclusive obligation and responsibility of the union. The union will hold the employer harmless, and agrees to indemnify the employer for any cost incurred by the employer for any such claims.

SECTION 2.2: PROBATIONARY PERIOD: Newly hired employees shall serve a sixty (60) day probationary period. Probationary employees are not members of any bargaining unit, and the terms of this Agreement shall not apply to them. The Employer may discharge an employee during the probationary period at its discretion. Probationary employees shall not have access to the grievance provisions of this agreement.

SECTION 2.3: PROBATION EXTENSION: If a request for an extension is received from the Employer by the Union prior to the fifty-fifth (55th) day of the probationary period, accompanied by a written explanation of the reason for the extension, an extension of up to thirty (30) days additional probation shall not be unreasonably denied. The affected employee's signature on this request for extension acknowledges the fact that the Employer has reviewed said reasons with the employee prior to making such request.

SECTION 2.4: DUES DEDUCTION: The Employer agrees to deduct each month from employees' wages, the regular union dues and initiation fees on behalf of those employees who have voluntarily authorized such deduction and transmit same to the Union no later than the fifteenth (15th) day of the month for which they are to be paid, provided, that the Employer shall receive from each employee a written assignment which shall be irrevocable for a period of not more than one (1) year or the termination date of this Agreement, whichever occurs sooner.

SECTION 2.5: SHOP STEWARD: The Union has the right to designate one (1) employee per local within bargaining units as union steward to represent the employees covered under this Agreement.

ARTICLE III **HOURS**

SECTION 3.1: The basic straight time work week shall be forty (40) hours per week (**A workweek is defined as hours worked between Monday through Sunday**). All time worked

in excess of forty (40) hours per week shall be compensated at the rate of time and one-half (1½) the employee's regular rate of pay. No employee shall work over eight (8) hours per day on a normal schedule unless mutually agreed on between employee and supervisor. No employee shall be rescheduled on a daily or weekly basis to defeat the purpose of overtime payment unless mutually agreeable. If there shall be any overtime work, the factor of seniority shall apply on the level within each job classification. Overtime work shall not be compensated by lay-off, nor shall any employee be required to take time off to make up for overtime.

SECTION 3.2: TEMPORARY/SEASONAL EMPLOYEES: Temporary/seasonal employees (employees hired to work less than four and a half (4½ months) may work up to forty hours (40) per week. During this time these employees shall not be able to take hours that a regular full- or part-time employee are available to work. Temporary/seasonal employees will be allowed to work from May 15th through October 1st. They may work up to twenty (20) hours per week for the remaining seven and one-half (7½) months. If a temporary/seasonal employee is a college student and is available to work during the winter and spring breaks and the hours are available to be worked he/she may work in excess of 20 hours. The Human Resource Manager is responsible for notifying the Union Representative of the temporary/seasonal employee's schedule during these times. A list of all temporary/seasonal employees will be given to the Union upon request. Such workers shall not be members of the bargaining unit and shall not be covered by the provisions of this Agreement.

SECTION 3.3: POSTING OF SCHEDULES: Schedules shall be posted 2 weeks in advance to any Monday. All schedule changes have to be approved PRIOR to the effective date of the requested date change by the appropriate manager. Management has the right to decline requested schedule changes.

SECTION 3.4: All employees working more than six (6) hours in any one (1) day shall be entitled to a one-half (½) hour meal period without pay. All employees working a twelve (12) hour shift shall receive two (2) meal periods of one-half (½) hour each without pay.

SECTION 3.5: All employees shall receive fifteen (15) minutes paid break time for every four (4) hours of work not to exceed a total of thirty (30) minutes for a seven and one-half (7½) hour or more shift. Employees shall, however, be permitted to leave the floor on other occasions when necessary. **Paid breaks cannot be combined to a ½ hour break without management approval.** Employees shall not leave Company premises during such paid-time breaks.

SECTION 3.6: All employees shall maintain their own automated time cards.

SECTION 3.7: STORE CLOSURES DUE TO BAD WEATER: For employees who report to work on days the facility is closed or closes due to bad weather, wages will be paid as follows:

1. The Corporation announces closure prior to facility opening time through predetermined media sources:
No payment of regular wages (employees may use PTO).
2. Facility opens, but then closes within four (4) hours after employee's scheduled start time and employee shows up for work:
The Corporation will pay up to ½ of employee's scheduled hours that day.

3. Facility opens, but then closes after more than four (4) hours of employee's scheduled start time and employee shows up for work.

The Corporation will pay 100% of employee's scheduled hours that day up to a maximum of eight (8) regular hours.

4. Employees may use PTO for any scheduled hours not paid under this Article.

SECTION 3.8: From November 15 through March 15, the Employer may request employees to voluntarily reduce their hours. It is understood that such voluntary reduction will not be considered as unscheduled PTO and will not be documented as such. If there are not enough hours voluntarily reduced the Employer may adjust hours to less than forty (40) per week but not less than thirty-six (36) hours at the Employer's discretion. The hours reduction will be by individual unit locations and/or office department.

The employee will have the right to use their available PTO to make up the difference in their reduced hours. Current part-time employees' hours may not be increased to defeat the purpose of this article. Part-time employees may be hired in addition but held to a minimum for effective operations.

Hirshfield's Paint Manufacturing can utilize the 32 hours during Christmas and New Year's Eve weeks

ARTICLE IV **NO OTHER AGREEMENTS**

SECTION 4.1: The Employer agrees not to enter into any agreement or contract with their employees individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

ARTICLE V **NO STRIKE/NO LOCKOUT**

It is agreed as a condition of the recognition granted, that there shall be no stoppage of work, strikes, or picketing on the part of the Union, so long as the Employer complies with the terms of this Agreement and the provisions hereof, except that no employees shall be dismissed, discriminated against, intimidated or otherwise mistreated for declining to go through a picket line of any recognized Labor Union.

NO STRIKE: During the term of this Agreement, the Union agrees there shall be no strikes of any kind, including sympathy strikes, any kind of work stoppage, slowdown, picketing or concerted activity which would interrupt or interfere with the performance of the Company's business. The Union will use its best efforts to prevent any violation of this Section.

NO LOCKOUT: The Employer agrees there shall be no lockout of employees during the duration of this Agreement.

ARTICLE VI **SENIORITY**

SECTION 6.1: Seniority for lay-off, recall and promotion shall be based on continuous service with the Employer from date of hire and shall be based on each job classification within each bargaining unit. Recall period is twelve (12) months.

Seniority for scheduled PTO shall be by store or unit. Employees transferring from one store or unit or job classification to another, whether voluntarily or involuntarily shall maintain their continuous seniority for PTO at their new location.

All PTO requests have to be submitted through the appropriate automatic Time and Attendance system in order to be considered for approval. PTO approvals are done in the following order: Immediate manager, if the immediate manager is not available: DM and/or HR.

Employees transferring involuntarily from one store or individual job classification to another would have the right for a period not to exceed twelve (12) months from the date of transfer to bump back to their prior store/unit if affected by cutback or lay-off in their present location.

SECTION 6.2: Seniority lists shall be posted annually on or before February 1st at each store or facility, listing employee's name and seniority date for that store or facility.

SECTION 6.3: At retail/CSC stores, the employer may designate one (1) lead employee per store. Lead employees shall continue to accumulate seniority while in the classification of lead employee and shall not be considered for layoff, irrespective of seniority standing, provided such lead employee has worked a minimum of three (3) months in the classification of lead employee. Lead seniority shall be forfeited due to break in service in position of lead employee.

Bargaining Unit:

Job classifications based on bargaining units:

- A. Lead
 Retail Sales Associates
 Managers in Training/Assistant Managers
- B. HBA Administrative Employees
 Design Resources Administrative Employees
 Accounts Payable
 Accounts Receivable
- C. Warehouse Workers
- D. Production
 QC
 Shipping/Receiving
- E. Industrial Specialists
 Lacquer Specialists
 Painter Maintenance O/S Reps
 Window Treatment/Fabric Specialists
 Jr. Sales Rep
 Sr. Sales Rep

SECTION 6.4: In the event a position (as defined by Section 6.3 Bargaining Unit) is eliminated in an individual bargaining unit (Section 6.3), and the affected employee is not the least senior employee, he/she can elect to exercise his/her right to bump or take a vacancy within the same bargaining unit (Section 6.3) but only if the affected employee has the required

skills and experience as evaluated by the Company to fill this position immediately, at a rate of pay established by the existing position such employee elected to bump.

SECTION 6.5: Termination of Seniority: Seniority shall be broken when the employee:

1. Is discharged for just cause, retires, or voluntarily resigns.
2. Is laid off for more than one (1) year,
3. fails to return from a layoff within ten (10) calendar days after being notified by certified mail, return receipt requested,
4. Is on a leave of absence greater than allowed under Section 15.2, or fails to return after the expiration of an approved leave of absence or approved extension
5. Is absent from work for two consecutive days without notifying the Employer
6. Provides materially false information in connection with a leave of absence or engages in activity materially inconsistent with the reason for the leave.

SECTION 6.6: Promotional Opportunities/Career Development program: Hirshfield's will encourage and support promotional opportunities for those who seek those out in writing. Promotional Opportunities and/or Career Development goals by employees need to be submitted to HR in writing. If no such request exists, it is the sole decision of the company who should be promoted. Determination for promotion will be based upon qualifications set by Hirshfield's. Qualifications shall include such factors as experience, job performance, aptitude, attendance etc. Where merit and ability are approximately equal, seniority shall control.

ARTICLE VII

PROMOTION OF PART-TIME EMPLOYEES AND JOB POSTING

SECTION 7.1: In the event of a job vacancy, the Employer shall have the right to fill the vacancy with a candidate of its choosing. The employer will give written notice by posting upon an appropriate bulletin board, a notice that a job vacancy exists, setting forth therein the job category and schedule of work hours. This notice shall be posted for five (5) calendar days, but during these five (5) calendar days the Employer may temporarily assign any employee to fill the vacancy.

SECTION 7.2: If the employer posts such a notice, the employer shall fill posted vacancies on the basis of qualifications and ability. When these two factors are relatively equal, the applicant having the greatest seniority shall fill the vacancy. To help the senior employees gain the qualifications and abilities, the company will set up a training program or step program to aid such employees interested in upgrading their employment opportunities.

SECTION 7.3: Part-time employees desiring full-time employment will advise the employer in writing of their desire for full-time employment. In the event of job vacancies, the employer will consider qualified part-time employees who possess the required skills and qualifications as determined by the employer, for such full-time jobs.

Article VIII

Discharging Employees

SECTION 8.1: The Employer shall not discharge any employee without just and reasonable cause.

SECTION 8.2: Termination for Just Cause: It is agreed the following list of offenses are cardinal infractions, and shall constitute just cause for discharge without prior warnings and the Employer will not be responsible to pay out any PTO for the following reasons:

- Sexual harassment
- Physical harm
- Conflict of interest
- Breach of confidentiality
- Fraud and dishonesty
- Theft
- Allowing an unauthorized person to drive a company vehicle
- A "no call/no show" of one day, unless circumstances beyond the employees control can be proven. Management will make a reasonable attempt to contact the employee.
- Sleeping on the job (excluding breaks)
- Violence or threats (direct or indirect, implied or otherwise) of any kind against anyone (except in cases of self defense)
- Willful misappropriation, unauthorized use, tampering, damage or destruction of the Company or customer's equipment, property or products, or the more serious violation of Company rules

ARTICLE IX

GRIEVANCES AND ARBITRATION

SECTION 9.1: Any dispute relating to the interpretation of or adherence to the terms and provisions of this Agreement shall be handled in accordance with the following procedures:

Step 1: An aggrieved employee and/or Union shall attempt to adjust the grievance with the Employer within twelve (12) calendar days of the event giving rise to the grievance. Grievances relating to wages shall be timely if received by the Employer no later than sixty (60) days following the date of receipt of the check by the employee.

Step 2: If the grievance is not resolved in Step 1, it shall be reduced to writing, shall specify in detail the alleged violation of the Agreement, and shall be received by the Employer no later than twelve (12) calendar days following the registration of the grievance in the Step 1 meeting.

Within seven (7) calendar days following receipt of the written grievance by the Employer, representatives of the Employer and the Union shall meet and attempt to resolve the grievance. The time for said meeting may be extended by mutual agreement.

Step 3: If the grievance is not resolved with the meeting(s) or if no meeting is held, then either the Union or the Employer may petition the State of Minnesota Bureau of Mediation and Conciliation Service no later than forty-five (45) days after the registration of the grievance in 9.1 to mediate the grievance.

SECTION 9.2: If the grievance is not resolved in Step 3, 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 seven (7) calendar days following the termination of the mediation, or within forty-five (45) calendar days following the date of registration of the grievance whichever is later. The Board of Arbitration shall consist of three (3) individuals, one (1) representative to be selected by the Union, and one (1) representative to be selected by the Employer. Selection by both the Employer and the Union shall be made within five (5) days of the receipt of the demand for arbitration. The representatives so selected shall meet within three (3) days of their appointment and select a third (3rd) member of the Board who, when so selected, shall act as chairperson. Upon failure of the representatives so selected to agree upon a chairperson within a further three (3) day period, both parties agree that the Bureau of Mediation, State of Minnesota, shall be called upon to furnish a panel of five (5) neutral arbitrators from which the Chairperson of the Board of Arbitration will be selected. The panel of five (5) arbitrators furnished by the State Bureau of Mediation will be from a master panel of not less than twenty-six (26) arbitrators, which has been agreed to between the Employer and the Union. The decision of the majority of the Board of Arbitration shall be final and binding on all parties concerned.

SECTION 9.3: 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 issues.

SECTION 9.4: The fees and expenses of the neutral arbitrator shall be divided equally between the Employer and the Union.

SECTION 9.5: The retroactive effect of an award of back pay, or any other economic award for an employee shall be limited to no more than the 12 month period preceding the date of the grievance was filed. This limitation shall apply only to cases of interpretation of the Agreement where the terms are unclear and susceptible to honest differences of opinion as to meaning, and such differences exist between the Employer and the Union.

SECTION 9.6: 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 the time limitations shall result in the grievance being permanently barred, waived and forfeited. However, the time frames set forth above may be extended by mutual agreement only.

SECTION 9.7: EMPLOYER GRIEVANCE: Nothing contained herein shall preclude the Employer from filing a grievance under this procedure.

ARTICLE X **NON-DISCRIMINATION**

It is agreed that the Company and the Union will continue to maintain a policy of non-discrimination on the basis of race, color, religion, age, sex, union activities, or national origin.

ARTICLE XI **SEPARABILITY**

Nothing contained in this Agreement is intended to violate any Federal Law or Rule or Regulation made pursuant thereto. If any part of this Agreement is construed to be in such violation, then that part shall be made null and void and the parties agree that they will within thirty (30) days, begin negotiations to replace said void part with a valid provision. It is agreed, however, that either party to this Agreement shall have the privilege to appeal to the final Appellate Court of competent jurisdiction.

ARTICLE XII

PAID TIME OFF (PTO) AND EXTENDED SICK LEAVE (ESL)

SECTION 12.1: Paid Time Off

<u>Years</u>	<u>Hours/Year</u>	<u>Bi Weekly Accrual</u>
0-1	80	3.05
2-4	120	4.37
5-14	160	6.10
15-19	200	7.42
20+	240	9.14

SECTION 12.2: PTO FOR COMMISSIONED EMPLOYEES: For every hour of PTO taken the Employer will add an additional sixty-five cents (\$0.65) to the commissioned employee's base hourly rate. The Employer will not pay sixty-five cents (\$0.65) to commissioned employees when on unpaid leave.

SECTION 12.3: If any of the holidays listed in Article XIII shall fall during an employee's PTO, he/she shall receive either the pay to which he/she is entitled for the holiday, or additional equivalent PTO, not to exceed 40 hours paid.

SECTION 12.4: As of 03/01/2018 Employees are allowed to accumulate up to 200 hours of PTO.

12.4 (a): As of 03/01/2018 (and on the first feasible payroll after ratification), Hirshfield's will pay out any and all balances greater than 200 hours, (or 180 hours according to the payout provision under Section 12.14 , if the employee requests this in writing within 30 days of ratification).

12.4 (b): If 12.4 (a) is not requested, employees are allowed to keep their current balance until that balance falls below 200 hours.

12.4 (c): Hourly employees may request up to 40 hours PTO to be paid out (once per anniversary year) either on their actual anniversary date (closed pay date there after), or a date equivalent to a 6 month ½ way point from actual anniversary date (Once per anniversary date). Payout amounts can never bring an accumulated balance below 80 hours of PTO.

12.4 (d): Employees are required to submit the request in writing at a minimum of 4 (four) weeks prior to their anniversary date. This payout will be paid at the employee's base rate only.

SECTION 12.5: Each employee will earn up to 2.18 hours of ESL per pay period. Current employees will max out ESL accrual at 300 hours. Employees hired on or after 03/01/2018 will max out at 240 hours of ESL.

ESL hours can only be used for the employees' own serious health condition as defined under the Family and Medical Leave Act (FMLA). Should an employee qualify for FMLA, he/she will be required to use his/her ESL prior to having to use all available PTO. Payment of ESL will only start once proper documentation (as outlined in Section 12.5A or 12.5B) has been received by the Human Resource Manager. Employees are responsible to ensure that the Human Resource Manager has received proper documentation. Should an employee not provide proper documentation, available PTO will be paid or the employee will be on unpaid leave should no PTO be available until proper documentation has been received. ESL will not be paid retroactively.

Only in the event that an employee should need time off under FMLA to care for any of the following who has a serious health condition – the employee's spouse, the employee's child under 18, the employee's parent – can the employee use ESL hours AFTER he/she has fully exhausted all of his/her PTO hours.

SECTION 12.5A: Employees are required to submit a certification of health care provider to the Human Resource Manager at least 30 days prior to the leave start date, unless the leave was unforeseen (see 12.5B).

SECTION 12.5B: In case of an unforeseen event, the employee is required to submit a doctor's note to the Human Resources Manager within three (3) days of the first day of leave indicating the nature of the leave, when symptoms first were noticed and length of leave. Should this note be received by the Human Resource Manager within the first three (3) days of leave, the first three (3) days will be paid by ESL, otherwise the employee will be paid via all available PTO until such notice is received by the Human Resource Manager.

SECTION 12.6: ESL, PTO AND FMLA: ESL hours taken to care for someone other than the Employee will not result in the accrual of additional PTO or ESL hours.

SECTION 12.7: OVERTIME: Scheduled PTO will count towards the calculation of overtime pay. ESL does not count towards overtime pay.

SECTION 12.8: UNSCHEDULED PTO: When unscheduled PTO is used for three consecutive days for illness or injury the Employer may require a doctor's certification for said illness or injury.

SECTION 12.9: ELIGIBILITY: All employees will accumulate PTO/ESL beginning with their first day of employment. Eligibility to take PTO will not begin until after six (6) months of employment. Eligibility to take ESL will be after the employee has worked for the 12 months immediately preceding the first day of FMLA leave; the employee must have worked at least 1,250 hours during those 12 months.

SECTION 12.10: ACCUMULATION OF PTO/ESL WHILE ON LEAVE: Other than ESL hours taken to care for someone other than themselves, an employee will earn additional PTO and ESL while using their available PTO or ESL.

SECTION 12.11: PTO AND ESL BIWEEKLY ACCRUAL: The biweekly accrual for both PTO and ESL are based on a maximum of twenty-six (26) biweekly payrolls in a calendar year. No accrual will be made for payrolls after the twenty-sixth (26th) payroll in a calendar year. Accrual rate of PTO and ESL is based on actual hours paid per **pay period**, not to exceed the maximum accrual rate per pay period allowed based on years of service.

SECTION 12.12: Unscheduled PTO is classified as any PTO request made with less than 24 hours notice unless mutually agreed upon by both parties.

SECTION 12.13: ESL will not be paid out at time of employment separation.

SECTION 12.14: If an employee quits of his or her own volition, or is discharged (discharge is subject to Article VII, Section 7.2 of this contract), and the employee has completed one full year of service, he or she shall receive all PTO accrued at the time of termination at the employee's current base rate. Exempt employees shall receive PTO payout at one-half rate of pay upon termination.

ARTICLE XIII **HOLIDAYS**

SECTION 13.1: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, shall be recognized holidays.

SECTION 13.2:
FT employees who no longer are within their probation period as outlined in Section 2.2 (and/or 2.3) shall be compensated for such unworked holidays at the regular rate of pay as if worked.

SECTION 13.3:
For bargaining unit members other than retail stores/contract service center: If a holiday falls on a Saturday, the holiday will be observed on the prior Friday; if the holiday falls on a Sunday, the holiday will be observed on the following Monday.
For Stores / CSC locations: The company reserves the right to adjust hours for any individual store location or bargaining unit as needed during holiday weeks. Additionally, the company reserves the right (at its sole discretion) to either keep any individual store location(s) or bargaining unit(s) open or closed on any of the above-named holidays. Should the company choose to keep an individual store location open on a holiday that falls on a Sunday, the holiday will be paid on Sunday and the employee will receive time and one-half (1½) for any hours worked on such holiday. Should the company choose to close an individual store location on any such holiday, the employee will be compensated holiday pay for that day according to Section 13.6. The company will provide four (4) weeks' notice prior to the holiday occurring. On holidays the Employer is opened for business, the work will be rotated equally among the employees.

SECTION 13.4: If a person shall be required to work on any of the above-named holidays, they shall be compensated at the rate of time and one-half (1½) their normal rate of pay in addition to holiday pay as outlined in Section 13.6. Any employee with legitimate religious concerns would not be unreasonably denied time off. Should the Company open on

Easter Sunday, it will be treated as a holiday for the purposes of pay. Further no employee would be required to work on Easter Sunday if they have legitimate religious concerns limiting their ability to work that day.

SECTION 13.5: All work performed on Sunday, shall be compensated at time and one-half (1½) the employee's regular rate of pay.

SECTION 13.6: During any week that a holiday occurs, employees shall also receive their regular days off with no reduction in wages. Holiday hours paid for but not worked on a holiday shall be counted as hours worked for the purpose of computing weekly overtime. Days off will be based on seniority if more than one employee wants to have the same day off. Days off will have to be approved by manager.

SECTION 13.7: It is understood that full-time employees who are off on holidays shall be compensated for a minimum of eight (8) hours pay or pay for actual time lost.

SECTION 13.8: Employees who normally work less than eight (8) hours per day will receive their share of holiday pay according to their "normal" scheduled hours.

SECTION 13.9: If the employee is on approved leave of absence and receives pay during the week of the holiday, he/she will be eligible for holiday pay. Employees on unpaid leave of absence will not receive holiday pay.

SECTION 13.10: To receive Holiday Pay, the employee must work his/her scheduled workday before the observed holiday and his/her scheduled workday after the observed holiday unless excused by the employer or unless absent due to proven illness or injury. If the employee does not meet these requirements, he/she will not be eligible for Holiday pay

ARTICLE XIV **SPLIT SHIFTS**

SECTION 14.1: Before implementing a schedule of split shifts, the Union, Employer and employees affected shall meet to make sure everyone involved understands and agrees to such split shifts before they are implemented. Temporary split shifts may be implemented if mutually agreed upon between Employer and employee.

ARTICLE XV **LEAVES OF ABSENCE**

SECTION 15.1: Employees shall be entitled to leaves of absence for the following reasons:

- (a) Illness, injury or chemical dependence of the employee that requires absence from work.
- (b) Family and Medical Leave Act.
- (c) Death in the immediate family.
- (d) Jury Duty.
- (e) Election or appointment to office in or as a delegate representing the Union, requiring either temporary or full-time leave.
- (f) Any other reason acceptable to the Employer.

Any leave of absence must be mutually agreed upon in writing.

SECTION 15.2: In cases of illness, or injury, the employee's leave of absence shall be continuous until the employee is medically qualified to return to work within a reasonable length of time, which shall be defined as:

- 1) 12 weeks of FMLA approved time (480 hours) plus
 - 2) 1040 additional hours with the appropriate Doctor's notification / certification of health care provider
- Not to exceed total hours of 1,520 per FMLA qualifying event

CHEMICAL DEPENDENCY LEAVE: Treatment program must be successfully completed to qualify as approved leave. Leaves shall run the length of the treatment program, but not to exceed six (6) weeks without approval of the Employer. Employer shall decide whether to grant more than one such leave per employee.

SECTION 15.3: FAMILY AND MEDICAL LEAVE ACT: The company and Union agree to abide by all rules and regulations set forth by the Family and Medical Leave Act.

SECTION 15.4: FUNERAL LEAVE: An employee is entitled to bereavement leave pay (that is, whether the day would "otherwise be a working day" for an employee) providing that they have completed six months' continuous service. In the event of the death of an employee's parent, stepparent, spouse, child, stepchild, brother or sister the employee shall be allowed paid time off at their regular straight time rate up to but not to exceed four (4) work days as normally scheduled.

In the event of the death of an employee's mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparents, spouse's grandparent, or any other relative living with the employee or with whom the employee is living, the employee shall be allowed paid time off at their regular straight time rate up to but not to exceed three (3) work days as normally scheduled.

It being understood that payment for such time off may include but not extend beyond the second day after the burial if such day is a work day and the employee is covered for four (4) days of leave and may include but not extend beyond the day after burial if such day is a work day and the employee is covered for three (3) days of leave. If the employee is notified of such death while at work, he/she shall be excused from further work that day without loss of pay and the time off provided for above shall begin the following day.

Further, should the actual funeral take place more than two hundred (200) miles from the employee's home, an additional day off will be granted with pay, if the employee would have normally been scheduled.

Request Procedure: Employee need to furnish satisfactory documentations to HR that leave taken in accordance with the provision of this section was in connection with bereavement within five (5) calendar days of leave request. Documentation can include but is not limited to: Obituary with employees name mentioned and the employee's relation to the deceased, the date of the funeral, and the employees attendance at such funeral.

SECTION 15.5: JURY DUTY: An employee is eligible for jury duty benefits after six (6) months of employment. Time spent on jury duty greater than four (4) weeks will be covered by available PTO.

A. Employees required to report for, or serve in jury service on any scheduled workday, shall be paid at regular straight-time rates, a full basic workday's pay for each such day, less any remuneration received by the employee for jury service. Provided, however, that a day's pay for part-time employees shall be paid for the number of hours regularly scheduled for the employee on the day in question.

B. When an employee is excused from service, either temporarily or permanently, on any scheduled workday, the employee shall promptly report to complete any remaining hours of his scheduled workday.

C. Employees who report for jury duty and serve Monday through Friday shall not be required to work on Saturday and Sunday.

D. Employees are required to provide documentation for each day serving on Jury Duty of the hours served. Only documented Jury Duty hours will be paid.

SECTION 15.6: Leaves granted because of the employee's election or appointment to a full-time office in the Union shall run to the end of the employee's tenure in such office.

SECTION 15.7: All other leaves under 15.1(e) or 15.1(f) shall run to a maximum of three (3) months for employees with one (1) or more years of employment, unless extended by mutual agreement.

SECTION 15.8: Upon expiration of a leave of absence, the employee shall be promptly restored to the job and seniority previously held, or to a job comparable with regard to work and rate of pay.

Employees on leaves of absence shall receive no benefits under the Agreement, except that the Employer will make his share of Health and Welfare contributions to the Health and Dental plan for the entire time the employee is off on account of FMLA leave if the employee continues to make his/her share of the premiums.

ARTICLE XVI **INJURY ON THE JOB**

SECTION 16.1: Employees will be paid ESL hours for the first twenty-four (24) hours of time lost for a work-related injury. If Workers Compensation also reimburses the employee for the lost time, the employee will have a two- (2) week period to reimburse the company for the overpayment or the company will recover said money from the employee's next payroll.

SECTION 16.2: Drug Testing: A drug and/or alcohol test will be conducted on all employees who are involved in accidents occurring during work time or on the Employer's property, in accordance with Policy 701 of the Employer's Drug and Alcohol policy. Covered accidents include accidents that the employee caused or contributed to that involved:

1. Personal injury to employees or others which necessitates first aid and/or medical attention, and/or;

2. Substantial damage to the Employer's property which may necessitate first aid and/or medical attention to employees or others.

Employees are expected to make themselves available for Employer-paid post-accident testing. Time spent in drug testing shall be paid at the employee's regular straight time rate of pay. Any employee who fails to report any work-related accident may be subject to disciplinary action up to and including termination. Under certain state laws, employees testing positive may be ineligible for workers' compensation benefits.

The Employer may conduct drug and/or alcohol testing pursuant to the Employer's Drug and Alcohol Policy. In situations where an employee is requested to submit to a drug and/or alcohol test pursuant to a Reasonable Suspicion based on Employee Conduct as described in the Drug and Alcohol Policy, the employee has the right to grieve the Employer's determination that there was reasonable suspicion that the employee violated the Employer's Work Rules on Drugs or Alcohol.

The Employer has the right to modify the Drug and Alcohol Policy during the contract period, but does not have the right to modify the circumstances under which testing may be required.

ARTICLE XVII

HOSPITALIZATION

SECTION 17.1: MEDICAL PLAN ATTACHED: Employees hired on or prior to February 14, 1990, will pay thirty percent (30%) of the cost of the plan and the Employer will pay seventy percent (70%) of the cost of the plan. Employees hired after February 14, 1990, will pay thirty-five percent (35%) of the cost of the plan and the Employer will pay sixty-five percent (65%) of the cost of the plan.

All part-time employees will pay fifty percent (50%) of the cost of the plan and the Employer will pay fifty percent (50%) of the cost of the plan.

SECTION 17.2: DENTAL PLAN ATTACHED: Employees hired on or prior to February 14, 1990, will pay thirty percent (30%) of the cost of the plan and the Employer will pay seventy percent (70%) of the cost of the plan. Employees hired after February 14, 1990, will pay thirty-five percent (35%) of the cost of the plan and the Employer will pay sixty-five percent (65%) of the cost of the plan.

All part-time employees will pay fifty percent (50%) of the cost of the plan and the Employer will pay fifty percent (50%) of the cost of the plan. The Employer will increase maximum Dental Insurance Coverage each year of this agreement by the following:

The dental maximum is \$2,000.00

For the purpose of Section 17.2, the plan year is defined as January 1 through December 31 of each year.

SECTION 17.3: The Company, in its discretion, may offer any health plans of its choice. The company may, at its sole discretion, offer Health savings accounts when allowed under current law, but reserves the right to change or stop its discretionary contribution to the

employees' health savings accounts on an annual basis. The company shall have the right to discontinue or change any health plan as it sees fit based on economic condition as long as the company offers a health plan throughout the contract years.

ARTICLE XVIII

WAGES AND CLASSIFICATIONS

SECTION 18.1: The Employer shall apply the federal standard mileage rate to each salesperson who uses his/her own car in his/her work. The Employer shall have the option at any time to change over to company owned or leased automobiles in place of mileage compensation.

Outside salespersons and assistant managers may work on a non-commissioned, monthly, or annual rate, if mutually agreed upon by the Employer and the salesperson.

SECTION 18.2: WAGE RATES: Wages for Full Time Employees Non-Commission Rate

Start	\$12.00
After 1 year	\$12.50
After 2 years	\$13.00
After 3 years	\$13.50
After 4 years	\$14.00
After 5 years +	\$14.50

SECTION 18.3: Applies to Section 18.2 AND 19.1: a 3.25% wage increase is guaranteed for all hourly employees.

SECTION 18.3 (a) : For commission stores only: Wage rate will be determined by average company commission earnings per hour deducted from Scale 18.2

SECTION 18.3 (b): During the term of this contract (ending February 28, 2021) the employer agrees to providing employees with a 3.25% wage increase for hourly employees each year on the employee's anniversary date. This Section will not be renewed and will be automatically deleted from the terms and conditions of employment contained this contract ending on February 28, 2021)

SECTION 18.4: At no time will the wages of any employee be less than the Federal minimum wage. For commissioned sales employees with a base rate of less than the Federal minimum wage, should their base rate, when added together with their commission sales for the pay period, not add up to the Federal minimum wage, the employer shall make up the difference.

SECTION 18.5: The Employer agrees to maintain their annual reviews with employees and may grant merit increases over and above the rates of pay spelled out above. Participation and timely completion of training programs will be considered in all reviews.

SECTION 18.6: PART-TIME EMPLOYEES: When a part-time employee is put on full-time, his accumulated part-time hours shall be used to place him/her at the proper full-time progression rate, using 1,000 hours equal to six (6) months employment.

SECTION 18.7: A part-time employee is one who works thirty (30) hours or less per week.

SECTION 18.8:

<u>Dept.</u>	<u>Classification</u>	<u>Retail</u>	<u>Wholesale and Dealer</u>
1, 6, 7, 8	Special order W.P. Pref. Vendor W.P. Commercial W.P. Stock	1.65%	1.30%
2	Paint (Non-HPM)	0.95%	0.88%
2	HPM Paint	1.25%	0.93%
3	Sundries	1.75%	1.00%
4	Fabric & WT	2.00%	1.50%
9	Bin Stock	3.50%	2.50%

The above commission rates and/or the commission structure may be modified by the mutual consent of the Employer, the Union, and each employee affected by such modification(s).

SECTION 18.9: It is mutually understood that the Employer, in the efficient management of the business, must maintain sufficient numbers of qualified selling personnel to give prompt and adequate service to the public and insure the largest possible volume of sales at all times, and that the employees have a legitimate interest in maintaining regularized income each week and to have the opportunity to earn maximum wages on the basis of the foregoing. The Employer agrees that, therefore, it shall not be the policy to employ unnecessarily large numbers of sales personnel in any department. The above mentioned statements shall mean to apply to the sales territory of outside salespersons, too.

SECTION 18.10: The Employer agrees to pay all employees every two (2) weeks. Commissions shall be paid monthly.

SECTION 18.11: The Employer shall keep a record of time showing the hours worked per day and the days per week worked, and the wages paid each employee. This record shall be available to that employee or his/her authorized representative.

SECTION 18.12: If an employee shall be required to take inventory on a day not scheduled to work, then such employee shall be paid time and one-half (1½) their normal rate of pay, unless the day shall fall on a holiday or Sunday, then such employee shall be paid double (2) his normal rate of pay.

SECTION 18.13: MANAGEMENT RIGHTS:

Consistent with this Agreement, management shall have, in addition to all power, duties and rights established by constitutional provision, statute, ordinance, charter, or special account, the exclusive power, duty and the right to:

1. Direct the work of its employees;
2. Hire promote, demote, transfer, assign duties, and retain employees;
3. Discipline, suspend or discharge employees for proper cause.
4. Maintain the efficiency of the operations;
5. Determine, implement, and evaluate: performance, methods, means, assignments and personnel by which the Employer's operations are to be conducted.
6. Assign shifts, work days, days off, as to maintain the efficiencies of the operations.
7. Establish and enforce policies and procedures (as long as such are not in conflict with existing contract language)
8. Implement and enforce the company handbook and its contents. Should the handbook be in conflict with the contract, the contract will supersede the wording of the handbook
9. Create, modify and implement job descriptions

SECTION 18.14: The Employer has the right to establish commission programs for outside sales reps.

ARTICLE XIX
HIRSHFIELD'S PAINT MANUFACTURING.

SECTION 19.1: WAGES:

Start	\$ 10.56
After 6 month	\$ 10.82
After 1 year	\$ 11.33
After 2 years	\$ 12.10
After 3 years	\$ 12.77
After 4 years	\$ 13.29
After 5 years	\$ 13.85
After 6 years	\$ 14.42
After 7 years	\$ 15.19
After 8 years	\$ 15.97
After 9 years	\$ 16.48

SECTION 19.2: SAFETY MEETINGS: Safety meetings will be held three times during the year and will include members from Hirshfield's management, and employee Union members.

SECTION 19.3 SAFETY BOOTS Hirshfield's Paint manufacturing

Employees who are required to wear safety boots at HPM, shall be reimbursed in accordance with Hirshfield's Policy 19-1.

Category Type	Job Classification	Minimum required Boot Type	Reimbursement amount
1	Mixers	Steel toe AND waterproof	Up to \$175 annually
1	Routinely performs maintenance duties	Steel toe AND waterproof	Up to \$175 annually
2	All other production workers	Steel toe	Up to \$100 annually
2	Shipping and Receiving	Steel toe	Up to \$100 annually

Article XX **FRIDAY AFTER THANKSGIVING**

SECTION 20.1: Hirshfield's Paint Manufacturing intends to remain closed on the Friday after Thanksgiving. However, if the need arises and management deems it necessary to open on that day, the Company will give the HPM employees reasonable notice of such intent. Additionally, the order of selecting staff will occur as follows until the proper staffing levels are reached for the business intended on that day:

Management personnel
Labor volunteers
Reverse seniority

Section 20.2: The following divisions may also be closed the day after Thanksgiving unless economically not feasible.

Hirshfield's Warehouse
Hirshfield's Office
Outside Sales (PM)
Commercial administrative staff and outside sales staff
Design Resource Studio
HBA Sales and Administrative staff

Should a need arises where the company needs to be open, the order of selecting staff will occur as follows until proper staffing levels are reached for the business intended on that day:

Labor Volunteers
Reverse seniority

Employees may take the day after Thanksgiving off as unpaid, or use available PTO for that day. For all exempt employees: A two (2) week notice must be provided to the HR manager if an employee wants the day to be unpaid because either: a) He/She chooses not use available PTO, or b) he/she does not have any PTO available, otherwise PTO will automatically be added to all exempt employees. Pay reductions due to choice or lack of PTO will occur in a full day increment.

ARTICLE XXI
MISCELLANEOUS

SECTION 21.1: The Employer agrees to provide smocks/aprons for any employee that requests one.

SECTION 21.2: UNION STORE CARD: The Union agrees to issue a Union Store Card to the Employer under the rules governing Union Store Cards set forth in the Constitution of the United Food and Commercial Workers International Union. Such Union Store Card is and shall remain the property of said International Union and the Employer agrees to surrender said Union Store Card to an authorized representative of the Union on demand in the event of failure by the Employer to observe the terms of this Agreement and the conditions under which said Union Store Card is issued.

SECTION 21.3: The duly authorized representatives of the Union may enter the premises of the Employer at any time to confer with the members, provided that they shall not interfere with the transaction of business.

ARTICLE XXII
PENSION AND 401K

SECTION 22.1: Complete Hard Freeze of the Pension Plan. Both parties have agreed to a "Hard Freeze" of the pension plan effective at the earliest date allowable under current law. A "hard freeze" shall mean that, upon the effective date of Amendments to the Pension Plan document which implement the "hard freeze," no new participants shall be allowed into the Plan. Additionally, the benefit accruals for existing participants shall be fixed at the levels existing on the effective date of those Plan Amendments.

SECTION 22.2: The Company will amend the 401K plan to reflect the changes negotiated in this Agreement. **The Employer will match thirty five percent (35%) of the employee's contribution of up to twelve (12%) of the employee's earnings, effective on the first payroll feasible after ratification of current contract.**

ARTICLE XXIII
NON COMMISSION STORES

When the Employer decides that a store is ready to go to a non-commission compensation plan, pay will be converted to a base-pay rate. There will be a total store vote, not a vote by separate departments.

ARTICLE XXIV
TERMINATION

This contract shall be binding upon the heirs, executors, administrators and assignees of the parties hereto.

This Agreement shall take effect from the first (1st) day of March, 2018, and will remain in full force through February 28, 2021, and from year to year thereafter, except that it can be

reopened by written notice by either party, sixty (60) days prior to February 28, 2021 or February 28th of any year thereafter.

IN WITNESS WHEREOF, the parties hereto have, by their respective officer duly authorized to do so, hereunto set their hands and seal this ~~2018~~ day of April, 2018

HIRSHFIELD'S, INC.

By: Richard M. Weber
President
TITLE

UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 653

By: Paul Crandall
Secretary Treasurer
TITLE

UNITED FOOD AND COMMERCIAL
WORKERS UNION LOCAL 1189

By: James A. Kelly
Secretary Treasurer
TITLE