

AGREEMENT

between

PENSACOLA NAVY EXCHANGE
U. S. NAVAL AIR STATION

PENSACOLA, FLORIDA

and

UNITED FOOD AND
COMMERCIAL WORKERS
UNION LOCAL 1657 THE
McADORY BUILDING
2013 FIRST AVENUE NORTH, SUITE 300
BIRMINGHAM, AL 35203

2009-2012

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PREAMBLE

This Collective Bargaining Agreement (hereinafter referred to as the "Agreement") between the Pensacola Navy Exchange, U. S. Naval Air Station, Pensacola, Florida, hereinafter referred to as the "Exchange" and United Food and Commercial Workers Union Local 1657, Birmingham1, Alabama, chartered by the United Food and Commercial Workers International Union,, hereinafter referred to as the "Union." Collectively, the Exchange and the Labor Organization shall be known hereinafter as the "Parties". Whenever language in this agreement refers to specific duties or responsibilities of Exchange Management, it is intended to provide a guide as to how a situation may be handled.

The Exchange (and its supervision) and UFCW Local 1657 (and its agents) in locations covered by this agreement, agree to treat each other with mutual business respect. When the agents of Local 1657 are in the locations they will respect the Exchange's need to provide customer service, and the Exchange will respect the needs of the agents to service their members. Neither party will engage in negative discussion about each other. The Exchange will not tell associates it opposes or supports the union. The Exchange and its supervision will not coerce and will not interfere with the rights of its employees to choose to join a union. Local 1657 and its agents will not coerce and will not interfere with the rights of the associates to choose to join a union.

WITNESSETH

In consideration of the mutual covenants herein set forth, the parties hereto, intending to be bound hereby, agree as follows:

WHEREAS, it is the intent and purpose of the parties hereto to promote and improve the efficient administration of the Navy Exchange Program and the well being of the Exchange associates, to assure that associates will be treated with Dignity and Respect in the work place in consonance with the spirit and intent of Title VII, Civil Service Reform Act of 1978 (hereinafter referred to as the "Statute"), to establish a basic understanding relative to personnel policies, practices, procedures, and matters affecting other conditions of employment, and to provide means for amicable discussion and adjustment in matters of mutual interest at the NAVY EXCHANGE.

WHEREAS, in accordance with the Statute, the Union shall not call or engage in a strike, work stoppage, or slowdown; picket an agency in a labor-management dispute; or condone any such activity by failing to take affirmative action to prevent or stop it.

NOW, THEREFORE, the parties hereto agree as follows:

SEPARABILITY

It is hereby declared to be the intention of the parties to this Agreement that the sections, paragraphs, sentences, clauses, and phrases of this Agreement are separable; and, if any phrase,

clause, sentence, paragraph or section of this Agreement shall be declared invalid by higher authority or by the valid judgment or decree of a court of competent jurisdiction or conflict with any Federal or applicable state law, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Agreement.

The Exchange and the Union agree that substitute provisions to replace any part of this agreement invalidated pursuant to the foregoing shall be incorporated into this agreement within thirty (30) days thereafter.

ARTICLE 1- RECOGNITION AND COVERAGE

Section 1. The Exchange hereby recognizes that the Union is the exclusive representative of all associates in the unit as defined in Sections 2 and 3 below, and the Union recognizes the responsibilities of representing the interest of all such associates with respect to grievances, personnel policies, practices and procedures, or other matters affecting their general working conditions, subject to the express limitations set forth in Articles 6 and 16 below.

Section 2. The unit to which the Agreement is applicable is composed of all eligible associates in the Navy Exchange, Naval Air Station, Pensacola, and the branch exchanges at Navy Exchange Training Professional Development Training Center (NETPDTC) Saufley and Naval Air Station, Whiting Field, and Corry Station. Eligible associates are those remaining in the unit after the following exclusions have been made:

- a. Any management official (designated by title as manager, supervisor, administrative specialist or personnel assistant); and
- b. Any associate engaged in personnel work other than a purely clerical capacity, and exchange detectives.

Section 3. In accordance with section 2 above, this Agreement extends to all eligible associates in the following departments/locations: Retail (A1, A5, A6, B2, B3, B5, B8, B9, C1, C2, C4, C9, D2, D5, E1, E2, E4, E5, E7, E8, MM, PS, AP, CC, CS, RM, RL, SL, HL, CL, SM, HM, CM, SO), Barber Shops (J1), Beauty Shops (J2), Auto Service/Tire Centers (J3/J5), Optical Shops (K2), Floral Shops (K3), Food Service Areas (K4), Navy Lodge (N2, N3, N4), Video Rental (MO), Laundry (M1), Tailor Shops (T1), Personalized Services (M9), Vending (M3), Services Operations (M5), General Warehouse (W1), Receiving (W2), Stocking (W3), Drivers (W4), Customer Delivery (W5), Shipping (W6), Administrative (11), Accounting (21), Visual Merchandising (41), Loss Prevention (52), Custodial (57), Facilities Maintenance (81).

Any departments/locations which are now covered by and defined in Section 2 and 3 of this Article, which are moved, or BBA'd, to any other locations or agencies other than those defined in Section 2 and 3, during the term of this agreement and later returned to this Exchange, shall have its eligible associates herein, included under the coverage of this Agreement, regardless of any change of name, department, job or classification in which it returned.

Section 4. The Exchange agrees not to recognize or enter into a separate agreement, either orally or in writing, with another Labor Organization involving the above referenced bargaining unit during the term of this Agreement. Furthermore, the Exchange agrees that it will not deal with individual bargaining unit members in any manner which is inconsistent with the terms of this Agreement.

ARTICLE 2- EXCHANGE RIGHTS AND OBLIGATIONS

Section I. Nothing in this Agreement shall affect the authority of the management officials of the agency to determine the mission, budget, organization, number of associates, and internal security practices of the agency, and in accordance with applicable laws:

- a. To hire, assign, direct, layoff, and retain associates in the agency, or to suspend, remove, reduce in grade and pay, or take other disciplinary action against such associates;
- b. To assign work, to make determinations with respect to contracting out, subject to Article 10, and to determine the personnel by which agency operations shall be conducted;
- c. To make selections for appointments from among properly certified candidates for promotion or any other appropriate source; and to
- d. Take whatever actions may be necessary to carry out the agencies mission during emergencies.

Section 2. Exchange Obligations:

- a. Management officials are obligated to confer with Union Representatives on negotiable matters mentioned in Article 6 of this Agreement. For the purpose of handling such consultations, the General Manager or his designated representative will initiate or receive requests for consultation. The name of any such representative will be made known to the Union in writing.
- b. Management officials are obligated to negotiate in good faith with Union officials with the objective of reaching agreement by a diligent and serious exchange of information and views and by avoiding unnecessarily protracted negotiations. This obligation to negotiate does not extend beyond those matters mentioned in Article 6 of this Agreement.
- c. New Rules and Regulations or changes therein, issued by Navy Exchange Service Command and/or the Navy Exchange, that directly affect the associates working conditions, will be made known to the associates and copy sent to the Union.
- d. These rights and obligations shall be exercised with due regard for the rights of the associates and provided further that it will not be used for the purpose of discrimination against any associate.

Section 3. All rights, powers and prerogatives which have not been specifically abridged, altered or modified by this Agreement are recognized by the Union as being retained by the Exchange, as long as they don't in any way discriminate against any associate, and is done with just cause.

ARTICLE 3- UNION RIGHTS AND OBLIGATIONS

Section 1. Union Rights:

Under the terms of this Agreement, the Union has the exclusive right to represent all associates in the unit with management regarding terms of employment and working conditions within the limits of regulations and directives. The Union shall be given the opportunity to be present at discussions between management and practices or other matters affecting general working conditions of associates in the unit. However, the Union's right to be present shall not extend to informal discussions, training periods or counseling between an associate and a supervisory official.

Section 2. Union Obligation:

a. As a condition of the rights enumerated above, the Union obligates itself and agrees to represent in good faith the interest of all associates in the Unit without discrimination with regard to membership in the Union.

b. The Union is obligated to negotiate in good faith with management officials with the objective of reaching agreement by a diligent and serious exchange of information and views and by avoiding unnecessarily protracted negotiations.

c. The Union will furnish the General Manager a roster of the officers and representatives of the Union and any changes thereto.

ARTICLE 4- ASSOCIATE RIGHTS AND OBLIGATIONS

Section 1. In consonance with the "Statute," and in the interest of the effective and efficient operation of the Navy Exchange Program, it is recognized that associates have the protected right to form, join, and assist the Union, or to refrain from any such activity and to exercise these rights freely and without fear of penalty or reprisal. Associates will have the freedom to assist the Union and to act as a Union representative. Associates shall not restrain, interfere, coerce, or discriminate against fellow associates in the exercise of their right to join or refrain from joining the Union.

Section 2. No associate will participate in any activity as an officer or agent of the Union which would result in a conflict or apparent conflict of interest or otherwise be incompatible with law or with official duties of the associates.

Section 3. Each associate shall have the right to bring matters of personal concern to the attention of appropriate officials of the Exchange.

Section 4. No associate shall be discriminated against by the Exchange for upholding Union principles or engaging in authorized activities of the Union.

Section 5. Any associate has the right to be represented by the Union during any examination by a representative of the Exchange in conjunction with an investigation if:

- a. The associate reasonably believes that disciplinary action may result from the examination, and
- b. The associate requests representation.
- c. The first ninety (90) days of any new associate's employment shall be considered at probationary. An extension of an additional ninety (90) days may be agreed to with mutual consent of the Navy Exchange and the Union in individual cases. Associates may be terminated during the probationary period for any reason other than for upholding Union principles or engaging in activities of the Union. Probationary associates shall have no seniority rights, but upon successful completion of said probationary period, seniority rights shall date back to the initial date of employment.

Section 6. Each associate shall have the right to respond to a Letter of Caution in writing, with a copy to be attached to and maintained with the Letter of Caution.

ARTICLE 5- ASSOCIATE REPRESENTATIVES

Section 1. Supervisors shall not impose any restraint, interference, coercion, or discrimination against associate in the exercise of their protected right to organize and designate a representative of their own choosing for the handling of grievances, appeals from adverse actions and Union-Management Cooperation, or upon a duly designated Associate Representative acting on behalf of an associate or group of associates within the unit.

Section 2. The Exchange agrees to recognize the Union Officers, Chief Steward, and stewards of the Union. In addition to the Chief Steward, the Exchange recognizes eleven (11) location stewards as follows:

<u>Location</u>	<u>Number of Stewards</u>
NAS Whiting Field	2
NAS Pensacola	4
Main Mall	3
NETPDTC-Saufley	1
Corry Station	1

Associates whose work stations are at places other than those named above shall be served by the nearest available steward. The Union will provide the Exchange with sufficient copies of the steward roster to permit the posting of their names on official bulletin boards. The roster will indicate the specific areas, which each steward will serve. The Union will notify the Exchange

in writing of any changes in officers and stewards. This does not preclude associates from consulting with the Chief Steward on grievances.

Section 3. The Exchange agrees that a steward may act in behalf of the Union during hours in dealing with the supervisor and represented associates of the unit in carrying out such official functions as authorized by appropriate regulations and policies of higher authority. Authorized activities by the steward will be engaged in without suffering any loss in pay provided the time off is approved in advance by the individual's supervisor. Each steward's activities will be restricted to his/her area as designated in Section 7. However, with the agreement of the store manager, a steward may be permitted to leave his/her primary activity to assist with associate issues in other areas.

Section 4. The Exchange agrees that the stewards and representatives shall be permitted reasonable time, usually construed to mean not in excess of sixty (60) minutes, to contact associates for discussion of grievances and other appropriate matters directly related to work situations in the associate's immediate work area. The Union will ensure that its stewards devote not less than 95% of his/her regularly assigned hours per work week to their primary job assignments.

Section 5. In accordance with applicable directives of the Office of Personnel Management, time used by representatives must be identified (for record purposes) so as to distinguish it from production functions. When a steward is required to stop work to conduct authorized Union business, he/she will obtain oral permission from his/her supervisor and request a "Time-out" Slip provided by the Exchange. In order to minimize unproductive time, the steward will contact the supervisor of the associate to be visited prior to contacting the individual associate. In the event the supervisor denies permission to conduct business with the associate at that time, the supervisor will inform the steward of the reasons for denial and advise him/her as to when he/she can reasonably expect to be able to contact the associate. When the supervisor summons the associate in response to the request, the supervisor will designate an area for conducting the meeting. Upon his/her return to his/her work assignment, the steward will notify the supervisor of his/her return and turn in the completed "Time-out" Slip. Completion of the "Time-out" Slip is required to properly record the Union member time not allocated to production.

Section 6. All stewards are encouraged in the performance of their duties to:

a. Advise the cognizant supervisor and local officials of potential problem areas with a view toward improving working conditions for the prevention of complaints and for the mutual benefit of all parties.

b. Advise associates to seek resolution of complaints in the most expeditious and mutually satisfactory manner through open and frank discussions with their immediate supervisors.

c. Seek to determine the merits of an associate's complaint through the collection and consideration of facts.

d. Advise the associate of the merits of his/her complaint and the action which it warrants, and

e. Assist the associate in presenting a complaint to appropriate supervisory personnel when the associate so requests.

Section 7. Stewards will be allowed to receive complaints and grievances of associates while in a duty status. It is agreed and understood that during the performance of such duties, non-representational activities, such as, but not limited to the following may not be performed during working hours:

- a. Matters pertaining to internal management of the Union
- b. Membership meetings
- c. Solicitation of members
- d. Collection of dues or assessments
- e. Campaigning for Union Office
- f. Distribution of posting of Union literature and notices.

Section 8. Upon approval of a request from an authorized representative of the Union, the Exchange will make arrangements for admission to the station of Union representatives who are not associates, for the purpose of meeting with officials of the Exchange and/or associates with permission from the associates supervisor as outlined in Section 4 above, during work hours. Admission to the station, after approval by the Exchange, will be in accordance with existing station security regulations. Subject to Command Security regulations, the Exchange will issue up to two vendor passes to non-associate union representatives.

Section 9. The Union shall be given the opportunity to be present at:

a. Any formal discussion between one or more representatives of the Exchange and one or more associates in the unit or their representatives concerning any grievance or any personnel policy or general condition of employment, or

b. Any examination of an associate in the unit by a representative of the Agency in connection with an investigation if:

1. The associate reasonably believes that the examination may result in disciplinary action against the associate, and

2. The associate requests representation.

Section 10. Associates may request any specific information concerning personnel regulations from their supervisors, or at the Personnel Office after obtaining permission from their Department Manager.

Section 11. The Exchange agrees to grant paid time to unit stewards to attend Union sponsored training up to forty (40) hours per steward per year. The Union will provide a written request at least 14 calendar days in advance with a copy of the training agenda.

Section 12. The Exchange shall not discipline or otherwise discriminate against an associate, including stewards, because the associate has filed a complaint, affidavit or petition, or has given any information or testimony under the "Statute."

ARTICLE 6- APPROPRIATE MATTERS FOR CONSULTATION AND NEGOTIATION

Matters Appropriate for Consultation and Negotiation: It is agreed and understood that matters appropriate for consultation and negotiation with the recognized Union will include policies affecting working conditions to the extent that they are within the discretion of the Exchange activity. These include policies such as safety, training, labor-management cooperation, working conditions, wages, benefits, associate services, methods of adjusting grievances, appeals, granting of leave, promotion plans, demotion practices, paying practices, BBA practices; on the number, types, and grades of associates or positions assigned to any organizational subdivision, work project, or tour of duty, or on the technology methods, and means of performing work. A climate of cooperation and consultation will be encouraged between Associates, Union and the Exchange activity.

ARTICLE 7- GRIEVANCE PROCEDURE

Section 1. This Article is intended to provide an orderly and sole procedure for the processing of Unit associates', Union grievances. Grievances, to be processed under this Article, shall pertain only to the application of express provisions of this Agreement. The following negotiated Grievance Procedures do not cover any other matters, including matters for which statutory appeals procedures exist, and shall be the exclusive procedure available to the Parties and the associates in the Unit for resolving such grievances.

Section 2. Associates/or Union may exercise in a timely manner, upon knowledge of, or when they should have reasonably known, a matter grievable, the right to present grievances on their own behalf to appropriate management officials, and the Union has the right to be present during the grievance proceeding.

Section 3. Questions as to the interpretation of published agency policies or regulations, provisions of law, or regulations of appropriate authorities outside the agency shall not be subject to this negotiated grievance procedure regardless of whether such policies, laws or regulations are quoted, cited or otherwise incorporated or referenced in this Agreement. Should an associate or group of associates in the Unit, or the Parties, initiate a grievance or complaint on matters other than the application of the Agreement, such grievances or complaints may be presented

under procedures established in appropriate regulations and shall not be resolved through the procedures established in this Article or Article 8, Arbitration, of the Agreement.

Section 4. The grievance procedure shall exclude any grievance concerning any of the following:

- a. Any claimed violation relating to prohibited political activities;
- b. A suspension or removal for National security reasons;
- c. Any examination, certification, or appointment;
- d. Retirement, Life Insurance or Health Insurance;
- e. The classification of any position, which does not result in the reduction in grade or pay of any associate;
- f. Advance notices of proposed disciplinary action;
- g. Discrimination;
- h. Letters of Caution/Letters of Requirement, provided however that an associate may reply to the Letter of Caution and the reply shall be kept with the Letter of Caution;
- i. Failure to receive, or the amount of, a pay adjustment or bonus.
- J. Any action within the first 90 days of an associate's employment.

Section 5. A grievance not taken up with the associate's Department Manager or with appropriate representatives of the Union or Exchange within fifteen (15) work days after the occurrence of the matter out of which the grievance arose, or within fifteen (15) work days after knowledge of the occurrence of the matter, shall not be presented or considered at a later date. Extensions may be mutually agreed upon to provide for unusual cases.

Section 6. The follow procedure applies to all eligible associates of the Unit and the parties:

a. Informal Step. A grievance will be discussed orally with the Department Manager. Such submission of the grievance must be within fifteen (15) work days after the occurrence of the matter from which the grievance arose. The Department Manager will meet with the associate in an attempt to resolve the grievance. The associate may, upon request, be represented by one location steward who will be the appropriate steward. The Union and the Exchange anticipate that most associate grievances will be settled at this informal level.

b. Formal Procedure.

Step 1. If no satisfactory settlement is reached at the informal step and the associate elects to pursue his/her grievance under the following procedure, the associate/Union shall reduce his/her grievance to writing. The written grievance will be submitted to the General Manager within ten (10) work days of the Department Manager's informal decision. The written grievance shall contain the details of the complaint, the specific provision of this Agreement involved and the corrective action desired by the associate/Union. It must give the date of informal discussion, the date of the informal decision, and identify the Department Manager. The General Manager will meet with the associate/Union and the location steward who shall be the steward involved at the informal step in an attempt to resolve the grievance within ten (10) work days of receipt. A written decision will be given to the associate/Union within ten (10) workdays of this meeting.

Step 2. If no satisfactory settlement has been reached at Step 1, the associate/Union may present his/her written grievance to the Commanding Officer of the installation within ten (10) workdays from the General Manager's decision. The written grievance shall contain the details of the complaint, the specific provision of the Agreement involved and the corrective action desired. A written decision will be given to the grievant/Union within a reasonable period of time, preferably within (30) days of receipt of the grievance.

Step 3. If a satisfactory settlement has not been reached at Step 2, the Union may submit the grievance within twenty (20) workdays to Arbitration, in accordance with Article 8.

Section 7. Failure of the Exchange to observe time limits for any step in the grievance procedure shall entitle the associate to advance the grievance to the next step. Failure of the associate or his/her representative to further process a grievance within the time limits provided herein shall constitute withdrawal and termination of the grievance, unless the Parties agree to an extension of the time limits.

Section 8. At each and every step of the grievance procedure, the Union and the Exchange may call a reasonable number of relevant associate witnesses who shall suffer no loss of pay for such service. The Parties shall, upon request of the other Party, permit inspection of pertinent records insofar as permissible without violating laws, regulations, or government policy, for the purpose of substantiating the contents of claims of the parties. The Exchange may file a grievance directly with the local Union President. If the grievance is not resolved at this level, the Exchange will proceed directly to Arbitration.

Section 9. The Exchange and the Union recognize and endorse the importance of bringing to light and adjusting grievances promptly. The initiation of a grievance in good faith by an associate should not cast any reflection on his/her standing with his/her supervisor or loyalty and desirability to the organization, nor should the grievance be considered as a reflection on the associate's supervisor.

Section 10. The Exchange and the Union agree that when several associates have an identical grievance (where no individual variations are involved), the Exchange and Union may jointly select one case for processing under the grievance procedure. The associates will be advised in writing that in processing one grievance for the group, the decision on the case selected will be

binding on all other cases. Names of all associates involved in this procedure will be made a part of the record of the case selected for processing and when a decision is made on the grievances, each associate will be individually notified in writing.

Section 11. In the event either party should declare a grievance nongrievable or nonarbitrable, then either party may submit the issue to arbitration and the arbitrator will decide the issue of grievability or arbitrability and then decide the merits of the original grievance.

Section 12. All written responses to the Union, from the Exchange, from Section 6, Steps 2 and 3 must be postmarked and sent Certified Mail by the date they are due, or hand delivered, with signatures and date indicated by the person taking receipt.

ARTICLE 8- ARBITRATION

Section 1. Arbitration may be invoked by either Party when an issue relative to a question of application of express terms of the negotiated Agreement has not been resolved to the satisfaction of the Exchange or the Union after having been processed through the negotiated grievance procedure. The Party requesting arbitration must inform the other Party in writing within twenty (20) work days of the final decision in the grievance procedure or the due date of the final decision whichever occurs first.

Section 2. Within five (5) workdays from the receipt of the arbitration request, the Parties and/or their representatives shall establish contact for the purpose of selecting an arbitrator and to draw up an Agreement to Arbitrate. The Agreement to Arbitrate shall contain a statement of the specific sections of this negotiated contract to which the arbitration process shall refer, together with a brief statement of the issues involved relative to the application of express terms of the negotiated Agreement and each party's position in respect to the disputed issues.

Section 3. If the Parties cannot agree on which section of this negotiated Agreement is to be referenced in the Agreement to Arbitrate, then each Party shall state the section it thinks appropriate, together with its reasons for so thinking and the arbitrator shall decide during the course of the arbitration proceedings which section is appropriate or applicable.

Section 4.

a. The Exchange and the Union shall request the American Arbitration Association to submit a list of impartial arbitrators. The parties and/or their representatives shall establish contact within five (5) workdays after receipt of such a list. The Parties may reject an entire panel. The Exchange has the election of striking the first or last name, of the initial list. The party requesting a transcript shall bear the cost, unless the parties agree to share the cost.

b. In the event, party fails to participate in a scheduled arbitration proceeding, the other party may proceed, unilaterally, and the decision of the arbitrator shall be final and binding upon all parties. Extensions may be mutually agreed upon for unusual cases.

Section 5. The fee and the expenses of arbitration's will be borne equally by both parties, the Exchange and the Union.

Section 6. The arbitration hearing shall be held at the Activity during regular day shift work hours Monday through Friday. The Parties and/or their representatives (if employed by the Exchange) and pertinent associate witnesses shall be excused from duty to participate in the arbitration proceedings without loss of pay or charge to leave, but overtime will not be paid.

Section 7. The Arbitrator will be requested by the Parties to render his/her decision to the Parties within thirty (30) work days after receipt of the transcript unless the Parties otherwise mutually agree. The arbitrator shall decide questions of arbitrability. The arbitrator shall, however, have no authority to add to, subtract from or modify the terms of this Agreement or interpret official directives. The arbitrator will only have the authority to apply those bilaterally negotiated provisions of this Agreement. The arbitrator shall not have the authority to decide matters in the Agreement involving the interpretation or application of regulations of higher authority regardless of whether such policies are quoted, paraphrased or cited in this Agreement. The Arbitrator's report shall be limited to the specific issues as presented by the Agreement to Arbitrate. The arbitrator's decision shall be final and binding on the Exchange, the Union and the associate.

ARTICLE 9- DISCIPLINARY ACTIONS

Section 1. It is agreed that the Exchange is solely responsible for the discipline of associates for just cause. Actions which may be taken for this purpose are (1) nondisciplinary administrative actions such as oral or verbal reprimands or counseling and letters of caution; (2) formal disciplinary actions including letters of reprimand, suspension without pay, demotion and/or termination of employment.

Section 2. Disciplinary actions will be taken for just cause and be in accordance with regulations contained in Navy Exchange Manual, Volume 3, Pub. 145.

Section 3. Associates receiving disciplinary action will be notified by the Exchange of their rights and the appropriate procedures available.

Section 4. Oral admonishments will not be documented in the associate's official personnel file, nor will any associate be required to acknowledge, in writing, any oral admonishment.

Section 5. If an associate elects to be represented by the Union in a disciplinary action, the Exchange will provide the associate with two (2) copies of all correspondence so that the associate may make a copy available to the Union.

Section 6. When an associate does not elect to have the Union represent him/her, the Union will be permitted to have an observer present during the proceedings and at the time of adjustment.

Section 7. No record of complaint, determined to be unfounded, shall be placed in the associate's official personnel jacket.

Section 8. To the extent possible, if an associate is to be served with a warrant or subpoena, it will be done in private without the knowledge of other associates.

Section 9. Cash Handling: Associates who are disciplined for cash handling discrepancies may contest such actions via the Grievance Procedure outlined in Article 7.

Section 10. When more than one associate is working from a cash drawer, those associates will not be held personally accountable, or disciplined, for discrepancies, unless direct evidence indicates otherwise.

No associate shall be required to make good any bad checks cashed for an Exchange customer unless said checks are cashed in violation of posted store rules and regulations.

ARTICLE 10 - CONTRACTING OUT AND USE OF MILITARY PERSONNEL

Section 1. The Union will be given a 90 day advance notice of the intention to solicit bids for "contract work" which could result in a BBA or demotion of any associates in the Unit. The notice will provide an explanation of the reasons for this change and will afford the Union the opportunity to file its written views or objections within forty-five (45) days after notification. The Exchange shall consider the views and furnish a written response. The Union will be afforded the opportunity to negotiate over the effect and impact of "Contract Work", which could result in a BBA or demotion of any associates in the unit.

Section 2. The Union will be given reasonable advance notice of the intention to use military personnel which could result in a BBA or a demotion of any associate in the unit. The notice will provide an explanation of the reasons for this change and will afford the Union the opportunity to file its written views or objections within forty-five (45) days after notification. The Exchange shall consider the views and furnish a written response.

Section 3. The Exchange agrees to consult and meet with the Union in order to minimize displacement action through such actions as realignment and retraining.

ARTICLE 11- JOB DESCRIPTIONS

Section 1. Each associate in the Unit and the Union will be given a copy of his/her job description. Each occupation shall be graded in accordance with applicable regulations.

Section 2. Any associate who believes that his/her position/job is improperly classified should first discuss the matter with his/her first-line supervisor. The associate may request a Union steward to be present. The associate may also request information directly from the Personnel Office on his/her grievance rights, pursuant to Article 7 of this Agreement, or appeal rights set forth in Navy Exchange Manual, Volume 3, Pub. 145.

ARTICLE 12- HOURS OF WORK

Section 1. The basic workweek for full time associates shall be not less than thirty-five (35), and not more than forty (40) hours, Sunday through Saturday. All work in excess of eight (8) hours in any one day, or forty (40) hours in any one week, shall be paid at the rate of time and one-half associate's hourly rate of pay. The Union recognizes the right of the Exchange to require associates to work Sundays and holidays when required. The Exchange agrees that associates within the department shall be given the opportunity to participate in Sunday work and/or Holiday work on a volunteer basis in the normally assigned functional work area of the department as the department requirements permit. If there are not enough volunteers for Sunday and/or Holiday work within the department, the inverse order of seniority shall apply. Request for relief from Sunday and/or holiday work will be considered.

Section 2. Managers shall establish definite hours of work for their associates. Where changes in working hours, workdays or workweek are required, associates shall be given three (3) days advance notice of such changes where practicable. Short or no notice may be given if the agency would be seriously handicapped in carrying out its function or if costs would be substantially increased. It is the responsibility of the scheduler to notify associates of changes in the schedule.

Section 3. A pay banding associate is entitled to pay at his/her scheduled rate plus a differential of eight (8) percent of his/her scheduled rate for regularly scheduled non-overtime work when a majority of his/her work hours occurs between 3 p.m. and midnight; or eleven percent (11%) of his/her scheduled rate if the majority of his/her work hours occurs between 11 p.m. and 8 a.m. The night shift differential is paid for the entire shift when the majority of hours, meaning a number of whole hours greater than one-half (including meal breaks), falls within the specified periods. Craft & Trade associates are entitled to pay at his/her scheduled rate plus a differential of seven and one-half (7 1/2%) percent of his/her scheduled rate for regularly scheduled non-overtime work when a majority of his/her work hours occurs between 3 p.m. and midnight; or ten (10%) percent of his/her scheduled rate if the majority of his/her work hours occurs between 11 p.m. and 8 a.m. The night shift differential is paid for the entire shift when the majority of hours, meaning a number of whole hours greater than one-half (including meal breaks), falls within the specific periods.

Section 4. Authorized travel will be compensated in accordance with the terms of the Joint Travel Regulations. The Exchange will determine the travel requirements, but consideration will be given to trying to schedule travel during the associate's basic workweek.

Section 5. No associate will be required to take time off from their regular schedule for the purpose of avoiding the payment of overtime.

Section 6. Meal periods for full-time associates shall be scheduled during the middle three hours of a work shift, at which time the associate will be relieved of all their duties. Shifts of less than six (6) hours will normally not have a meal period, unless requested by the associate for medical reasons only and supported by a doctor's statement if requested by the Exchange. Associates must clock out at the beginning of their meal period and clock back in at the end of their meal period.

Section 7. At the discretion of the supervisor, a reasonable amount of time may be allowed before the close of the workday for the purpose of cleaning the work area, returning tools, securing machines, and personal clean-up, if necessary.

Section 8. The Exchange agrees to notify the Union three (3) workdays in advance of any change in the hours of operation where practicable. The Union shall have the opportunity to present its views during this period before any changes occur. Short or no notice may be given if the agency would be seriously handicapped in carrying out its function or if costs would be substantially increased.

Section 9. Schedules will be posted in ink no later than the close of business on Tuesday, for the following work week except for unforeseen circumstances such as emergency leave or replacement, acts of nature, or unexpected mission requirements of the Navy, it will then be posted as soon as possible.

Section 10. In the event of the absence of a scheduled associate, if additional hours of work are necessary to meet departmental requirements, the opportunity to work those hours required will be offered to the most senior scheduled qualified associate in the normally assigned functional work area of the absent associate's department, provided the additional hours will not result in overtime. Hours will then be assigned in descending order of seniority if necessary.

Section 11. Subject to required consideration of priority candidates, consideration will be given to qualified part-time associates for full-time positions before external applicants. The same would apply to Flexible associates seeking part-time positions.

Section 12. Full-time associates are those who are employed for 35 hours or more per week. Part-time associates are those who are employed for a minimum of 20 hours per week but less than 35 hours per week. Associates will not normally be scheduled for more than five consecutive days. If the need arises to schedule an associate for more than five consecutive days the associate will be notified as soon as possible. Extended consecutive day schedules will be rotated among all qualified associates.

Section 13. A flexible category associate may be scheduled to work 0-40 hours per week, scheduled in advance or on an as-needed basis.

Section 14. If an associate reports for work on a scheduled workday, and because of emergency circumstances is prevented from working, excused absence, annual leave or furlough (leave without pay) may be considered.

Section 15. The Exchange will ensure that, in each department or location/work schedule, composed of Regular and Flexible associates, Flexible associates will not be scheduled to work more hours than the regular associates within a given pay period, unless such regular associates are not available to work. This, however, will not preclude the Exchange from assigning work, as needed, in emergencies or unforeseen circumstances.

ARTICLE 13- OVERTIME

Section 1. The Union recognizes the right of the Exchange to require associates to work overtime when required. The Exchange agrees that associates within the department shall be given the opportunity to participate in overtime on a volunteer basis in the normally assigned functional work area of the department as the department requirements permit. If there are not enough volunteers for overtime within the department, the inverse order of seniority shall apply. Requests for relief from overtime assignments will be considered. The Exchange agrees to make available records of overtime to the Union upon its request for the resolution of associate complaints.

Section 2. In the assignment of overtime, the Exchange agrees to provide the associate with advance notice. Any associate designated to work overtime on days outside his/her basic schedule shall be notified, except in case of emergency, no later than the start of the scheduled lunch period on the day before the overtime is to be worked. When overtime is to be performed on a holiday, two days advance notice shall be given to the associate except in case of emergencies and unforeseen circumstances.

Section 3. All authorized paid leave shall be counted as hours worked for the purpose of computing overtime pay.

Section 4. Associates working overtime shall be allowed a paid break as close as possible to the end of the regular full-time shift for each four-hour period worked. No paid break is authorized for overtime of one hour or less, and the paid break in other situations, will be scheduled as close to the one-hour period as the work situation allows.

Section 5. In accordance with the regulations, overtime is paid 1-1/2 times the regular rate for time worked in excess of eight (8) hours per day or forty (40) hours per week. The minimum overtime unit is 0.1 hours (6 minutes), in accordance with current practices.

Section 6. Upon the request of the employee, the Exchange may grant compensatory time off from duty instead of overtime pay for overtime work. Such overtime and time off will be on an hour-for-hour basis, in accordance with applicable law.

Section 7. Hours credited for work performed on a legal holiday, shall be aggregate of holiday hours due to the eligible associate and not hours actually worked by the associate in computing overtime (based on a 40 hour workweek).

Section 8. An associate, other than a craft and trade associate, who is called back at a time outside of, and unconnected with, his scheduled hours of work within his basic work week to perform work, shall receive at least four (4) hours callback pay, including any night differential and/or additional pay to which he is entitled, in accordance with applicable pay regulations.

Any craft and trade associate who is called back at a time outside of, and unconnected with, his scheduled hours of work within his basic work week to perform work, shall receive at least two (2) hours callback pay, including any night differential and/or additional pay to which he is entitled, in accordance with applicable pay regulations.

Section 9. The following example is based on an associate working 6 8-hour workdays during a week in which a legal holiday occurs (regular work schedule is 40 hours per week).

Workweek	Actual Hours Worked	Regular Hours	Holiday Hours	Holiday Premium	Overtime Hours
Su	8	8			
SM	8	8			
ST	Off	0			
WM(Holiday)	8	0	8	8	
TTh	8	8			
WF	8	8			
TS	8	0			8(11/2)
	<hr/> 48	32	8	*8	<hr/> 12

*(The associate is paid Holiday Premium, but the Premium hours do not count towards the payment of overtime.) Total hours for pay purposes are 48 hours at the associate basic rate of pay and 8 hours at one and one-half times the associates basic rate or 60 hours at the associates basic rate of pay.

ARTICLE 14-HOLIDAYS

Section 1. All eligible associates will be granted holiday benefits consistent with current Navy Exchange regulations for all U. S. holidays now prescribed by Federal law and any that may be added by Federal Statute or Executive order.

Section 2. The ten (10) current holidays are:

- | | |
|--|---------------------------------------|
| New Years Day, Jan 1 | Labor Day, 1st Monday in Sept |
| Martin Luther King's Birthday, 3rd Monday in Jan | Columbus Day, 2nd Monday in Oct |
| President's Day, 3 rd Monday in Feb | Veteran's Day, Nov 11 |
| Memorial Day, last Monday in May | Thanksgiving Day, 4th Thursday in Nov |
| Independence Day, July 4 | Christmas Day, December 25 |

Section 3. Any eligible associate whose services are not required by the Exchange on any holiday established by Federal Statute or Executive Order shall be excused from work on that day without charge to leave, and those excused shall be entitled to holiday pay.

Section 4. An associate eligible for holiday pay who is required to work will receive compensation as authorized in the Federal Wage System NAP Operating Manual.

Section 5. Holidays that occur on a non-work day will be observed in accordance with the regulations of the Navy Exchange Manual, Volume 3, Pub. 145.

Section 6. The Exchange will not change or adjust Flexible work schedules so as to avoid the payment of holiday pay to Flexible associates.

Section 7. Flexible associates regularly scheduled for a five-day workweek will receive holiday pay. Flexible associates regularly scheduled for work four days, or less, a week will receive holiday pay if the holiday falls on a regularly scheduled workday.

Section 8. The following applies to associates whose normal work schedule is Monday through Friday:

- a. If the holiday falls on Saturday, associates will observe Friday as the holiday.
- b. If the holiday falls on Sunday, associates will observe Monday as the holiday.

ARTICLE 15- NO STRIKE

Section 1. The Union shall not call or engage in a strike, work stoppage, or slowdown or picket the Exchange as a result of a labor management dispute, or condone any such activity by failing to take affirmative action to prevent or stop it.

Section 2. Any associate who engages in a "strike" may be subject to disciplinary action including separation.

ARTICLE 16 - LEGAL AND REGULATORY RESTRICTIONS

In the administration of all matters covered by this Agreement, officials and associates are governed by existing or future laws and regulations of appropriate authorities, including policies set forth in the Navy Exchange Manual, Volume 3, Pub. 145; by published agency policies and regulations in existence at the time the Agreement was approved; and by subsequently published agency policies and regulations required by law or by the regulations of appropriate authorities, or authorized by the term of a controlling agreement at a higher agency level. The Union will be furnished copies of all changes regarding the above as soon as possible.

ARTICLE 17- USE OF OFFICIAL FACILITIES

Section 1. Space or designated Exchange bulletin boards to accommodate letter size paper will be provided to the Union for posting official Union information. The time such articles remain on bulletin boards will be minimized, and in no cases will such articles remain posted in excess of two (2) months. All costs incidental to the preparation, reproduction and distribution of such material will be borne by the Union.

Section 2. The union representative agrees to submit to the Exchange all material for screening and authorization prior to distribution of posting on the Exchange bulletin boards.

Section 3. The Exchange agrees to display the Union Store Card in a prominent place in its facilities. The Union Store Card is and shall remain the property of the Union. The Store card will stay posted all the time.

ARTICLE 18 - WAGES AND WAGE SURVEY

Section 1. It is understood by the parties that associates of the Unit are covered by the minimum wage provisions of the Fair Labor Standards Act and will not be paid less than the minimum wage rate provided. It is agreed by the Exchange that if associates are paid on other than an hourly basis, they shall receive at least the equivalent of the minimum hourly rate.

Section 2. The Exchange agrees to notify the local Union when information is received that a wage survey is to be conducted which will affect associate Unit members, and will furnish the Union copies of the result of such wage survey.

Section 3. All Navy Exchange associate's wage surveys will be conducted in accordance with the rules established by the Department of Defense Federal Wage System Surveys for non-appropriated fund instrumentality associates.

Section 4.

a. The Exchange agrees that every associate in the Unit shall be treated fairly and equitably with regard to wages and wage increases. In this connection, it is understood that wages and wage increases for Craft & Trade unit members, (NA, NL and NS), shall be in conformance with the Nonappropriated Fund Federal Wage System. Wages, comparability increases (COLAs), and pay adjustments for non-exempt unit members will be determined at management's discretion under the DOD NAF Pay Banding Program, which is a "pay for performance" system. NA, NL and NS positions fall under Public Law 92-392 and cannot be placed under the Pay Banding Program. In the event of a discrepancy, corrective action shall be taken by the Exchange.

b. See Wage Schedule and Pay Band Scheduled attached. The Union will be provided with an updated copy of the wage schedule and pay band schedule, when issued by the Department of Defense Wage Fixing Authority. The DoD Wage Fixing Authority publishes all pay band schedules, establishing the minimum and maximum rate for each pay band based on the results of the wage survey. On an annual basis, the Exchange will provide the Union with an updated seniority list to include name, the total percentage of increase, and the new rate of pay.

c. Pay adjustments for performance for associates covered by Pay Banding will be based on accomplishments and contributions of the associate and may be paid at any time or be part of the annual performance appraisal process. Performance-based pay increases will normally be recommended for and may be granted to associates performing at the "exceeds expectations" or "outstanding" level. They are awarded at management's discretion.

d. Comparability increases or cost of living adjustments, (COLAs), for NA, NL, and NS associates will be paid as ordered by the DoD NAF Wage Fixing Authority.

e. Comparability increases for unit members covered by the Pay Banding Program shall be in accordance with the pay report attached to the wage schedule issued by the DoD NAF Wage Fixing Authority and shall be granted within twelve months following the effective date of the schedule to each associate rated fully successful or above on his/her most recent work performance appraisal.

f. Associates under the Pay Banding program who are rated needs improvement or unsatisfactory are ineligible for a comparability increase. In some cases, this will result in an associate having a pay rate below the published minimum rate of the pay band in which his/her position is classified. However, the pay rate will not be less than the minimum wage prescribed by law.

g. The following chart depicts the six approved DoD NAF pay bands and assignments to these bands of AS, PS and UA positions:

Pay Band
NF-1
NF-2
NF-3
NF-4
NF-5
NF-6

h. Associates may not grieve the amount of a pay adjustment nor the granting or non-granting of a pay adjustment, nor the granting or non-granting of a bonus. However, under the Pay Banding program, associates may grieve the work performance ratings upon which a pay adjustment is based, and the assignment of their position to or within a particular pay band. In accordance with the 5 U.S.C. 7121, the negotiated grievance procedure may be used only if a classification action results in a change to lower band or pay reduction. Associates who believe a clerical error has occurred should contact the human resources department for review and correction of the clerical error.

i. Management may set a new associate's rate of pay anywhere within the assigned pay band based on factors such as outside competitive salaries/wages, applicant qualifications, skill shortages, etc. In general, new hires are to be offered the minimum acceptable wage rates in accordance with prevailing rates for similar work. The "NAF Pay System Report", issued by the DoD NAF Wage Fixing Authority after each wage survey, may be used as a guide in setting the salaries of new associates. Consideration may also be given to how the newly hired associate's salary compares to the salaries of unit members in the same job description/department.

Section 5. The Exchange agrees that a union representative/Chief Steward will be requested to participate in an area wage survey and shall suffer no loss of pay, nor loss of leave during official and authorized participation in any such survey. The Union will also be invited to participate in wage surveys of commissioned-paid associates conducted by the Exchange.

Section 6. An associate's pay may be decreased for a variety of reasons. Examples include performance, end of temporary promotion, classification error, associate-requested job reassignment, etc. A detail is not a basis for a pay decrease. A decrease within a band, with or without a position change, is a pay adjustment. When an associate is moved to a lower band, it is a demotion.

Section 7. Associates whose accomplishments/contributions and annual appraisal ratings are "outstanding" are eligible to receive cash bonuses. Management may authorize payment of cash bonuses at its sole discretion. The maximum amount of bonuses that may be granted to one unit member associate in one year is \$2,500.00.

ARTICLE 19 - EQUAL EMPLOYMENT OPPORTUNITY

Section 1. It is the policy of the Exchange that selection and promotion of associates will be based solely on the applicant's fitness for the job. Equal employment opportunity for employment and promotion shall be provided all qualified persons, without regard to age, race, color, religion, sex, national origin, physical or mental disability or prior EEO complaint involvement.

Section 2. The appropriate Department of the Navy Equal Employment Opportunity Policy posters will be posted on all official bulletin boards. The names of personnel authorized to hear and process complaints of discrimination will be indicated thereon.

ARTICLE 20 - REST PERIODS

Section 1. Each associate shall be entitled to a fifteen (15) minute rest period during each four (4) hours. Normally, the rest period shall be taken as near as possible to the middle of the four (4) hour period, and no associate shall normally work more than three (3) hours without a rest period. Such rest period to be scheduled by the appropriate supervisor. Two breaks shall be given for seven (7) or more hours of work. These rest periods cannot be "saved" and used for early dismissal.

Section 2. Associates will be provided a suitable lounge maintained by the Exchange where station facilities are available. It is understood that at small work locations this may not be feasible.

ARTICLE 21 -HEALTH AND SAFETY

Section 1. The Exchange will continue to make every reasonable effort to provide and maintain safe working conditions for associates. The Union will cooperate to that end and will encourage all associate to work in a safe manner. Each associate has a primary responsibility for his/her own safety and an obligation to know and observe safety rules and practices as a measure of protection for himself/herself and others. The Exchange will welcome at any time suggestions which offer practical and economically feasible ways of improving safety conditions.

Section 2. It is agreed that associates required to perform maintenance and repair work shall utilize proper precautions, protective equipment and safety devices where required. It is each associate's responsibility to utilize protective equipment and safety devices where provided. Unsafe conditions are to be reported to the Exchange whenever a condition exists that might be detrimental to the health and safety of associates.

Section 3. All associates are to report all accidents immediately to the immediate supervisor.

Section 4. The Union may nominate associates for positions on the Exchange's Safety Committee, which will meet regularly at least quarterly.

Section 5. The Exchange will provide fire extinguishers and first aid kits where appropriate.

Section 6. Safety shoes shall be made available to associates in designated work sites. Protective devices, when necessary and required by regulations, shall be furnished by the Exchange. Coats and other work items as designated by the Exchange will be provided to associates.

Section 7. Where unsafe working conditions have been identified by the Navy Exchange Safety Coordinator or other management personnel, they will be corrected whenever possible in order to avoid the necessity of associates working in unsafe conditions.

Section 8. A copy of all Safety Committee meeting minutes will be given to the Union.

Section 9. Associates are covered by Worker's Compensation Insurance under the Longshoremen's and Harbor Worker's Act. Information concerning this program and available options or benefits will be explained to associates upon request. The Union will be provided with copies of all available booklets and instructions. The Union shall not represent associates for the purpose of Worker's Compensation Claims.

ARTICLE 22- WITHHOLDING OF DUES

Section 1. The dues withholding plan shall be submitted and processed in accordance with the provisions of Title VII, Civil Service Reform Act of 1978 and pertinent implementing directives of higher authority. Associate revocation may be made:

- a. Upon termination of employment.
- b. If associate is suspended or expelled from membership in the Union.

Section 2.

a. The Exchange agrees to deduct from an associates wages, who has properly executed a UFCW membership application, commencing with the next biweekly payroll period, an amount equivalent to dues and initiation fees as shall be certified by the Secretary-Treasurer of UFCW

Union Local 1657 of the United Food and Commercial Workers International Union,, CLC, and remit same to said Secretary Treasurer of the Union.

b. Said authorization and assignment shall be voluntarily made by the associate in consideration for the cost of representation and collective bargaining and other activities undertaken by the Union and is not contingent upon present or future membership in the Union. This authorization and assignment shall be irrevocable for a period of one (1) year from the date of execution or until the termination date of this Agreement between the Exchange and UFCW Union Local 1657, whichever occurs sooner, and from year to year thereafter, unless not less than thirty (30) days and not more than forty-five (45) days prior to the end of any subsequent yearly period, the associate gives the Exchange and Union a written Certified Notice or revocation bearing his/her signature thereto. The associate must complete the appropriate withdrawal form, a copy of which will be promptly furnished to the Union.

c. This check-off authorization and agreement is separate and apart from the membership application and is attached to membership application only for convenience.

d. In the event no wages are then due the employee, or are insufficient to cover the required deduction, the deduction for such week shall nevertheless be made from the first wages of adequate amount next due to the employee and thereupon transmitted to the Union.

Section 3. Deduction of Union dues shall be in accordance with current check off authorization card and begin with the first pay period occurring after receipt of a correctly executed allotment form by the Exchange's payroll office. Such forms must be received prior to the beginning of the aforementioned said payroll period. An associate may not request the deduction for his/her earnings of dues to more than one union.

Section 4. The amount of the Union dues to be deducted each biweekly pay period shall remain as originally certified on such allotment forms or any other form of notification until a change in the amount of such dues is certified to be the authorized official, and such certification is transmitted to the Exchange by the Union.

Section 5. The Exchange will, within seven (7) work days of the close of each pay period, forward a check, payable to the Union in an amount equal to the grand total of all such monetary allotment deductions made. A list by name and Social Security number and the amount remitted for each associate shall be submitted to the Union with the seven-(?) day period.

Section 6. Dues deduction shall be at no cost to the Union.

ARTICLE 23 - PROMOTIONS AND TRANSFERS

Section 1. The Exchange will make maximum effort to utilize the skills, talents and experiences of the associates in order to achieve higher morale and reduce turnover. When more than one (1) associate applies for a vacancy in the unit and if all other qualifications are equal, the Exchange will give primary consideration to the associate with the greatest length of seniority service.

Section 2. Associates desiring a transfer must make their desires known by submitting a Transfer Request form to personnel via their department manager/supervisor.

Section 3. Career Opportunity Bulletins should be defined so that they encompass duties within the department where the position is vacant and not include unrelated duties.

Section 4. Due to unforeseen circumstances, it may become necessary for management to make temporary assignments to a higher grade. If the assignment exceeds (14) consecutive days, pay at the appropriate grade level will be paid retroactively back to the first day of the assignment.

Section 5. When an associate moves from a lower to a higher pay band, or from a non-pay banding position into a position under pay banding which represents a promotion, the associate must be given a minimum increase in an amount which at least takes the associate into the pay range for the new band. The amount of promotional increase must not exceed the maximum for the new band.

ARTICLE 24 - SENIORITY

Section 1. In the matter of promotions, advancements, transfers, and demotions, the principle of seniority will apply, provided the senior associate is capable and qualified. In accordance with the performance evaluations, it is recognized that associates who are evaluated as "outstanding", will receive additional consideration in the retention process. Special consideration will be given senior associates regarding work on holidays, based on the needs of the Navy Exchange.

Section 2. Seniority shall be separate among regular full-time, regular part-time, and flexible associates by activity and by departments as defined in Article 1 of this Agreement. In the event a regular full-time associate is involuntarily reduced to part-time status, he/she will be placed at the top of the part-time seniority list for that department. That associate will be placed in the first available full-time job in the department that comes available provided he/she meets the minimum qualifications for that job. Should a full-time job become available in another department and the associate meets minimum qualifications, the associate may be placed in that position non-competitively. In the event a regular part-time associate is involuntarily reduced to flexible status, he/she will be placed at the top of the flexible seniority list for that department. That associate will be placed in the first available part-time job in the department that comes available provided he/she meets the minimum qualifications for that job. Should a part-time job become available in another department and the associate meets minimum qualifications, the associate may be placed in the position non-competitively.

Section 3. If an associate declines the next available job in his/her former category as it occurs on the same shift, he/she will be placed on the applicable seniority list in his/her appropriate slot and has no further claim for non-competitive placement. It is recognized that displaced associates may request and receive training so that they may qualify for other positions.

Section 4. If an associate voluntarily requests a change in category reducing hours his/her name will be placed on the applicable seniority list in his/her appropriate slot.

Section 5. This article shall not apply to BBA actions.

ARTICLE 25 - BUSINESS BASED ACTIONS

Section 1. A business based action (BBA) will be conducted in accordance with procedures contained in the Navy Exchange Manual, Vol. 3, Pub. 145. The decision to conduct a BBA, the time and size of the reduction is a management decision exercised by the Exchange. BBA's are non-disciplinary, involuntary and adverse personnel actions that are necessary to conduct business in an effective manner. BBA's include, but are not limited to: reduction in pay, reduction in hours of work, reduction in pay level, furlough, change in employment category, reduction in pay based on reclassification of position, and separation. When conducting BBA's the procedures contained in the Navy Exchange Manual, Vol. 3, Pub. 145 will be followed.

Section 2. The Exchange shall notify the Union, in writing, of the BBA and the reasons therefore as soon as the necessity for such BBA is recognized and its extent is determined. The Exchange shall notify the Union of the affected jobs and the probable number of affected associates. After notification, the Union shall be afforded the opportunity to meet with the General Manager and present its views regarding the proposed action. The Exchange shall give careful consideration to the views and respond to the Union. If the Exchange violates this section, the Union shall have the right to immediately proceed to the grievance procedure under Article 7 and 8.

Section 3. All associates separated during a BBA will be given priority consideration for vacant positions. A vigorous outplacement effort will be made, and all eligible associates shall be placed on Reemployment Priority List (RPL). These lists shall be widely circulated, and the Union will be given a copy of the Lists. Separated associates on the RPL have priority placement rights in the Exchange from which they were separated. Associates shall be placed on RPL by seniority.

Section 4. In the event an action is taken by the Exchange under this Article, that initiates a RPL, the Exchange will furnish a list of job openings at the Exchange, on a monthly basis, to the Union until the associate(s) on the RPL have been rehired or declined to be rehired for one (1) year, whichever occurs first.

Section 5. Flexible category associates (less than 3 years), regular associates whose current annual performance rating is "unsatisfactory" or who have been issued a final letter of removal for unsatisfactory work performance, probationary associates, associates occupying a position because a temporary promotion for a specific period of time, and re-employed annuitants eligible to draw an annuity from any DOD NAFI will be removed before any regular associates are affected. Such associates so classified will be listed by seniority.

Section 6. If an associate's grade is reduced as part of a BBA, his/her eligibility for pay retention will be considered by a thorough review of the applicable regulations.

Section 7. Advance notice of at least 30 days shall be given to all affected regular associates. The notice shall contain the associate's right to appeal administratively on the basis of procedural error or alleged discrimination in accordance with the procedures in the Navy Exchange Manual, Vol. 3, Pub. 145.

Section 8. Regular associates separated due to a BBA will receive severance pay in accordance with applicable directives.

Section 9. Creditable service is all regular civilian employment with any DOD NAFI, wherein the associate's wages were paid from non appropriated funds. No bargaining unit associates will receive additional service credit for performance evaluations. An associate's current annual official performance on the date of issuance of a BBA notice is the rating which determines if he/she is entitled to additional service credit.

ARTICLE 26 - SEVERANCE PAY

Section 1. Regular full-time and regular part-time NAFI associates who are covered by the bargaining unit who have completed at least 12 continuous months of service with one or more DOD NAFI and who are involuntarily separated from their employment because of business based action (BBA), base or post deactivation, or reorganization, and who are not eligible for an immediate, unreduced NAF retirement annuity, will receive severance pay, if not precluded by subparagraph 2 below. The amount of such remuneration will be one week's base pay for each year of continuous regular full-time or regular part-time service with one or more DOD NAFIs up to ten (10) years of service and two week's base pay for each year of continuous regular full-time or regular part-time service with a maximum of fifty two weeks of severance pay. This pay will be based on the number of hours regularly scheduled to be worked. Severance time will be paid on a bi-weekly basis. Time served as a regular associate with a NAFI, as well as time served on active duty with the US Armed Forces which interrupted civilian NAFI service, will be creditable for computing entitlement to severance pay. Periods of employment prior to separation resulting in severance pay will not be considered in subsequent severance pay entitlement calculations.

Section 2. Involuntarily separated associates will not receive severance pay if the associate:

- a. Accepts regular employment in another DoD NAFI position or DoD APF Position without a break in service of more than three calendar days, or
- b. The associate has refused an offer of employment category within the same or other DoD NAFI located in the same commuting area, or
- c. The associate is entitled to an immediate annuity.

ARTICLE 27 - ANNUAL LEAVE

Section 1. Annual leave may be used for purpose of vacation, personal business, bereavement or other personal reasons. Regular full-time and regular part-time associates accrue annual leave while in a pay status at the following rates:

a. Associates with less than three (3) years of service will accrue 5% of the total hours in the basic workweek.

b. Associates with three (3) years, but less than fifteen (15) years of service, will accrue 7 1/2% of the total hours in the basic work week except for the final biweekly period of the calendar year it will accrue at the rate of 12 1/2% of the total hours in the basic work week.

c. Associates with more than fifteen (15) years of service will accrue 10 1/4% of the total hours in the basic workweek.

Section 2. Subject to workload conditions, regular full-time and regular part-time associates will be granted accrued annual leave. Associates requesting annual leave shall submit to their supervisor an Absence Record, Form SS/241, normally not less than fourteen (14) days in advance of the desired leave period. However, this will not preclude the granting of annual leave with less than fourteen (14) days notification, subject to workload requirements. The associate will be notified as to whether, or not, the leave is approved or denied no later than 72 hours after the leave slip has been given to management. When an associate requests annual leave due to personal or emergency reasons and the associate is not at work at the time of the request, and such leave is approved by his supervisor, a form SS/241 covering the period of absence will be submitted upon his return to work. The granting of annual leave will normally be on a first-come, first-serve basis, however, consideration will be given to senior associates. Approval may be withdrawn only in case of operational need. When the manager/supervisor finds it necessary to cancel previously approved leave and/or deny the specific period requested, including leave of an emergency nature, the associate will be notified, as soon as practicable, of the reason for the cancellation or denial.

Section 3. Annual leave will normally be requested and granted to weekly units where possible. However, associate may request and be granted annual leave for a period of less than one (1) week duration. One (1) hour is the minimum amount of annual leave, which may be requested or granted.

Section 4. Authorized absence without pay for the convenience of the associate may be granted, in accordance with applicable Navy Exchange Manual, Volume 3, Pub. 145 policies. This must be requested in writing 30 days in advance, and be approved by the General Manager or his designee prior to the taking of such leave. The request for LWOP must provide adequate supporting information.

Section 5. Annual leave in excess of 240 hours may not be carried over from leave year without specific management approval.

Section 6. Associates who are separated for any reason will be paid their unused annual leave. However, when an associate is separated for active military duty, he may elect either to have annual leave remain to his credit or to receive full payment. In case annual leave is left to the associate's credit, the associate will be entitled to full payment, if not rehired.

Section 7. The Exchange agrees that requests for accrued leave of an emergency nature will be given maximum consideration based on the individual associate's request and the reason for such request.

Section 8. Full-time and part-time associates will be given the option to cash in up to 10 days of accrued annual leave per year. Up to five days may be cashed in on the associate's anniversary date and up to five days may be cashed in during the first full pay period in December of each year.

ARTICLE 28 - PERSONAL DAY

Section 1. Associates must submit their request using SS/Form 241 stating "CONTRACT/PERSONAL DAY" as the reason. Requests will be submitted as far in advance as possible and are subject to supervisory approval after workload considerations. This personal day cannot be saved or carried over from one year to the next. Supervisors will ensure that associates utilize this day within the given 12-month period. This personal day does not constitute "leave" and associates will not "cash it in" under any circumstances. For payroll purposes, this day will be charged as "administrative leave".

ARTICLE 29 - SICK LEAVE PRIVILEGE

Section 1. Eligible associates shall accrue sick leave at a rate of 5% of the hours in a pay status during the pay period in accordance with existing regulations. Sick leave is a privilege granted when an associate is sick. It may be denied, if warranted. An associate will not be disciplined for use of sick leave when he or she provides medical certification which includes diagnosis, prognosis, and return to work date and when the certification covers each day of absence.

Section 2. Associates will submit an Absence Record, Form SS/241, for each sick leave absence to their immediate supervisor immediately upon return to work. An associate must submit evidence satisfactory to management in support of any grant of sick leave, in order to be granted sick leave. Such evidence may consist of the associate's certification as to the reason for his absence, a medical certificate, or other administratively acceptable evidence, at the discretion of the Exchange.

Section 3. Sick leave will be credited to eligible associate in accordance with the provisions of the Navy Exchange Manual, Volume 3, Pub. 145.

Section 4. It is agreed and understood that it is the responsibility of the associates to notify their supervisors or managers of illnesses or absence. The associates shall indicate the general nature of the incapacitation, and if possible, the estimated date of return to duty. The Exchange

will provide primary and alternate points of contact for notification purposes. Associates will also be provided specific call in instructions for their particular locations.

Section 5. The minimum charge to sick leave for any one period of absence is one-half (1/2) hour.

Section 6. Associates desiring medical, dental or optical examinations or treatment should make every effort to schedule such appointments after work on non-work days.

Section 7. A doctor's certificate, containing diagnosis, prognosis, and expected return to work date, may be required at the discretion of the Exchange, when an associate is suspected of abusing sick leave privilege. Such doctor's certificate shall be submitted only to the Human Resources department due to privacy issues.

Section 8. Approved sick leave shall be considered as time worked for holiday pay.

ARTICLE 30- MILITARY LEAVE

Section 1. Regular full-time and regular part-time civilian associates who are members of Reserve components of the Armed Forces of the United States, including National Guard, are entitled to excused absence of no more than fifteen (15) calendar days per fiscal year and may carry over a maximum of 15 calendar days in any fiscal year without loss of pay, time or performance rating when called to active duty or active duty for training. Regular part-time associates accrue military leave at a rate which is a percentage of the military leave granted regular full-time associates. The percentage shall be determined by dividing the number of hours in the associate's regularly scheduled workweek by the total number of hours that constitutes the normal full-time workweek of the employing NAFI.

Section 2. Regular full-time and regular part-time civilian associates who are called to active duty for the purpose of providing military aid to enforce the law may be granted additional military leave not to exceed 22 working days in a calendar year. These associates will be granted leave upon presentation of competent orders. Compensation (other than a travel, transportation or per diem allowance) received by an associate for such military service shall be credited against the pay payable to the associate with respect to his/her NAFI position for such period for military service. Military leave is to be granted only for workdays; the NAFI civilian pay of the associate will be reduced only by the amount received for military service performed on a work day. The NAFI civilian pay will not be reduced by any amount an individual may receive for days that are not work days.

Section 3. Leave without pay may be granted associates for the following other types of military service:

- a. Summer training as members of Reserve Officers Training Corps
- b. Temporary Coast Guard Reserve duty;

- c. Participation in parades by members of the State National organization; or
- d. Training with a State Guard or other State military organization; or
- e. Civil Air Patrol duty.

Section 4. The associate will request military leave in advance of such tour of training or duty. The Exchange will grant such request upon presentation of competent military orders. Upon completion of such tour of training or duty, the associate is required to submit a certified copy of the completed military orders to the Exchange for filing in the associate's personnel jacket.

ARTICLE 31 - MATERNITY LEAVE/FAMILY AND MEDICAL LEAVE ACT

Section 1. The Exchange will ensure the application of the same level policies, regulations, and procedures in cases of requests for maternity or paternity absences as are applicable to requests for leave generally.

Section 2. Female associates may request applicable leave as available when their incapacitation related to pregnancy and confinement has been properly established by medical authority. An absence covering pregnancy and confinement will be treated as any other medically certified temporary incapacitation.

Section 3. Male associates may request applicable leave as available for the purpose of assisting or caring for their children or the mother of the newborn child while she is incapacitated, as established by medical authority for maternity reasons.

Section 4. The provisions of The Family Leave Act of August 1993 will apply to all Exchange associates (nonappropriated funds) in the cases of requests in general as covered under the Family and Medical Leave Act. Associates will be required to provide medical certification for leave without pay requests made under the Family Leave Act.

ARTICLE 32- COURTLEAVE

Section 1. Upon advance submission of a court order, subpoena, summons or any other judicial notification, all associates will be granted paid court leave for jury duty; to appeal in court in an unofficial capacity as a witness in behalf of the U.S. Government or the Government of the District of Columbia; and to appear in court in an unofficial capacity as a witness in behalf of private parties where the U.S., the District of Columbia, a State or local government is a party to the proceedings. The court may be a Federal, District of Columbia, state or local governmental unit court. This provision does not apply to an associate appearing as a witness in a judicial proceeding which involves only private parties.

Section 2. All associates on court leave will receive their regular pay for such time off or will retain the court fees received from the court, whichever is the greater amount. If the court fees are the lesser amount, such fees (exclusive of transportation where separately identified or otherwise identifiable) will be turned over to the employing NAFI.

ARTICLE 33 - LEAVE WITHOUT PAY - UNION BUSINESS

Union Business: The Exchange may grant the necessary time off without discrimination or loss of seniority rights and without pay to any associate designated by the Union to attend a labor convention or service in any capacity or other official Union business, provided the Exchange is given at least two (2) week's notice in writing specifying the length of time off, but in no case shall the length of time off exceed one (1) year, nor more than one (1) per classification.

ARTICLE 34 - VOTING TIME

During general elections (National and State) associates may be granted annual leave to vote providing time off is necessary. Associates shall show proof of voting registration if required by the Exchange.

ARTICLE 35 - TRAINING

Section 1. The Exchange will provide training opportunities to enable all associates to do their current jobs effectively consistent with their individual capacities and the needs and resources of the Exchange. Associates will be encouraged regarding self-development training toward attaining their career objectives. The Union will encourage associates to take advantage of suitable self-development opportunities.

Section 2. Training opportunities will be offered without regard to race, color, religion, national origin, age, sex, physical or mental disability.

Section 3. Associates have an important responsibility for their own self-improvement. All development depends, in the final analysis, on the associate's desire to learn and improve. The associate must show initiative and energy in developing his own skills and abilities.

Section 4. Training will be documented in accordance with applicable regulations.

Section 5. A reasonable effort will be made to utilize existing associates when training is determined to be necessary for new assignments.

Section 6. Cross-Training opportunities will be made available in accordance with the Navy Exchange Manual and Exchange Merit Promotion procedures if appropriate. Cross training nominees must meet the minimum qualifications required of the training position. Associates selected for this program will be assigned duties for which there is a need and for which the nominees demonstrate a potential for successful performance. Cross training may be provided for any position for the purposes of training and development, but no candidate is eligible for automatic selection at the conclusion of the program. At the completion of the assigned cross training period the associate will return to their regular duties. Cross training will not be used to circumvent detailing or temporary promotion procedures.

Section 7. If no applicants are obtained through Merit Promotion procedures, management may solicit volunteers.

ARTICLE 36- ORIENTATION

Section 1. The Exchange agrees to allow the Union Business Representative, Chief Steward, or Shop Steward forty-five (45) minutes of the New Associate's Orientation Period to introduce himself/herself and give all new associates a copy of the contract and explain its function to assure the new associate of his/her protected right to freely join the Union. The Union Representative/Steward will be notified in advance of the orientation so that the Union Representative/Steward may be made available in a timely manner to attend orientation meetings. Subject to the work needs of the Exchange, the Union Representative's/ Steward's presentation will be scheduled toward the beginning of the orientation meetings.

ARTICLE 37 - PERSONNEL RECORDS

Section 1. Upon request, and in the presence of a personnel clerk, an associate will be permitted to review his or her personnel folder .

Section 2. Associates will be afforded an opportunity to correct erroneous information in their files or provide updated information in the presence of a personnel clerk.

ARTICLE 38 - ASSOCIATE ROSTER

The Exchange agrees to provide a master seniority listing semi-annually of unit associates to include first, middle and last name, employee number, job grade/band and/or step, date of employment, gender, and date of birth. A biweekly update, which will include all the above information on new hires, will be furnished and sent to the Union office biweekly.

ARTICLE 39 – OFFICIAL CLOCK CLAUSE

The Exchange and the Union agree that a proven violation of established time clock rules including working before punching in or after punching out may subject responsible individuals to appropriate disciplinary action.

ARTICLE 40 - TIME RECORDS

Section 1. The Exchange shall make suitable provisions for recording the hours worked by each associate covered by this Agreement, either through the use of time clocks or such other methods as may be mutually satisfactory to the Union and the Exchange.

Section 2. When requested to do so, the Exchange will make such records available to an authorized representative of the Union for examination provided that a dispute has arisen regarding time worked for that unit associate.

Section 3. Failure of the Exchange to comply with this provision shall not jeopardize the associate's right to claim wages for hours worked. Any dispute arising between the parties thereto because of such failure shall be promptly settled through the grievance and arbitration

provision of this Agreement with full consideration being given to any relevant and pertinent evidence tending to support the associate's claim.

ARTICLE 41 - WAGE STATEMENTS

The Exchange shall furnish to each associate on such regular biweekly pay days, a wage statement showing the period of time covered, name of the associate, straight time and overtime hours worked, total amount of wages paid, and itemized deductions made there from. A similar statement will be given to associates upon termination.

ARTICLE 42 - INSURANCE

Section 1. Information concerning associates group life and health benefits as provided by NEXCOM will be made available to all eligible associates as appropriate. The Navy Exchange Service Command's Basic Life and Health Benefit Plan, which currently are available to all regular full-time associates, include the following:

- a. Basic Life Insurance and Accidental Death and Dismemberment Insurance:
- b. Dependent Life Insurance
- c. Comprehensive Medical-Dental Plan
- d. Short-term Disability Plan
- e. Long-term Disability Plan

Benefits for part-time employees include the following:

- a. Comprehensive Medical-Dental Plan
- b. Short-term Disability Plan

Section 2. Regular full-time and regular part-time associates are eligible to participate in the Optional Group Life Insurance Plan.

ARTICLE 43 - RETIREMENT

Section 1. In accordance with eligibility requirements established by higher authority, associates may be eligible for participation in the Navy Exchange Service Command Retirement Plan.

Section 2. In accordance with Section 1 above, at the present time all regular full-time and regular part-time civilian associates are eligible to participate in the retirement plan, provided:

- a. They are citizens of the U.S.

- b. They are citizens of Canada and employed in Canada
- c. They are citizens of any other country and are employed in the U.S.

Section 3. Participating associates are eligible to retire with a Normal Retirement Benefit on the first of the month that falls on or follows the associate's 62nd birthday or the completion of five (5) years of continuous service, whichever is later.

ARTICLE 44 - UNIFORMS AND TOOLS

Section 1. Uniforms which the Exchange requires the associate to wear shall be furnished by the Exchange. However, these will be wash and wear uniforms and shall be laundered by the associate. Associates shall be furnished two (2) uniforms upon employment. Thereafter, uniforms will be replaced as needed at the discretion of the supervisor.

Section 2. All tools and equipment shall be furnished by the Exchange, if such tools are required to perform the job. Upon the effective date of this agreement, the Exchange will provide newly hired barbers one set of hand tools that must be returned upon leaving employment. Replacement of the initial set of hand tools, should it become necessary, is the responsibility of these said new associates. The selection of hand tools is at the discretion of Management. Tools provided to barbers hired before the effective date of this contract must be returned upon leaving employment.

Section 3. The Exchange shall furnish floor mats of the rubber type or carpet for all check out stands, if requested.

Section 4. The dress code/uniform policy will be enforced uniformly and consistently in each area. The union/stewards/representative will participate in all changes of the dress code/uniform policy before any changes are implemented in any area

ARTICLE 45 - FLEX LEAVE

Section 1. Associates whose employment category is designated as flexible will accumulate Flex leave at the rate of 5 ¼% of the total hours worked during their basic work week not to exceed 80 hours per calendar year.

Section 2. Subject to workload and operational requirements, associates will be granted Flex leave to be used for personal reasons. Associates requesting Flex leave must submit an Absence Record, SS/241, to their supervisors, normally not less than fourteen (14) days in advance of the desired time off. The associate will be notified as to whether, or not, the leave is approved or denied no later than 72 hours after the leave slip has been given to management. When an associate requests Flex leave due to illness or emergency reasons and is not at work at the time of request, the associate must notify his/her supervisor or manager of illness or absence. The associate shall indicate the general nature of the reason for the absence and the estimated date of

return to duty. The Exchange will provide primary and alternate points of contact for notification purposes.

Section 3. Flex leave may be taken in increments of one (1) hour.

Section 4. Associates may cash in any unused Flex leave during the first pay period in December of each year. Any accumulated Flex leave remaining on 31 December will be forfeited and cannot be carried over. Associates may cash in up to five (5) days of flex leave during the first pay period in December of each year. Flex leave in excess of 30 hours may not be carried over from leave year without specific management approval.

Section 5. Flex leave on the books at the time of termination will be paid to the associate.

ARTICLE 46 - GIFT CERTIFICATES

Section 1. Associates will receive gift certificates as per the following:

	Gift Certificate Payment Date	Gift Certificate Payment Date
	<u>December 20, 2009</u>	<u>December 20, 2010</u>
<u>All Associates Hired</u> on, or before, September 29, 1997	\$150.00	\$100.00
<u>Regular Associates Hired</u> Between September 30, 1997 - June 22, 2005	\$75.00	\$50.00
<u>Regular Associates</u> Hired Between June 23 - Date of Contract Ratification	\$75.00	\$50.00
<u>Flex Associates</u> Hired Between September 30, 1997 - June 22, 2005	\$50.00	\$25.00
<u>Flex Associates</u> Hired Between June 23, 2005 - Date of Contract Ratification	\$50.00	\$25.00

2. Gift certificates in this article may not be fully or partially redeemed for cash and must be used for the purchase of good or services at the Navy Exchange.

3. In the event an associate is charged with an offense and is placed on emergency suspension, has disciplinary action pending that would lead to termination, or resigns pending disciplinary

action, will not receive the gift certificate. Employees whose disciplinary action is withdrawn will be issued the gift certificate upon the withdrawal of the disciplinary action.

ARTICLE 47- GENERAL

Section 1. The Exchange will distribute three mailings per year to unit associates through the internal mail system.

Section 2. The Exchange agrees to pay one-half of the cost of printing of this contract not to exceed \$500.

Section 3. The Exchange agrees:

a. Flexible associates with 2 or more years of continuous service by date of hire with the Exchange may elect to be converted to a regular employment category.

b. The NEX agrees to maintain a balance of Regular Full Time Associates, Regular Part Time Associates, and Flex Associates. It is anticipated that the normal percentage of Flex Associates will be 35% of the total number of associates. It is understood that the figure will be exceeded when seasonal demands require it. On an annual basis, in the anniversary month of the signed contract, the Union may request a report showing the percentage of Flex Associates.

c. The associates that are barred from regular employment status, by regulation or because they are retired annuitants, will not be converted to such status.

ARTICLE 48 - RENEWAL AND TERMINATION

Section 1. This Agreement shall be binding upon the Exchange and the Union for a period of three (3) years from the date of approval by the Department of Defense. Either party shall notify the other party in writing, not more than 105 or less than 60 days prior to the date of termination, of its desire to negotiate an Agreement. If neither party hereto gives notice to the other party of its desire to negotiate a successor Agreement in a timely manner, prior to the expiration date of this Agreement as above provided, this Agreement shall automatically be renewed for successive one-year terms thereafter. If either party gives notice as aforesaid to the other party, representatives of the Exchange and the Union shall meet and consult as to further negotiations or other courses of action.

Section 2. The Parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demand and proposals with respect to any subject or matter not removed from the area of collective bargaining by applicable laws, existing agency policies and regulations for which a compelling need exists, and the regulations of other appropriate authorities. The understanding and agreements arrived at by the

Parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore the Exchange and the Union, for the life of this Agreement, each voluntarily and unqualifiedly relinquished the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the Parties at the time that they negotiated or signed this Agreement. The Parties also voluntarily and unqualifiedly relinquish the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any modification of the terms and provisions contained in this Agreement, if such modification is to become effective prior to the expiration date of this Agreement, except as may specifically be provided for in Section 3.

Section 3. This Agreement may be amended by mutual agreement of the parties at any time. Amendments will be limited to those required by changes in applicable laws and regulations from higher authority. Any amendments will remain in effect in accordance with the provisions of this Article, after approval by the Department of Defense.

In witness thereof, the Parties Have executed this Agreement on this 19th day of November, 2009

FOR THE UNION

FOR THE NAVY EXCHANGE

Approved by the Department of Defense on 16 December 2009 to be effective 16 December 2009

Memorandum of Understanding

The Parties of this agreement are Navy Exchange, Pensacola, referred to herein as the Agency and the United Food and Commercial Workers, Local 1657, referred to herein as the Union. This agreement is subject to the agreement between the parties and is limited to the bargaining unit employees working for the Navy Exchange at the Navy Exchange Training Professional Development Training Center (NETPDTC) Saufley and Naval Air Station Whiting Field, and Curry Station. This agreement arises from the intent of the Navy Exchange to issue revised instruction to correct language in Article 26, Severance Pay policy. The new language is as follows:

ARTICLE 26 – SEVERANCE PAY

Section 1. Regular full-time and regular part-time NAFI associates who are covered by the bargaining unit who have completed at least 12 continuous months of service with one or more DOD NAFI and who are voluntarily separated from their employment because of business based action (BBA), base or post deactivation, or reorganization and who are not eligible for an immediate, unreduced NAF retirement annuity, will receive severance pay, if not precluded by subparagraph 2 below. The amount of such remuneration will be one week's base pay for each year of continuous regular full-time or regular part-time service with one or more DOD NAFIs up to ten (10) years of service and two week's base pay for each year of continuous regular full-time or regular part-time service with a maximum of fifty two weeks of severance pay. This pay will be based on the number of hours regularly scheduled to be worked. Severance pay will be paid on a bi-weekly basis. Time served as a regular associate with NAFI, as well as time served on active duty with U.S. Armed Forces which interrupted civilian NAFI service, will be creditable for computing entitlement to severance pay. Periods of employment prior to separation resulting in severance pay will not be considered in subsequent severance pay entitlement calculations.

Section 2. Involuntary separated associates will not receive severance pay if the associate:

- a. Accepts regular employment in another DoD NAFI position or DoD APF Position without a break in service of more than three calendar days.
- b. The associate has refused an offer of employment without loss of pay or loss of employment category within the same or other DoD NAFI located in the same commuting area.
- c. The associate is entitled to an immediate reduced annuity.

This agreement shall become effective on May 28, 2010, and terminated upon expiration of the agreement between the parties dated December 16, 2009.

For the Employer
NEX Pensacola

For the Union
UFCW, Local 1657

MEMORANDUM OF AGREEMENT
GIFT CERTIFICATES

Through December 31, 2009, all associates on the payroll as of the date this is approved contract be provided gift certificates as allowed under Article 46, section 1, 2, and 4 of the contract approved on June 22, 2005 for the Navy Exchange, U.S. Naval Air Station, Pensacola, Florida and the United Food and Commercial Workers Union, Local 1657.

For the Employer
NEX Pensacola

For the Union
UFCW, Local 1657