

AGREEMENT

OF

RETAIL, WHOLESALE AND  
DEPARTMENT STORE UNION,  
MID-SOUTH COUNCIL

AND

NAVY EXCHANGE  
US NAVAL CONSTRUCTION  
BATTALION CENTER  
GULFPORT, MISSISSIPPI

EFFECTIVE

JUNE 23, 2006

THRU

JUNE 23, 2009



CHANGING FACES \* RAISING VOICES \* A GROWING UNION

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## PREAMBLE

This Agreement is between the Navy Exchange, U. S. Naval Construction Battalion Center, Gulfport, Mississippi, hereinafter referred to as the "Exchange" and Retail, Wholesale and Department Store Union, Mid-South Council, Birmingham, Alabama, hereinafter referred to as the "Union." Collectively, the Employer and the Labor Organization shall be known hereinafter as the "Parties".

## 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, assure 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 that promote the assurance of dignity and respect to all employees in the workplace, 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 I  
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 VI and XVI below.

Section 2. The unit to which the Agreement is applicable is composed of all regular full-time and regular part-time and intermittent associates certified by the Federal Labor Relations Authority (Case No. 4-R80016), Navy Exchange, Naval Construction Battalion Center, Gulfport, Mississippi.

- a. Excluded: All professional associates, supervisors, management officials; and associates described in 5 U.S.C. 7112(b)(2), (3), (4), (6) and (7).

Section 3. In accordance with section 2 above, this agreement extends to all eligible associates in the following departments/locations: Retail Storage (H-4), Retail (H-8), Barber Shops (J-1), Beauty Shops (J-2), Auto Service/Tire Centers (J-3), Floral Shops (K-3), Food Service Areas (K-4), Navy Lodge (K-8), Video Rental (M-0), Laundry/Tailor Shops (M-1), Personalized Services (M-9), Vending (M-3), Services Operations (M-5), Administrative (11), Accounting (21), Sales Coordination (41), Security (52), and Custodial (57). In the event that additional accounting classifications are added to the Gulfport Exchange, such classifications will be included in this Agreement for recognition purposes.

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 II  
EXCHANGE RIGHTS AND OBLIGATIONS

Section 1. 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 X, 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 agency's mission during emergencies.

Section 2. Exchange Obligations:

- a. Management officials are obligated to confer with Union representatives on negotiable matters mentioned in Article VI of this Agreement for the purpose of handling such consultations, the General Manager or his/her 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 VI 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 bargaining associates working conditions, will be made known to the associates and copy sent to the Union within 30 days.
- 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.

ARTICLE III  
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 in- formal discussions, training periods or counseling between an associate and a supervisory official, subject to Article IX.

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 copy of the Union's constitution and by-laws and a statement of objectives as well as changes to these documents.
- d. The Union will furnish the General Manager a roster of the officers and representatives of the Union and any changes thereto.

#### ARTICLE IV ASSOCIATE RIGHTS AND OBLIGATIONS

Section 1. In consonance with the "Act," and in the interest of the effective and efficient operation of the Navy Exchange; 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 associate.

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. An associate has the right to be represented by the Union during any examination by a representative of the Employer in conjunction with an investigation if:

- a. The associate reasonably believes that disciplinary action may result from the examination, and
- b. The associate request representation.

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 Caution.

ARTICLE V  
ASSOCIATE REPRESENTATIVES

Section 1. Supervisors shall not impose any restraint, interference, coercion, or discrimination against associates 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 two (2) location stewards. 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. If a steward is absent for an extended period, a substitute steward may assume the absent steward's duties upon notification by a Union official to the General Manager.

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 their regularly assigned hours per work week to their primary job assignments.

Section 5. Prior to leaving their assigned duties, stewards shall first obtain the approval of the supervisor of the associate(s) they wish to contact. 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 steward 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 steward's 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 or 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 associate's supervisor as outlined in Section 5 above, during work hours. Admission to the center, after approval by the Exchange, will be in accordance with existing center security regulations.

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

- a. any formal discussion, and informal discussion as set forth in Article IV, Section 5, 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 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 VI 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. 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, reduction-in-force practices; on the number, types, and grades of associates or positions assigned to any organization 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, the Union and the Exchange activity.

#### ARTICLE VII 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 does 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 known of a matter grievable pursuant to Section 1, above, 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 VIII, Arbitration, of this 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 probationary period of a regular associate, or a flexible associate's employment.

Section 5. A grievance not taken up with the associate's immediate supervisor or with appropriate representatives of the Union or Exchange within fifteen (15) Exchange work days after the occurrence of the matter out of which the grievance arose, or within fifteen (15) Exchange 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. It is understood that the associate/Union must file with the lowest level official in the supervisory chain who can grant the relief.

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 immediate supervisor. Such submission of the grievance must be within fifteen (15) Exchange work days after the occurrence of the matter from which the grievance arose. The immediate supervisor 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 next level of supervision within ten (10) Exchange work days of the supervisor'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 immediate supervisor. The appropriate manager/supervisor 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) work days 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 General Manager within ten (10) Exchange work days of the step 1 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 within twenty (20) Exchange work days of receipt of the grievance.

Step 3. If no satisfactory settlement has been reached at Step 2, the associate/Union may present his/her written grievance to the Commanding Officer of the installation within ten (10) work days 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) work days of receipt of the grievance.

Step 4. If a satisfactory settlement has not been reached at Step 3, the Union may submit the grievance within twenty (20) Exchange work days to Arbitration, in accordance with Article VIII.

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 a 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.

## ARTICLE VIII 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) work days 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. The party requesting arbitration shall request the Federal Mediation and Conciliation Service (FMCS) to submit a list of seven impartial arbitrators. The parties and/or their representatives shall establish contact within five (5) work days 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.

Section 5. The fee and the expenses of arbitrations 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 IX 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) non disciplinary 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, Vol. 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 VII.

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.

## ARTICLE X CONTRACTING OUT AND USE OF MILITARY PERSONNEL

Section 1. The Union will be given reasonable advance notice of the intention to solicit bids for "contract work" which could result in a business based actions 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 negotiate over the effect and impact of "Contract Work" which could result in a business based actions or demotion of any associates in the unit.

Section 2. The union will have a right to and shall receive any requested information in which the Navy Exchange based its decision to "Contract Work".

Section 3. Further, the union will have the right to pursue further information by submission of any questions that it may have concerning the decision to "Contract Work" and to expect the Navy Exchange to respond to those requests in a timely manner.

Section 4. The Union will be given 90 calendar days advance notice of the intention to use military personnel which could result in a reduction in force 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 thirty (30) calendar days after notification. The Exchange shall consider the views and furnish a written response.

Section 5. The Exchange agrees to consult with the Union in order to minimize displacement action through realignment, retraining, and to exert any other reasonable actions necessary to retain associates in other areas or departments.

## ARTICLE XI 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 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 Officer on his/her grievance rights under the pay banding program or appeal rights set forth in Navy Exchange Manual, Vol. 3, Pub. 145, whichever is applicable.

## ARTICLE XII HOURS OF WORK

Section 1. The basic workweek for full time associates shall be not less than thirty-five (35) hours, Sunday through Saturday, not to exceed forty (40) hours. Regular, part-time associates work week will be twenty (20) to thirty-four (34) hours. All work done 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 an associates 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 with the department shall be given the opportunity to participate in Sunday 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 two (2) days advance notice of such changes where practicable.

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 ten and one-half (10 ½) 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 specified periods. Craft & Trade associates are entitled to pay at his/her scheduled rate plus a differential of eight and one-half (8 ½) 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), fall 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 doctors statement if requested by the Exchange.

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 cleanup, if necessary.

Section 8. The Exchange agrees to notify the Union three (3) work days in advance of any change in the hours of operation except in case of emergency or unforeseen circumstances. The Union shall have the opportunity to present its views during this period before any changes occur.

Section 9. Schedules will be posted in ink no later than twelve o'clock p.m., Thursday, 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. Such schedules shall list associates by Name with starting and finishing times and days off.

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

Section 13. The Exchange will ensure that, in each department or location, composed of Regular, Full-time associates and Flexible associates, Flexible associates will not be scheduled to work more hours than Regular, Full-time associates within a given pay period, unless such Regular, Full-time associates are not available to work. In departments or locations composed of Regular Part-time (RPT) associates and Flexible associates, RPT associates will not be scheduled less than 25 hours a week. This, however, will not preclude the Exchange from assigning work, as needed, in emergencies or unforeseen circumstances.

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 agrees to make an effort to ensure the integrity of the employment categories with respect to hours worked by those associates as covered by Section 12 of this article.

### ARTICLE XIII 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. Overtime pay shall be computed in accordance with applicable regulations.

Section 5. 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 6. In accordance with the regulations overtime is paid 1½ 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 ¼ hours in accordance with current practices.

Section 7. Compensatory time off will not be granted associates in lieu of payment of overtime. As an exception to this Section, an associate may work compensatory overtime when required by his/her religious faith to take time off from work. Such overtime and time off will be on an hour-for-hour basis, in accordance with applicable law.

Section 8. 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 9. An 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.

Section 10. 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 |
|-------------|---------------------|---------------|---------------|-----------------|----------------|
| F           | 8                   | 8             |               |                 |                |
| S           | 8                   | 8             |               |                 |                |
| S           | Off                 | 0             |               |                 |                |
| M (Holiday) | 8                   | 0             | 8             | 8               |                |
| T           | 8                   | 8             |               |                 |                |
| W           | 8                   | 8             |               |                 |                |
| T           | 8                   | 0             |               |                 | 8(1/2)         |
|             | 48                  | 32            | 8             | *8              | 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 associate basic rate of pay.

#### ARTICLE XIV 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 Year's Day, January 1  
Martin Luther King's Birthday, 3rd Monday in January  
Washington's Birthday, 3rd Monday in February  
Memorial Day, Last Monday in May  
Independence Day, July 4  
Labor Day, 1st Monday in September  
Columbus Day, 2nd Monday in October  
Veteran's Day, November 11  
Thanksgiving Day, 4th Thursday in November  
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. Any associate eligible for holiday pay who is required to work will receive compensation as authorized in Department of Defense Directive (DoD) 1400.25.

Section 5. Holidays that occur on a non-work day will be observed in accordance with the regulations of the Navy Exchange Manual, Vol. 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 (5) day work week will receive Holiday pay. Flexible associates regularly scheduled to work four (4) days or less per week will receive Holiday pay if the holiday falls on a regularly scheduled work day.

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.

Section 9. Personal Day. Associates must submit their request in writing, stating, "Contract/Personal Day" as the reason. Requests will be submitted as far in advance as possible and are subject to supervisory approval after work load considerations. This Personal Day cannot be saved or carried over from one contract year to the next. Supervisors will ensure that associates utilize this day within the contract year. Associates will qualify as long as they have completed 90 calendar days of employment. This Personal Day does not constitute "Leave" and associates will not cash it in under any circumstances. For payroll purposes, this day will be charted as Administrative Leave.

ARTICLE XV  
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 XVI  
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, Vol. 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 XVII  
USE OF OFFICIAL FACILITIES

Section 1. Space on 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 or 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 be the property of the Union. The Store Card shall be posted at all times.

## ARTICLE XVIII WAGES AND WAGE SURVEYS

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 nonappropriated 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 Schedule 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.
- c. Pay adjustments for performance for all 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.

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 good or above on his/her most recent work performance appraisal.

- e. Associates under the Pay Banding program who are rated fair or unsatisfactory are ineligible for comparability increase. In some cases, this will result in an associate having a pay rate below the published minimum rate of the payband in which his/her position is classified. However, the pay rate will not be less than the minimum wage prescribed by law, nor will such associate be denied an increase when otherwise entitled to by a DoD NAF Wage Increase.
- f. The following chart depicts the six approved DoD NAF pay bands and assignments to these bands of AS, PS and UA positions:

| Pay Band | Former Position Coverage |
|----------|--------------------------|
| NF-1     | AS/PS 1-4                |
| NF-2     | AS/PS 5-6                |
| NF-3     | AS/PS 7 and UA 5-8       |
| NF-4     | UA 9-12                  |
| NF-5     | UA 13-15                 |
| NF-6     | SMS 1-6                  |

- g. 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.
- h. 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, or 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 only for the following reasons: performance, end of temporary promotion, classification error, and associate-requested job reassignment.

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/awards. Management may authorize payment of cash bonuses at its sole discretion. The maximum amount of bonuses/awards that may be granted to one unit member associate in one year is \$2,500.00.

#### ARTICLE XIX 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 XX 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.

Section 2. Rest periods will not be "saved" and used for early dismissal. However, on an exception basis, and at the discretion of the supervisor, associates may request that a rest period be combined with a lunch period to attend to exigent personal matters.

Section 3. Associates will be provided a suitable lounge maintained by the Exchange where sanitary facilities are available. It is understood that at small work locations this may not be feasible.

#### ARTICLE XXI 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 associates 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. The Union will encourage all associates 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, but 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 Compensation 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 XXII 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 associate's wages, who has properly executed a RWDSU membership application, commencing with the next bi-weekly payroll period, an amount equivalent to dues and initiation fees as shall be certified by the Secretary-Treasurer of RWDSU of the Retail, Wholesale and Department Store Union, Mid- South Council 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 RWDSU, whichever occurs sooner, and from year to year thereafter, unless not less than thirty (30) days and not more that 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.
- c. This check-off authorization and agreement is separate and apart from the membership application and is attached to the membership 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 begin with the first pay period occurring after the 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 from 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 form 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 within the seven (7) day period.

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

ARTICLE XXIII  
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. Such assignments will not exceed fourteen (14) consecutive calendar days. In the event the assignment does exceed fourteen consecutive calendar days, pay at the appropriate grade level will be made effective on the 15th day.

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 XXIV  
SENIORITY

Section 1. In the matter of promotions, advancements, demotions, and transfers, the principle of seniority will apply, provided the senior associate is capable and best 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 I 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 with reduced 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 XXV BUSINESS BASED ACTION

Section 1. A business based action will be conducted in accordance with procedures contained in the Navy Exchange Manual, Vol 3, Pub. 145. The decision to conduct a business based action, the time and size of the reduction is a management decision exercised by the Exchange. Business-based actions are non-disciplinary, involuntary and adverse personnel actions that are necessary to conduct business in an effective manner. Business-based actions 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 business-based actions 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 business based action and the reasons therefore as soon as the necessity for such reduction-in-force 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 VII and VIII.

Section 3. All associates separated during a business based action 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 the 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 or 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 of 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 business based action 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 nonappropriated 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 XXVI 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 the 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 sub-paragraph 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 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.
- 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 unreduced annuity.

ARTICLE XXVII  
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 work week.
- b. Associates with three (3) years, but less than fifteen (15) years of service will accrue 7 ½ % 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 ½ % of the total hours in the basic work week.
- c. Associates with more than fifteen (15) years of service will accrue 10 ¼ % of the total hours in the basic work week.

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 five (5) work days in advance of the desired leave period. However, this will not preclude the granting of annual leave with less than five (5) days notification, subject to workload requirements. 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 in weekly units where possible. However, associates 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, Vol. 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. Associates may be granted absence without pay by the General Manager, or his designee, for emergency reasons with less than 30 days' notice.

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 as long as they have completed 90 calendar days of employment. 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. Fulltime 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 XXVIII SICK LEAVE PRIVILEGE

Section 1. Eligible associates shall accrue sick leave at a rate of 5% of the hours in their basic workweek 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.

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 associates in accordance with the provisions of the Navy Exchange Manual, Vol. 3, Pub. 145.

Section 4. It is agreed and understood that it is the responsibility of the associate to notify his/her supervisor or manager of illness or absence usually by telephone as soon as

possible, but no later than the start of his/her shift. The associate shall indicate the general nature of the incapacitation, and if possible, the estimated date of return to duty.

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 treatments should make every effort to schedule such appointments after work or on non-work days.

Section 7. A doctor's certificate may be required at the discretion of the Exchange, when an associate is suspected of abusing the sick leave privilege. When a letter is issued to an associate requiring submission of a doctor's certificate, the letter will be supported by proper documentation indicating the misuse of sick leave.

Section 8. Approved sick leave shall be considered as time worked, including eligibility for overtime and holiday pay.

#### ARTICLE XXIX 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 the 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 constitute 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. All associates 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 XXX MATERNITY LEAVE/FAMILY AND MEDICAL LEAVE ACT

Section 1. The Exchange will ensure the application of the same 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 XXXI COURT LEAVE

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 appear 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 XXXII 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 to serve in any capacity on official Union business, provided the Exchange is given at least two (2) weeks' 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 XXXIII VOTING TIME

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

#### ARTICLE XXXIV 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 XXXV ORIENTATION

Section 1. The Exchange agrees to allow the Union Business Representative or Chief 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.

#### ARTICLE XXXVI 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 (with the exception of confidential inquiries to previous employers).

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 XXXVII ASSOCIATE ROSTER

The Exchange agrees to provide annually a master seniority listing of unit associates to include first, middle and last name, job grade/band and/or step, date of employment, gender, social security number, 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 XXXVIII 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 XXXIX  
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 provisions of this Agreement with full consideration being given to any relevant and pertinent evidence tending to support the associate's claim.

ARTICLE XL  
WAGE STATEMENTS

The Exchange shall furnish to each associate on each regular biweekly pay day, 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 therefrom. A similar statement will be given to associates upon termination.

ARTICLE XLI  
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 benefit plans, 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. For those associates electing to participate in the Comprehensive Medical Plan, the Exchange agrees to pay 75% of the premium per pay period and the associate will pay 25% of the premium.
- d. Short-term Disability Plan

- e. Long-term Disability Plan. For those associates electing Long-term Disability coverage, the Exchange agrees to pay 75% of the premium per pay period and the associate will pay 25% of the premium.
- f. Optional Group Life Insurance Plan

ARTICLE XLII  
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 US

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 62 birthday or the completion of five (5) years of continuous service, whichever is later.

ARTICLE XLIII  
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.

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

ARTICLE XLIV  
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 workweek not to exceed 80 hours per calendar year.

Section 2. Subject to workload and operational requirements, associates will be granted flex leave for personal reasons. Associates requesting flex leave must submit an Absence Record, SS/241, to their supervisors, normally not less than five (5) work days in advance of the desired time off. 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, usually by telephone, as soon as possible, but not later than the start of his/her shift. The associate shall indicate the general nature of the reason for the absence and the estimated date of return to duty.

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. Flex leave in excess of 30 hours may not be carried over from leave year without specific management approval.

ARTICLE XLV  
GENERAL

Section 1. Crafts and Trades associates will receive gift certificates in January 2007, 2008, and 2009, based on the rating of the most recent work performance review on record, as follows:

|   |          |
|---|----------|
| Overall rating of "Fully successful"    | \$150.00 |
| Overall rating of "Exceeds expectation" | \$200.00 |
| Overall rating of "Outstanding"         | \$250.00 |

Section 2.

- a. The Exchange agrees to maintain the percentage of Flex category associates in the Unit to no more than 34%.
- b. Those 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. This is ongoing for each year of the contract regardless if the percentage is already met by the Exchange. These associates still have a right to be moved to a regular employment category.
- c. The Exchange agrees that associates converted to the regular category will not have their hours reduced unless flex associates have their hours reduced first. The Exchange will ensure that Flex hours will be reduced by twice as many hours as regular associate hours.
- d. The Exchange agrees that on the annual anniversary date of this contract, it will furnish a list of bargaining unit members to the Union. Such list will contain the name, job category and status of each associate as to Flex or Regular associate.

- e. In the event that the Exchange does not meet the percentage set forth above, the Union will be entitled to use the grievance and the arbitration processes as outlined in this Agreement. The Exchange agrees, as a penalty, that if an arbitrator finds that the Exchange has not reduced the percentage of associates in the Flex category to the percentages set forth in a. Above, the arbitrator may order immediate compliance and assess the Exchange to award discretionary time off as stated in Article XLIV of this contract at the rate of 12% for those associates in the flexible category such period as the Exchange is deemed to be in violation of the established percentage of flexible associates in the bargaining unit.

Section 2. The Exchange will distribute three mailings per year to unit associates through the Internal mail system.

Section 3. The Exchange agrees to pay up to \$750 for the cost of printing of this contract.

ARTICLE XLVI  
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 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 three (3) 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 demands 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 understandings 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 relinquish 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 WHEREOF the parties hereto have executed this Agreement on this 24th day of May 2006.

Approved by the Department of Defense on June 23, 2006 to be effective on May 24, 2006.