

# **AGREEMENT**

---

**Between**

**SEALY MATTRESS MANUFACTURING COMPANY, INC.**

**and**

**COMMUNICATIONS WORKERS OF AMERICA, PPMWS, IUE, TNG,  
AFL-CIO, CLC**

**2016-2019**

## TABLE OF CONTENTS

<u>Article</u>	<u>Title</u>	<u>Page</u>
	Forward	3
	Agreement	4
I	Recognition	4
II	Management's Rights	4
III	Hiring Procedures	4
IV	Checkoff of Membership Dues	5
V	Union Membership	6
VI	Divisions of Work, Seniority, Promotions, Transfers, and Discipline	6
VII	Hours, Holidays, Overtime, and Funeral Leave	10
VIII	Vacations	13
IX	Leaves	15
X	Health and Welfare	16
XI	Pensions	17
XII	Union Labels	18
XIII	Grievances and Disputes	18
XIV	Safety and Health	20
XV	Discontinuance of Operations/Severance Pay	211
XVI	Wages	21
XVII	Entire Agreement	23
XVIII	Termination, Modification, and Renewal	24
Appendix A	Schedule of Wages	25
Appendix B	Departments	26

## FORWARD

The basic purposes of this Agreement are:

- FIRST: To obtain through mutual cooperation between the parties the greatest possible annual production, the best working conditions and the maximum earnings for each of our union member employees.
- SECOND: To assist each other in every fair and constructive way; to secure uninterrupted and general stabilization of working conditions; and to cooperate with one another in the prevention and elimination of unauthorized or illegal strikes and lockouts.
- THIRD: To provide methods for fair and peaceful adjustments of all disputes and to resort to the methods herein provided.
- FOURTH: For this purpose, it is agreed that the Union's sphere of activity shall consist of obtaining and maintaining maximum job security, safety, and comfort of all of its members. The Management's sphere of activity consists of decisions as to standards of quality of its products, procurement of supplies and materials, sales prices, the planning of production and delivery schedules and the supervision of its personnel and property. In the exercise of Management's and Union's responsibilities, all actions taken shall be consistent with the provisions of this Agreement.
- FIFTH: These fundamental purposes shall serve as a guiding influence in the settlement of all wages, problems, disputes, grievances, and differences during the life of this Agreement.

## AGREEMENT

This agreement between the SEALY MATTRESS MANUFACTURING COMPANY, INC. (hereinafter referred to as the "Company") and Communication Workers of America, PPMWS, IUE, TNG, AFL-CIO, CLC (hereinafter referred to as the "Union") on behalf of certain employees covered by this Agreement at the plant located at 4361 East Firestone Boulevard, South Gate, California.

## WITNESSETH

The parties hereto agree to the following, to wit:

### ARTICLE I

#### Recognition

- A. The company agrees to recognize the union as the sole bargaining agency for all its production, maintenance employees, and-receiving employees, exclusive of office employees, truck drivers, shipping, professional employees, and supervisors, as defined in the National Labor Relations Act, as amended.
- B. The Company agrees not to discriminate in any manner whatsoever against Union members employed by it because of their Union membership, or because of their activities for or on behalf of the Union.

### ARTICLE II

#### Management's Rights

- A. Management of this Company and its operations, and the scheduling and direction of the working forces are vested exclusively with management unless otherwise specifically limited by the provisions of this Agreement.

### ARTICLE III

#### Hiring Procedures

- A. In hiring new employees, the Company guarantees that there shall be no discrimination against Union members or favoritism shown to non-union members. The Company will notify the Union Local of its intentions to fill a job opening at the time the Company becomes aware of the opening so that the Union may arrange for qualified applicants in the industry to apply for such job opening.
- B. The Company agrees to notify the Union setting forth the name and home address of each new employee and the classification for which he is hired.
- C. Notification to the Union for new employees shall be made by the Company to the Union Local in writing within five (5) days.

- D. When new employees are hired, the Company shall notify the Union Local within five (5) working days in writing, by mail, of the date of hire of said employees, their assigned job classification, rate of pay. Any changes in an employee's classification, rate of pay or status after initial hire shall also be communicated by mail in writing to the Union Local within five (5) working days of such change, included shall be changes in status due to lay-off, transfer, leave of absence, or discharge.
- E. When a company brings new employees on the payroll, time will be allowed during work hours for the Union to meet with the members to explain Union benefits and activities.
- F. There shall be no discrimination against any employee in regard to tenure of employment, promotions, transfers, rate of pay, or other conditions of employment because of race, creed, sex, age (as defined by law), union membership, religious or political beliefs. In the event the discrimination is by an employee or group of employees, the Union agrees to take disciplinary action against such persons. Whenever the masculine gender is used in this Agreement, it shall be deemed to be used for both male and female employees.

## ARTICLE IV

### Checkoff of Membership Dues

- A. The Company shall deduct from each employee all membership dues which include initiation fees and monthly dues, as they respectively become payable. Such deductions shall be made only for the employees who have delivered to the Company, a written authorization, assignment and direction to do so and only during the period that the said written authorization, assignment and direction is in effect. A form of authorization, assignment and direction follows and is hereby approved. All deductions shall be made during the first pay period of each calendar month and the sums deducted shall be remitted forthwith to the Financial Secretary of the Union together with a list showing for whom the deductions are made on the Union form which will be supplied to the Company.

#### Authorization and Assignment

To the Company Employing the Undersigned During the Period of this Authorization:

I hereby assign, from my earnings now or hereafter payable to me from the Company, to Local 9400 of the Communications Workers of America, AFL-CIO, CLC a sum equal to Union membership dues and, if owing by me, an initiation fee, as certified to the Company by the Union.

This Assignment and Authorization is voluntarily made in consideration of the costs of representation and collective bargaining and is not contingent upon my membership in the Union.

Pursuant to this assignment and irrespective of my present or future membership status in the Union, I authorize and direct you to deduct, while I am employed in the represented bargaining unit of the Company, such a sum equal to membership dues and, if owing by me, an initiation fee, as certified to the Company by the Union.

Regardless of my membership status, this Assignment and Authorization shall be irrevocable until a date one year from its effective date, or until the date on which the current collective bargaining agreement between the Company and the Union is terminated, whichever is earlier. I agree and direct that this

Assignment and Authorization shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each from its effective date, or for the period of each succeeding applicable collective bargaining agreement between the Company and the Union, whichever period is shorter. This Assignment and Authorization may only be revoked by written notice by individual registered or certified mail, given by me to the Company and the Union, postmarked not more than twenty (20) days and not less than ten (10) days prior to the expiration date of each one-year period, or the termination date of each applicable collective bargaining agreement between the Company and the Union, whichever date is earlier.

This Authorization and Assignment supersedes all previous Authorizations and Assignments.

- B. The Union agrees to indemnify the Company and hold it harmless against any and all suits, claims, demands, and any other liabilities arising out of, or resulting from the application of the provisions of this Article.

## ARTICLE V

### Union Membership

- A. Every employee, now employed, or who may hereafter be employed, upon completion of thirty (30) days of employment after the date of execution of this Agreement, or thirty-one (31) days after date of hire, whichever is later, shall as a condition of employment, become a member of the Union, and shall, as a continuing condition of employment, maintain his membership in good standing in said Union.

Upon notice by the Union that any employee is not in good standing, the Company shall have five (5) days to replace such employee. Such replacements shall be employed in accordance with the provisions of this Agreement applying to new employees.

- B. A bulletin board shall be furnished by the Company for the use of the Union.

## ARTICLE VI

### Divisions of Work, Seniority, Promotions, Transfers, and Discipline

- A. When there is insufficient work available to maintain a forty (40) hour work week, the Company may reduce the work week and distribute the available work evenly among the employees in the various classifications. No more than ten (10) weeks may be so reduced during any calendar year. For purposes of this Section, a reduced work week for any employee is a week in which that employee, due to lack of work, earns less than thirty-two (32) hours. The number of weeks specified above may be extended, based on sound business reasons given to the Union.

Nothing herein shall require the Company to retain an employee regardless of his seniority, who is not qualified to perform the work which is available. The test of qualification shall be whether the employee has successfully in the past performed the work required and is presently qualified to perform the work required. The employee shall have three (3) working days to demonstrate both qualification and ability to perform the job. In the event of a lay-off of three (3) days or less, the Company will

respect the department seniority of employees, after which plant seniority will be the guiding principle. Any employee laid-off twelve (12) or more days in a calendar year can utilize plant seniority to bump without the waiting period. The Company will inform the Union Local in advance of any lay-off. No bump will be allowed unless the employee is qualified. In the event of a reduction in the workforce, the Company shall select volunteers for lay-off in order to avoid involuntary dislocations. Prior to any lay-off, senior employees shall have the right to displace probationary employees (1st 60 days of employment) plant wide if they have the ability to perform the job (they do not have to be qualified under paragraph 2 to do the job).

- B. Each new employee shall be on a probationary period for the first ninety (90) calendar days of his employment. If retained, they shall be considered permanent employees and will be placed on the Seniority List as of the first day worked for the Company. During the employee's probationary period, the Company reserves the right to reject said employee for legal, good and sufficient reason. The probationary period may be extended an additional thirty (30) days by mutual agreement of the parties.
- C. Upon mutual agreement between the Union and the Company involved, variations in the application of these sections may be made.
- D. Overtime work shall be distributed among qualified employees in the shop in all operations or classifications in as equal a manner as possible, except to finish out a job. There will be occasions when overtime work will be required to complete the daily work schedule. When such occasions occur, the Company will give employees at least two (2) hours advance notice of required overtime. The most senior qualified employees in the department will first be offered the opportunity to accept or reject overtime. In the event two (2) hours advance notice is not given, senior employees may refuse the overtime assignment, provided however that the least senior qualified employees may be required to work. When proper advance notice has been given by the Company, employees will be required to work the overtime assignment. However, individual employees may be specifically excused by the Company.
- E. Friday overtime will be voluntary, but if not enough volunteers to make the schedule, then the needed number of people in proper classifications will be required to work beginning with the least senior qualified employees.
- F. If an employee is scheduled for two (2) or more hours of daily overtime, he will be entitled to a ten (10) minute rest period after his regular eight (8) hour shift. After two (2) hours of overtime, ten (10) worked hours, employee shall receive a 30 minute meal break, twenty (20) minutes paid and ten (10) minutes unpaid, or in accordance with state or federal law.
- G. Employees will not be required to work daily overtime for more than thirty (30) consecutive working days if qualified employees are on layoff.
- H. Whenever there is a job opening in the plant, the Company shall be under an obligation to post such opening on the bulletin board for a period of three (3) working days. Employees desiring to apply for the posted job opening must make application within the three (3) working day period. Any secondary job openings resulting from this primary job posting will be posted on the bulletin board for a period of two (2) working days. Qualified employees having seniority shall be given preference for the job opening. However, if there is an employee whose ability is outstanding over that of an employee who has seniority such employee may be given promotion by mutual agreement with the Union. If there is no agreement of the parties, the Company may fill a vacancy by any means it determines necessary to

maintain efficient plant operations. It is understood the Union has the right to grieve the Company's selection decision. In determining "outstanding ability" factors such as the employee's disciplinary record, attendance and physical ability to perform the job will be considered. Employees promoted under the job posting system cannot apply for another job opening for a six (6) month period from the date of their promotion. Employees can apply for jobs that pay the same or less than their present rate of pay only if the employee presents the Company with appropriate medical documentation.

The promoted employee, if qualified as competent, shall receive the higher rate of pay. If, within fifteen (15) days such employee does not exhibit the aptitude and/or ability to perform the new job, or the employee desires to return to his former job, he will be placed back on his old job without prejudice. Such trial period may be extended by fifteen (15) days, upon mutual agreement of the Company and the Union. No qualified employee shall be required to serve two (2) trial periods on the same classification. Qualified employees shall, on the basis of seniority, be given an opportunity to fill newly established jobs.

- I. No member's seniority shall be breached by a temporary layoff or by leave of absence granted by agreement of the Company. It shall be the duty of an employee to notify the Company promptly of his inability to report for work and the reason therefore. Employees who by reason of bona fide illness require time off shall be granted appropriate leave of absence for a period not to exceed thirty (30) days. Such leave shall be extended upon written request from the employee together with written recommendation from his physician. Seniority shall accumulate during such leave.

Employees appointed or elected to office in the Union shall, upon request, be granted leaves of absence up to two (2) years subject to annual renewal, yearly thereafter upon request of the Union. Seniority shall accumulate during such leaves, but such employees shall not be entitled to holiday pay, vacation pay, etc., unless the leaves are less than thirty (30) days.

- J. Employees shall lose seniority for any one of the following reasons:

1. If the employee retires.
2. If the employee quits.
3. If the employee is discharged.
4. If the employee is absent for any cause from work for more than three (3) days without notifying the Company.
5. If the employee is absent without good cause as mutually agreed by the Union and the Company.
6. If the employee fails to report for work within five (5) - days from date of contact, or after being notified to do so by registered mail sent to his last known address.
7. If the employee is laid off or absent for any reason for a period of more than one (1) year and his seniority is not extended for good cause upon mutual agreement with the Union.

The Union Steward shall be notified in writing of any action taken on the above clause.

- K. Any Supervisor who is relieved of his position and returned to regular production work shall be eligible for Union membership and shall have his name returned to the plant seniority list with up to an additional five (5) years of seniority accumulated while working as a Supervisor.
- L. The Company shall give the Union a list of its Departments which shall constitute the list of Departments for the purposes of this Agreement. Any change to such list shall be discussed with the Union.



- M. There shall be an accurate list compiled by the Company by classification of all employees, supplemented from time to time, which list shall be called the "Seniority List." Seniority lists shall be posted quarterly for each department and a copy thereof given to the Union. Posted seniority lists shall establish the seniority of an employee who does not in writing protest his seniority through the Stewards to the Company within thirty (30) days from the date of said posting, unless said employee is absent from work during said period because of a layoff or sickness in which event he shall have thirty (30) days after his return to work within which to protest his seniority.
- N. Regularly designated Shop Stewards who have six (6) months service with the Company shall receive the highest seniority for layoff and recall purposes only in their respective departments during the time that they hold their office of Steward. The regularly designated Chief Shop Steward, provided he has one (1) years' service with the Company, shall have top seniority for layoff and recall purposes only in the entire plant during the time that he holds his office of Chief Shop Steward. It is understood that whenever such preferential seniority is exercised by either a Shop Steward or the Chief Shop Steward, such Steward must have the present ability to properly perform the available work.
- O. The Company has the right to discipline any employee for proper cause. Any grievance alleging that the employee was disciplined without proper cause may be taken up through the grievance procedure; provided, however, any such grievance must be filed by the employee or a Union representative within five (5) working days after the date the employee is notified of the disciplinary action. This time limit may be extended by mutual agreement.

Before changing, adding, or withdrawing any plant rules, the Company will give advance notice to the Union and, upon request, will discuss the matter with the Union before placing any new or changed plant rules into effect.

The Union may grieve the reasonableness of new or changed plant rules.

- P. Leads who are not excluded from the bargaining unit as provided in Article I, Section A, can perform work covered by this Agreement, subject to all the terms of this Agreement. It is understood that the services of a lead shall not be used for the purpose of replacing a vacant or new position.

Supervisors who are excluded from the bargaining unit may perform any of the following work only:

1. Relieve an employee for a short period of time.
2. Instruct on a new job or instruct new employees.
3. Take the place of an employee who is temporarily absent in case of an emergency.
4. In the event of a breakdown or to expedite work of a critical nature.
5. For the purpose of experimenting with new methods, materials, machines, or patterns, unless there is a sample maker or pattern maker available to do the work.
6. Prepare work for and inspect work of employees.
7. It is understood that the services of Supervisors shall not be used for the purpose of replacing a regular employee.
8. These provisions will not apply in the case of Supervisors where a department consists of less than six (6) employees.
9. Supervisor can do work for which no charge is made by the Company.

- Q. Each month the Employer shall offer paid training to at least one member in Mattress Building, Box Spring, and Sewing. Training sessions will be provided, for a period of one (1) month and training will not exceed more than 20 hours per month. A signup sheet shall be posted for at least one full week before training begins. Employee with the most seniority who signs up shall be trained first. Employees shall demonstrate continuous improvement while in training. Names of employees who have received their first training will be placed below the listing of employees who have not received training. Management reserves the right to deny training request to any employee at the written disciplinary step or higher.
- R. New equipment or production methods may be introduced. However, if it results in new or changed classifications and the Union's agreement has not been secured, the matter may be handled under the grievance procedure.

Qualified employees shall on the basis of seniority be given an opportunity to fill newly established jobs.

In the event that the Company, in the exercise of its responsibilities, finds it necessary to discontinue an operation or department, it is agreed that notice shall be given to the Union in advance and all means exhausted to obtain employment within the same plant for any worker that will no longer otherwise be required, it being understood that ability, difference in rate of pay and other such matters, will be given full consideration. In the event that the employee cannot be placed within the plant, the advance notice given the Union will provide opportunity for the Union to procure work in other plants for the worker involved. It is further understood that if there are openings in the plant that preference shall be given to the laid off workers subject only to the question of ability to do the available work.

## ARTICLE VII

### Hours, Holidays, Overtime, and Funeral Leave

- A. The work week shall consist of forty (40) hours made up of eight (8) hours each day, Monday through Friday, inclusive, except as provided for in Article VI, Section A. This is not to be construed as a guarantee of hours of work per day or per week. The Company shall not require mandatory overtime for more than a 12 hour shift (4 hours of overtime). Overtime in excess of twelve (12) hours in any work day shall be paid at a rate of double time for such hours over twelve (12) hours and the Company will not schedule more than three (3) Saturdays per month as mandatory overtime. Should it become necessary to work additional hours beyond the twelve, the company will offer over time to Sealy employees. If however, the necessary staffing needs are not met the company reserves the right to use temporary workers to finish the shifts scheduled. After notification from their supervisor employees will have until the end of their lunch break to respond as to whether they will work past twelve hours or not.
- B. The regular scheduled work day for day shift is 7:00 a.m. – 3:30 p.m. with thirty (30) minutes for lunch if applicable. The regular scheduled work day for second shift is 4:30 p.m. to 1:00 a.m. with thirty (30) minutes for lunch if applicable. Upon five (5) days notice by the Company, the regular starting time and lunch periods may be changed but only after mutual discussions by the parties. All work performed before or after the regular established or agreed eight (8) hour shift shall be considered overtime and shall be paid for at the rate of time and one-half, provided however that the Company shall not be required to schedule any employee beyond the regular established shift ending time who has not worked seven (7) hours at straight time. For up to ten (10) days during the calendar year, and upon request by

the electric provider to reduce power consumption, the second shift may be adjusted to 6:30 PM – 3 AM. All provisions of this agreement regarding overtime and notification to both the employee's and the Union shall remain in effect. The Union agrees the Company shall have five (5) days per month with advance notice by the previous day to the department employees the department stewards and the Union in which it can change the scheduled start time without the penalty of having to pay overtime before the agreed upon schedule begins.

- C. There shall be a premium of forty-five (.45) cents for second and third shift added for each hour worked. It is agreed that if the first shift shall be scheduled to begin work before 6:00 a.m. a premium of forty-five (.45) cents shall be added for each hour worked before 6:00 a.m.
- D. Unless the Company, or its representative, shall have notified an employee on the previous day not to report to work and the employee reports to work and makes himself available for whatever work is offered by the Company within the terms of this Agreement, the Company shall guarantee no less than four (4) hours work or pay equivalent thereto. For employees on the second or third shifts, the Company will notify any employees no less than two hours prior to the start of their normal shift if there is no work available for that day. In the event the Company asks the employee to remain beyond four (4) hours in anticipation of work or does not send the employee home, the employee shall be given work or compensated for all of the time that he remains at the plant, including the first four (4) hours; provided, however, if the employee is told not to remain, the Company's liability shall not be in excess of the four (4) hours guarantee of the time that the employee remains at the plant. This guarantee shall not apply in the case of disciplinary suspension or discharge for cause or where failure to provide work results from emergencies beyond the control of the Company.
- E. In the event any work is performed on any of the recognized holidays, as specified in Section F, of this Article, or on Sunday, such work hours shall be paid for at double the regular base rate of pay.
- F. The following holidays, if not worked, shall be paid for at the employee's regular rate of pay, regardless of the day on which it falls:

New Year's Day	Thanksgiving Day
Good Friday	The day after Thanksgiving Day
Memorial Day	Christmas Eve Day
Independence Day	Christmas Day
Labor Day	New Year's Eve Day
Veteran's Day	

If work is performed on these days, the employee shall be paid his regular rate of pay in addition to the compensation set forth in Article VII, Section E.

Probationary employees shall not be paid holiday pay. Employees who do not work their full scheduled work day before and their full scheduled work day after a paid holiday shall only be paid for that holiday if their absence resulted from:

Immediate family illness supported by Doctor's statement, death in the family, jury duty or being excused from work by the Company. Employees on layoff or personal illness will receive holiday pay for a period of up to three (3) months on such layoff or illness.

Employees who work less than their full scheduled work day before and their full scheduled work day after a holiday, and who do not qualify for holiday pay as specified above, will receive holiday pay only for the lesser of the same number of hours worked on the scheduled work day before and the scheduled work day after a paid holiday.

Pay for a holiday not worked as provided for herein shall consist of eight (8) times the straight time hourly rate for hourly rated employees.

When one of the paid holidays provided for in this Agreement falls on a Sunday, and is observed on Monday, such Monday shall be considered a holiday under the terms of this Agreement. When a holiday falls on a Saturday, it will be at the Company's option to schedule either Friday or Monday as the holiday, provided the Company gives five (5) working days notice to the employees and the Union so proper arrangements can be made.

- G. Pay for Saturday work, shall be at one and one-half (1-1/2) times the regular rate of pay up to 8 hours; thereafter employee shall received double time for Saturday work.
- H. There shall be no pyramiding of overtime or other premium payments.
- I. Funeral Leave: The Company agrees to grant time off to employees to attend the funeral of their spouse, mother, father, grandparents, brother, sister, children or stepchildren, and present mother-in-law, father-in-law. Up to three (3) days of such absence shall be compensated for at the employee's "Day Work" hourly rate for time lost up to eight (8) hours per day.
- J. Any employee who sustains a compensable injury while performing his duties for the Company and who is sent to receive medical care or is sent home by the Company, or the attending physician, or is required to receive medical care, shall be paid for the balance of the day up to eight (8) hours upon which the injury occurred.

There shall be no compensation for time off for redressing after employee returns to work unless by mutual agreement.

- K. The parties agree to implement the California Economic Development Department's (EDD) "Workshare" program for the life of this Agreement, for all employees who qualify for such program.

## ARTICLE VIII

### Vacations

As of June 15 <sup>th</sup> of each year.	
Length of Service	Vacation Allotted
<b>One (1) Year of Employment</b>	1 week's Vacation with pay shall be given annually.
<b>Two (2) Years of Employment</b>	One (1) week's vacation pay plus an additional twenty (20) hours. Total of sixty (60) of vacation pay.
<b>Three (3) Years of Employment</b>	Two (2) weeks vacation with pay shall be given annually.
<b>Eight (8) Years of Employment</b>	Three (3) weeks vacation with pay shall be given annually.
<b>Eighteen (18) Years of Employment</b>	Four (4) weeks of vacation with pay shall be given annually.
<b>Twenty-Five (25) Years of Employment</b>	Four (4) weeks vacation with pay plus an additional twenty-five percent (25%) of the four (4) weeks' pay.

- A. Any employee on the payroll on or before January 1 of any year who continues in the employ of the Company through June 15<sup>th</sup> and who has been on the payroll less than one (1) year on June 15<sup>th</sup> shall be eligible for a prorated vacation based upon a formula of 1/12 of one (1) week's vacation for each month of work completed or major portion thereof.

Employees with three (3) or four (4) weeks vacation may request three (3) consecutive weeks of vacation, only after all employees, regardless of seniority, have been allowed a two-week vacation request opportunity and if there are no scheduling conflicts during the third week requested, i.e., such as other employees in the same department/job classification requesting vacation during the same third week.

If the Company plans any changes in the vacation "blackout" periods for the next calendar year, the Company will meet with the Union in December prior to the vacation scheduling for the following calendar year to discuss changes. All vacations to be taken for that calendar year shall be scheduled in the month of January. The criteria used for scheduling vacations shall be seniority. Any vacation scheduled after February 1<sup>st</sup> shall be on a first come first served basis.

- B. One (1) week's vacation with pay shall be given annually to all employees who have been in the employ of the Company for one (1) year as of June 15<sup>th</sup> of each year.
- C. All employees who have been in the employ of the Company for two (2) years shall receive one (1) weeks vacation pay plus an additional twenty (20) hours (total 60) of vacation pay.
- D. Two (2) weeks' vacation with pay shall be given annually to all employees who have been in the employ of the Company for three (3) years as of June 15<sup>th</sup> of each year.
- E. All employees who have been in the employ of the Company for seven (7) years shall be given two (2) weeks' vacation with pay.

- F. All employees who have been in the employ of the Company for eight (8) years shall be given three (3) weeks' vacation with pay.
- G. All employees who have been in the employ of the Company for seventeen (17) years shall be given three (3) weeks vacation with pay.
- H. All employees who have been in the employ of the Company for eighteen (18) years shall be given four (4) weeks' vacation with pay.
- I. All employees who have been in the employ of the Company for twenty-five (25) years shall be given four (4) weeks vacation with pay plus an additional twenty-five percent (25%) of the four (4) weeks' pay.
- J. The Company may, during a period not to exceed a total of forty-five (45) days, shut down the plant, a department, or part of a department, for repairs to equipment, vacation, inventory purposes or such other reason as the Company deems necessary. The length of the shutdown for the purpose of this Section shall not exceed two (2) successive calendar weeks. During this period, employees affected by the shutdown who are eligible to take vacation time off may voluntarily do so. An attempt will be made to notify the employees affected at least sixty (60) days in advance of the shutdown.
- K. The Company will attempt to give senior employees their preference of vacation time off within the limits of production demand.
- L. After one (1) year's employment an employee whose work is terminated or who terminates his employment shall receive one-twelfth (1/12th) of his vacation pay, as computed herein, for each month of work completed or major portion thereof. Such employees shall receive their vacation pay at the time they receive their final paycheck.
- M. A week's vacation pay, as provided for herein, shall be forty (40) times the straight time hourly rate of pay.

All of the time worked by an employee shall be credited toward establishing his eligibility for vacation. In the event an employee has not worked a sufficient length of time by the beginning of the vacation period to be eligible for vacation, his vacation pay at the beginning of the succeeding vacation period shall be the full vacation for one (1) year plus a prorated vacation for the period in excess of one (1) year that he has worked since his/her date of hire, as illustrated in the example set forth below:

Where employment is interrupted by layoff, illness or injury, or leave of absence, and the employee has worked less than 1400 hours in the year preceding June 15th, then said employee shall receive that proportion of the vacation to which he would otherwise be entitled as the total of his hours worked bears to 1400.

Example: Employee works 1300 hours in the calendar year June 15th to June 15th.

Employee receives  $1300/1400$  of the vacation due him under Sections B, C, D, E, and F of Article VIII.

Example: One half (1/2) of the above 1400 hour requirement (700 hours) shall be required of employees who have been employed as set forth in Section A of this Article.

Paid vacation and paid holidays shall be considered as time worked for the purpose of this Section of the Agreement.

- N. Employees may request to be paid vacation time at the time taken in lieu of a vacation pay out.
- O. Vacation pay shall be paid no later than the week following the week that June 15<sup>th</sup> falls in.
- P. If an employee is on vacation on Friday they shall be automatically excused from Saturday work.

## ARTICLE IX

### Leaves

- A. Eligibility: All employees with a minimum of two (2) years of continuous service as of December 1 shall be granted one (1) day of Attendance Incentive Leave, thereafter, the employee shall accrue at the rate of .417<sup>th</sup> of a day for every month.
- B. Accumulation: The accrued leave shall be added to all unused Attendance Incentive Leave with pay of the employee, but shall not accumulate beyond ten (10) days.
- C. Attendance Incentive Leave will apply as of the first day of illness, and shall continue at that rate until employee's Attendance Incentive Leave is exhausted. Attendance Incentive Leave pay will be paid at the rate of eight (8) hours pay per day of illness.
- D. Integration with State Disability Insurance: Whenever the employee is eligible for State Disability Insurance payments, the amount of Attendance Incentive Leave payments he/she will receive from the Company will be no more than is necessary to equal his/her regular straight time pay, except that in no event shall Attendance Incentive Leave payments exceed the amounts set forth above in Section C of this Article.
- E. Unused Attendance Incentive Leave: Unused Attendance Incentive Leave will be payable to employees with more than two (2) year's seniority, up to a maximum of five (5) days per twelve (12) month period.  
  
The twelve (12) month period will be from December 1st to December 1st.
- F. Maternity leave: Paternity leave, Family Medical Leave and all other leaves provided by law shall be granted without pay, unless required by law.
- G. The Company agrees to comply with the provisions of the Family and Medical Leave Act, which is applicable to all employees.
- H. The Employer shall pay employees eight (8) hours, regular base pay, for no more than three (3) days of jury service.
- I. Employees will be allowed 3 early outs per year with prior approval by management.

## ARTICLE X

### Health and Welfare

- A. Effective October 16, 2016, The Company will pay to the United Furniture Workers Insurance Fund, 1910 Air Lane Drive, Nashville, TN., 37210, as follows, for each employee in the bargaining unit:

Monthly Company Contributions will be:

Effective October 1, 2016	\$735.00
---------------------------	----------

Thereafter, effective October 16, 2016 the Employer and the employees will continue to pay the same amount, effective October 16, 2017, the Employer will increase their monthly payment thirteen (13) dollars, effective October 16, 2018, the Employer shall increase their monthly payment thirteen (13) dollars or the amount equivalent to the Tempur Sealy Medical plan company accrual for the current fiscal plan year, to the United Furniture Workers ("UFW") Fund sponsored plan. The company agrees to provide the accrual/funding rate generated by the Company's Benefit department in writing for the appropriate upcoming policy year prior to January 1<sup>st</sup>. Any difference between the company's medical accrual and the UFW sponsored plan over the present Medical, Dental, Prescription and Death Benefits are the responsibility of the employee, and any additional employee contributions required will be added to the weekly payroll deductions.

Employees will be able to choose either blue cross PPO or Kaiser HMO. Kaiser coverage will begin January 1, 2017.

Employee co-payments shall be the difference between the monthly costs for the insurance, minus employer contribution listed above and shall be withheld on a weekly basis.

The contributions shall be paid for the purpose of providing to the employee such death benefit, accident and sickness benefit and various health insurance benefits as are outlined in the booklet to be distributed to all eligible employees by the United Furniture Workers Insurance Fund.

The contributions calculated, as above described, shall be paid to said Fund, at the address indicated, no later than the 10th day of the month for which the premium is due and for each succeeding month for the duration of this contract. The contribution rate, as indicated above, will remain the same for the length of this contract.

The employer agrees to make available to the Union and/or the United Furniture Workers Insurance Fund, upon written notice, any and all books and records of the employer relating to Insurance Fund contributions to the Union and/or the United Furniture Workers Insurance Fund may require in connection with the sound and efficient operation of the Insurance Fund and the administration of its benefits.

Title to all monies paid into the Insurance Fund will be vested and remain exclusively in the "Trustees" of the Insurance Fund and the parties hereto agree that either the Union or the Insurance Fund or both shall have the right, and full discretion, to take any action necessary to collect any contributions or monies due and owing to the Insurance Fund and to secure delinquent reports with such action, including but not limited to submitting the matter to arbitration pursuant to the arbitration provisions of



this Agreement or instituting legal action in the courts. In the event of any such arbitration or legal action, instituted by the Union or the Insurance Fund against the employer to collect delinquent contributions or to secure delinquent reports, it is hereby agreed that the employer shall be liable to the extent set forth by the Trustees of the Fund, or as provided by law.

Eligible employees are defined as all regular employees and all new regular employees who have already completed ninety (90) days or more work on or before the first of each month. For example, a regular employee who is first employed on January 15th will become an "eligible employee" on April 1.

A new "eligible employee" shall become eligible for all benefits of the Program, except the Dental benefits or pre-existing conditions, after the Fund has received two (2) months of contributions on the eligible employee's behalf. For Dental benefits, the Fund will receive six (6) months of contributions on the eligible employee's behalf. For pre-existing conditions, the eligible employee will become eligible for benefits after Fund has received twelve (12) months of contributions on the eligible employee's behalf.

- B. The Company agrees to continue payment of contributions for all employees covered by this Agreement who are absent from work because of layoff due to lack of work or because of illness. Payment shall be made for the current month when the absence occurs plus one (1) additional month thereafter, provided, however, that no contribution shall be made for such employee's replacement during this period of time; and no contribution shall be made if the employee is employed in another shop covered by the United Furniture Workers Insurance Fund and the Union shall certify that the employee is not working if payments are to be made.
- C. It is agreed that all members of the CWA, IUE United Furniture Workers of America, Local 9400, who are covered by the United Furniture Workers Insurance Fund who transfer to another shop also covered by the said Fund shall be continuously protected by said insurance in accordance with the provisions set forth in Section B of this Article; provided, however, that there shall be no carry-over liability for contributions to the shop from which employee transfers; but rather the liability shall rest with the shop to which the employee transfers; and provided further that it shall be the responsibility of the Union to notify both shops involved in such transfer; and the Union shall certify to the shops that the transferring employee is eligible to receive insurance coverage.
- D. In the event it can be arranged, consistent with applicable law, employee co-payments will be made on a pre-tax basis.

## ARTICLE XI

### Pensions

- A. The Company agrees for the duration of this Agreement to contribute monthly, on or before the 10th day of each month beginning with the month of October, 2004, to the United Furniture Workers Pension Fund, located at 1910 Air Lane Drive, Nashville, Tennessee, hereinafter referred to as the "Pension Fund," a sum equal to *one dollar* (\$1.00) per hour through September 2011, beginning October 2011 the contribution rate shall increase to one-dollar and five cent (\$1.05) per hour through September 2012, beginning October 2012 the contribution rate shall be increased to one-dollar and ten cents (\$1.10) for each hour worked by each employee within the bargaining unit, as defined in the Agreement, who has completed thirty (30) days of employment. Such contributions are to be used by the "Trustees" of the said "Pension Fund" for the purpose of providing pensions pursuant to the terms of the Declaration of

trust made on the 2nd day of January, 1953, by which the said "Pension Fund" was constituted and as the same shall be amended from time to time thereafter. Failure to make the contributions provided herein shall be a breach of this Agreement.

- B. It is further agreed that the United Furniture Workers Pension Fund does now and must continue to qualify and conform in all respects to Section 404 of the Internal Revenue Code, the Labor Management Relations Act of 1947, as amended, and the Labor Management Reporting and Disclosure Act of 1959, or any other future laws affecting Pension Funds, Federal and State, which may hereinafter be enacted.
- C. The Company will provide a 401(k) plan for bargaining unit employees and will be subject to the plan provisions
- D. Meetings shall be held ~~in~~ once a year in October with all bargaining unit members, on company time, to explain 401K plan and give them an opportunity to enroll in the plan.

## **ARTICLE XII**

### **Union Labels**

- A. Union labels shall be furnished by the Union to the Company for all products manufactured under this Agreement. All unused labels shall remain the property of the Union and be in the custody of the Shop Steward at all times. All labels shall be supplied to the Company at cost.

## **ARTICLE XIII**

### **Grievances and Disputes**

- A. The Company agrees to recognize the Shop Stewards whose authority to represent the Union shall be limited and determined by the Union. There shall be no discrimination against any member of this Union for Union activities, for serving as Shop Steward or on any Union Committee.

The Union agrees to appoint and maintain Stewards in each department and one Area Steward. A list of these Stewards will be furnished to the Company and it will be notified as to any changes. The Company agrees to recognize the Stewards in the various departments for the purpose of settling grievances. If a Shop Steward is called to a meeting to deal with a disciplinary issue, the release time including necessary investigation and consultation time will be paid at the appropriate rate and the Steward shall suffer no loss in pay. If the Union requests a meeting with company representatives to discuss issues and/or grievances concerning employees, the Steward(s) from any departments involved in the grievance or discussion may attend. Stewards will be paid the appropriate base rate for attending these and other mutually agreed to meetings

- B. The Company and the Union agree that the grievance and arbitration procedures provided herein shall be the sole and exclusive means of resolving all grievances arising under the terms of this Agreement and, further, that remedies and procedures provided by statute shall be the sole and exclusive means of settling all other disputes between the employees and the Company or between the Union and the Company. Accordingly, neither the Union nor the employees will instigate, promote, sponsor, engage

in, or condone any strike (including sympathy strike), picketing, slowdown, concerted stoppage of work or any other intentional interruption of work over any dispute involving the interpretation or application of this Agreement or over any other dispute. In the event that any employee or group of employees covered by this Agreement shall, during its term, participate or engage in any of the activities herein prohibited, the Union agrees, immediately upon being notified by the Company, to direct such employee or group of employees, in writing to cease such activity and resume work at once. The Company shall have the right to discharge or otherwise discipline any employee who engages in any of the activities prohibited by this Article, and such discipline need not be uniform.

During the term of this Agreement, the Company agrees that it will not institute a lockout.

- C. Should an employee or the Union disagree or feel aggrieved in an interpretation or application by the Company of any of the provisions of this Agreement, there shall be no suspension of work, but an earnest effort shall be made to resolve such matters promptly in the manner hereinafter outlined. Every attempt will be made to resolve the dispute without resorting to the formal grievance procedure. If a grievance becomes necessary, all grievances in order to be valid must be filed within the time limits specified below. The grievance procedure shall be as follows:

Step I: By conference between the Steward and the Supervisor involved within five (5) regular work days (Saturdays, Sundays, and holidays excluded) from the time the alleged violation or from the date on which such event should reasonably have become known.

Step II: If the grievance is not settled in Step I, a conference shall be held between the Steward, a Union representative and a management representative within five (5) working days (Saturdays, Sundays, and holidays excluded) of Step I. Any grievance discussed at this conference shall be in writing and each of the attending persons shall have access to a copy. The written grievance must include the specific nature of the grievance, including the provisions of the Agreement involved, the identity of the employee(s) involved, and the remedy requested. If the grievance cannot be settled in the meeting, then the Company's answer shall be given in writing within five (5) working days.

Step III: In the event the dispute or grievance is not settled in Steps I and II, the Union may, within thirty (30) days following the date of receipt of the Step II answer, refer the matter to final and binding arbitration by written notice to the Company. However, by mutual agreement, the Union Representative and a Company labor relations representative will meet before final submission of the dispute to arbitration to attempt to resolve the matter.

- D. An impartial arbitrator shall be selected by a designated representative of the Union and the Company. Failing to agree, the parties shall petition the office of the Federal Mediation and Conciliation Service to submit a list of seven (7) qualified impartial persons from which to choose an arbitrator. If the arbitration concerns production standards, the arbitrators on this list must also be qualified industrial engineers. The Company and the Union may each strike three (3) names making alternate strikes. The person whose name remains shall be selected as the arbitrator. Such arbitrator shall hear the evidence and render a decision, the arbitrator shall be bound by the terms and conditions set forth in this Agreement and he shall have no power to add to, subtract from, or change or modify this Agreement in any manner.

The fees and expenses of the arbitrator shall be borne equally by the Company and the Union.

- E. Grievances conference shall be scheduled during working hours at a mutually agreed upon time, in order to resolve the matter as timely as possible.
- F. As an employee selected to attend a Union convention or seminar shall be granted a leave of absence, not to exceed two (2) weeks. Such leave shall be limited to one (1) bargaining unit person at a time. No more than four (4) individuals per calendar year shall be granted such leave.
- G. Any employee who has cause for complaint under the provisions of this Agreement shall first exercise all remedies prescribed by the terms of this Agreement before contacting or soliciting the aid of any outside private, local, State or Federal agency.
- H. Any duly authorized representative of the Union shall have access to the plant of the Company at all hours when the plant is open, for the purpose of investigating working conditions of the plant. The Union representative shall identify himself and enter the plant through the primary entrance of the Company.

## **ARTICLE XIV**

### **Safety and Health**

- A. The Company shall make reasonable provisions for the health and safety of its employees in the plant during working hours and will insure their employees under the Workers' Compensation laws in accordance with the provisions of the law of the State of California. It is agreed that the employees, individually and collectively, will abide by all rules and regulations set up by the Company in the interest of health, safety, and cleanliness. The parties to the Agreement will take all necessary actions to comply with all provisions of the California mandated Written Injury and Illness Prevention Program (SB198). Every attempt will be made by the Company to keep all machines in reasonable working condition. There shall be a safety committee comprised of both management representatives and bargaining unit employees representing each department of the plant appointed by the Union who shall periodically, on Company time, inspect the plant to insure safe working conditions.
- B. No employee shall be required to perform any work under conditions which may be unsafe or injurious to health. No employee shall be required to pass through a legal picket line.
- C. The Company agrees to furnish cooled water free of cost to the employees and proper ventilation and sanitary conditions shall be maintained in the plant at all times.
- D. When temperatures are reported as excessive in the plant, the Employer shall investigate and provide an extra five (5) minutes at break times, if it is determined to be a safety concern.

**ARTICLE XV**

**Discontinuance of Operations/Severance Pay**

A. The Company reserves the right to discontinue any part of its operations or all of its operations at the South Gate California facility. The severance pay schedule below will constitute the full and complete settlement of all "effects" bargaining over the Company's decision to discontinue any or all of its operations at this facility. It is understood by the parties to this Agreement that this severance pay schedule does not apply to reductions in the work force due to business conditions and/or other contingencies where the work force must be reduced.

B. Severance Pay Schedule

<u>SENIORITY YEARS</u>	<u>HOURS SEVERANCE PAY</u>
1 - 2	50
2 - 3	90
4 - 5	100
6 - 7	110
8 - 9	130
10 - 11	150
12 - 14	170
15 - 19	210
20 - 24	250
25 OR MORE	290

C. Active employees on the payroll as of October 15, 2010 shall receive a minimum payment of twenty (20) hours.

**ARTICLE XVI**

**Wages**

A. Job Standards and Methods

1. The Company will establish a Measured Day Work (MDW) system using accepted Industrial Engineering techniques in doing so. The Company may establish, discontinue, reinstitute and/or maintain the above standards on the jobs, which it concludes lend themselves to the application of such standards. The Union will be notified 30 days in advance of the establishment of Measured Day Work standards and changes thereto. The Union has the right to retain its own industrial engineer to review the standards in the plant -prior to implementation by the Company.
2. The MDW system will be expressed in terms of standard hours which will be paid for at the applicable base rates as contained in Appendix A of this Agreement. Appropriate allowances shall be made for rest periods, necessary personal time and minor unavoidable delays. The Company will consult with the Union 30 days prior to any change exceeding 5%

3. Only a qualified Industrial Engineer will be selected as an arbitrator over grievances on standards.
4. The Company shall notify the Union representative prior to the date the standard is to be effective and provide the summary sheet showing the basis upon which the standard was determined. The Company may thereafter put the standard into effect. Disputes concerning the correctness of the standard may be processed by the Union under the grievance procedure of the Labor Agreement in the following manner.
5. The Company shall make its time study engineer available to the Union time study engineer and shall furnish the said Union's time study engineer all requested relevant data supporting the standard. The Union time study engineer will provide the Company's engineer with a copy of his study prior to leaving the plant. The two industrial engineers shall attempt to resolve the grievance and the grievance shall be considered waived upon a settlement satisfactory to the parties to the Agreement.

B. Measured Day Work (MDW) System

1. Operator(s) working under a MDW system will be paid a base rate as contained in Appendix A of this Agreement. This base rate will be in effect unless the operator/team/cell average production is less than the published minimum MDW standard. After adjusting for the established training schedule and issues unrelated to operator/team/cell, the operator/team/cell will be expected to meet the MDW standard. Any employee disqualified for failure to meet the standard will be offered an available position in the factory.
2. When the Company implements the MDW system, the incentive operator's base rate will be established based in part on the employee's average straight time hourly rate (ASTHR) during the previous two calendar quarters. In no case will those rates be less than the rates listed in Appendix A under MDW rates. Other than those operators who entered the MDW system upon implementation, all future operators will be paid according to the MDW schedule.
3. After a new or revised MDW rate is established for operator/team/cell operators shall be expected to make a reasonable effort to meet the minimum MDW standard for not less than thirty (30) days. No formal grievance shall be filed or processed concerning a new or revised MDW rate during this period although employees and the Union may, of course, advise the Company within this period that they feel the standard is incorrect and request a recheck. After completion of the above thirty (30) day trial period the grievance may be filed in the grievance and arbitration procedure within thirty (30) days. Prior to discussion in Step 3 of the regular grievance and arbitration procedure, a Union industrial engineer in the presence of an engineer designated by the Company may enter the plant to examine and study the operations involved. All records dealing with the computation and establishment of the MDW rates shall be available to the Union industrial engineer at that time on the plant premises. If it is agreed that the standard is incorrect, any disciplinary action or disqualification will be corrected.
4. The Company shall establish, revise and discontinue temporary MDW rates where the Company feels that a permanent standard is not appropriate. Temporary MDW will not be in effect for longer than ninety (90) days.

- C. Any employee required to do work on a lower paid classification shall continue to receive his regular Rate of pay except for inventory. Any employee required to do work on a higher classification shall be paid at the rate of the higher classification while performing said work. For an employee hired after October 1, 1979, who would be transferred because of lack of work in his classification or if he is the junior employee, he shall be paid the rate of the job he is sent to.
- D. Employees required to work more than two (2) hours of overtime in any day, without having been notified no later than closing time of the previous day, that they would be required to work said overtime, shall be compensated with one (1) meal which shall be provided during the employee's break after ten (10) hours of work.
- E. Employees working on dirty jobs or handling materials which require removal from hands or body will be given sufficient clean-up time without loss of pay before lunch and quitting time. The dirty jobs and materials which require removal from hands and body and the time required shall be specified in each shop by mutual agreement between the Company and the Union.
- F. There shall be no reduction in the compensation of any employee as a result of putting this agreement into effect. There shall be no reduction in pay rates for employees receiving more than the minimum provided herein.
- G. When a new job is established in the plant or there is a significant change in the duties of an existing classification, a temporary classification and/or wage rate will be established within five (5) working days and the Union shall be notified via email and USPS of the change of duties of an existing classification, the temporary classification and/or temporary wage rate in writing.
- Negotiation between the Company and the Union of the wage rate for the new classification or change in the duties of an existing classification will begin within thirty (30) days after the union requests negotiations. If not resolved, the appropriate wage rate will be subject to arbitration. Only a qualified industrial Engineer will be selected as an arbitrator. Within thirty (30) days following the determination by the parties that an agreed to resolution cannot be reached, the union will notify the company of the filing for arbitration. If the union does not request negotiations with thirty (30) days after notice of the new wage rate, the temporary wage rate will become permanent and not subject to arbitration.
- H. Through negotiations or arbitration the wage rate, if higher than the temporary wage rate, shall be applied retroactively to the date of the establishment of the temporary classification and wage rate.

## ARTICLE XVII

### Entire Agreement


- A. This constitutes the entire Agreement between the parties and all agreements heretofore made between the Company and the employees, or between the Company and this Union, are hereby canceled, this Agreement taking the place thereof; and the Company agrees that all agreements in the future shall be made between the Company and the Union with respect to conditions of employment and that the Company will not attempt to make any agreement with any employee contrary to the terms hereof. The Company may make such arrangements for compensation in excess of the minimum rates herein set forth as may be desired by mutual agreement. It is further understood and agreed that the normal practices for the comfort and well being of all employees that were previously in force shall remain.

ARTICLE XVIII

Termination, Modification, and Renewal

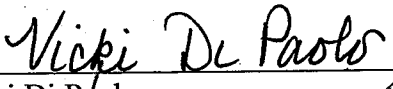
- A. This Agreement shall remain in full force and effect through October 15, 2019, and thereafter annually; provided, however, that either party may terminate this Agreement or give notice of desire to modify any portion thereof on said date, or at the end of any subsequent yearly period, by notifying the other party in writing to the effect not less than sixty (60) days prior to the end of any subsequent yearly anniversary.
- B. In the event any articles, sections or portions of this Agreement shall be found and declared by a court of last resort and competent jurisdiction to be invalid, it shall not affect the remainder of this Agreement. Such remaining articles, sections and portions shall remain in full force and effect. Upon expiration of the invalidating legislation, those portions invalidated shall again come into full force and effect.
- C. Any waiver of any provision of this Agreement shall not be deemed to be a permanent waiver and such provisions shall continue in full force and effect except for the duration of the waived period which waiver to be effective shall be in writing only.
- D. IN WITNESS WHEREOF, the parties have hereunto set their hands and seals by their respective officers or representatives thereunto duly authorized on the 20 day of July, 2017.

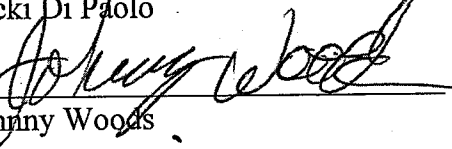
SEALY MATTRESS MANUFACTURING  
COMPANY, INC.

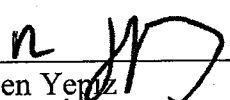
By   
Diana Strickland

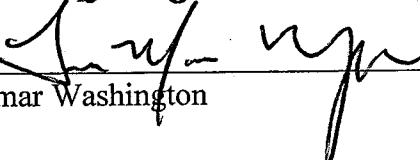
By   
Sean Coatney

COMMUNICATIONS WORKERS OF AMERICA,  
AFL-CIO, CLC

By   
Vicki Di Paolo

By   
Johnny Woods

By   
Ruben Yenz

By   
Tremar Washington

By \_\_\_\_\_  
CWA District 9 Staff Representative



## Appendix A

### JOB CLASSIFICATIONS, MEASURED DAY WORK RATES

MDW TITLE	CURRENT TITLE	October 16, 2016		October 16, 2017		October 16, 2018	
		MDW BASE RATE	MDW TRAINING RATE	MDW BASE RATE	MDW TRAINING RATE	MDW BASE RATE	MDW TRAINING RATE
FOUNDATION II	ALL FOUNDATION SKILLS	\$21.70	N/A	\$22.15	N/A	\$22.60	N/A
FOUNDATION I	FOUNDATION FINISHER/UPHOLSTER FOUNDATION SPRING UP/GRID FOUNDATION NAIL UP/FRAME	\$20.70	\$18.70	\$21.15	\$19.15	\$21.60	\$19.60
MATT BUILD II	ALL MATT BUILD I SKILL	\$21.70	N/A	\$22.15	N/A	\$22.60	N/A
MATT BUILD I	LINE SUPPLY MATTRESS BUILDER TAPE EDGE	\$20.70	\$18.70	\$21.15	\$19.15	\$21.60	\$19.60
UNIT BUILD II		\$20.70	\$18.70	\$21.15	\$19.15	\$21.60	\$19.60
UNIT BUILD I		\$18.80	\$16.80	\$19.25	\$17.25	\$19.70	\$17.70
MAINTENANCE II	MAINTENANCE II	\$27.40	N/A	\$27.85	N/A	\$28.30	N/A
MAINTENANCE I	MAINTENANCE I	\$23.50	N/A	\$23.95	N/A	\$24.40	N/A
QUILTER I	QUILTER	\$21.70	\$19.70	\$22.15	\$20.15	\$22.60	\$20.60
SEWING II	ALL SEWING II SKILLS	\$20.70	N/A	\$21.15	N/A	\$21.60	N/A
SEWING I	CAPPER FLANGER LABELLER REPAIRER PT. SEWER BORDER SEWER CUTTER/SLITTER SERGER	\$19.70	\$17.70	\$20.15	\$18.15	\$20.60	\$18.60
SUPPORT I	MATERIAL HANDLER/FORKLIFT TICK SUPPLIER CRATE OPENER SCRAP BAILER	\$16.80	\$14.80	\$17.25	\$15.25	\$17.70	\$15.70
SUPPORT II	RECEIVER STAGER QC PACKER * FLOOR PERSON	\$17.80	\$15.80	\$18.25	\$16.25	\$18.70	\$16.70
SUPPORT III	CI Assistant QA Auditor	\$20.70	\$18.70	\$21.15	\$19.15	\$21.60	\$19.60
LEAD		\$1.00 + TITLE RATE	N/A	\$1.00 + TITLE RATE	N/A		N/A

The base rate for all job titles included in Appendix A shall be increased as follows:

October 16, 2016     .60 per hour  
 October 16, 2017     .45 per hour  
 October 16, 2018     .45 per hour

Inventory rate will be the Support II rate. Support I shall be paid their regular base pay rate.

The red-circled rate shall not exceed \$23.50.

Red Circled Rate employees – On October 16, of each year of the contract, retroactive the first year, “Red Circled” employees shall receive a lump sum payment of two-hundred-fifty dollars for a total of seven-hundred-fifty dollars (\$750.) over the life of the contract.

Employees who bid into Sewing I, Support I or Support II classifications will immediately go to the new MDW base rate for that classification. Employees who bid into other classifications and whose base rates are above the published MDW rate for the new classification will maintain their current rate.

Maintenance I: Can trouble shoot and repair hand tools and sewing heads.

Maintenance II: Can trouble shoot and repair all machines

Lead – this will be selected by the Company not subject to job posting and shall be \$1.00 above highest paid base rate of the team.

New hire wages: New-hire employees shall start at the established training rate and increase one dollar (\$1.00) per three (3) month period until they reach the established MDW rate. Multi-skilled new-hire wage shall be paid \$1.00 more than established training wage.

Multi-skill Pay – All employees who are proficient in the skills needed to work in four (4) areas of their department, so that they consistently achieve the set standards, shall receive an increase to their hourly wage rate of one dollar (\$1.00).

Multi-skill multi-department Pay - All employees who are proficient in at least one skill in no less than three (3) departments who consistently achieve the set standards, shall receive an increase to their hourly wage rate of one dollar (\$1.00). Job titles excluded from multi-department multi-skill pay are: Maintenance, Tick Supplier and Scrap Bailer.

## **Appendix B**

For the purpose of lay-off under Article 6 (A) The following areas will be considered as departments for bumping:

1. Mattress & Tape Edge, Mattress Line Feeder, Weld Cell, Crate Opener
2. Box Spring Upholsterer, Posture Grid, Wood Frame Box Spring Line Feeder
3. Sewing, Supplier, Cutting, and Panel Matching
4. Quilting
5. Maintenance
6. Support (Material Handler/Forklift, Receiver, Tick Supplier, QC Packer, Scrap Bailer)

MEMORANDUM OF AGREEMENT

The parties agree to share the cost of translation and printing of the contract in both English and Spanish.

  
Diana Strickland  
7/20/17  
Date

  
Vicki Di Paolo  
7/20/17  
Date

