

AGREEMENT

Between

SEALY MATTRESS MANUFACTURING COMPANY, LLC.

and

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

October 16, 2022 - October 15, 2026

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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, maintaining a safe work environment, 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, LLC (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 825 Ajax Avenue, City of Industry, California.

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 will not be discrimination against Union members or favoritism shown to non-union members. The Company will notify the Union Local President 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 Local President setting forth the name and home address of each new employee and the classification for which he is hired.
- C. Notification to the Union Local President for new employees will be made by the Company to the Union Local in writing within five (5) days.
- D. When new employees are hired, the Company will notify the Union Local within five (5) working days in writing, by mail, or email 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 will also be communicated

in writing by email or US Mail to the Union Local within five (5) days of such change, included will 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 will 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. Whenever the masculine gender is used in this Agreement, it will be deemed to be used for both male and female employees.

ARTICLE IV

Checkoff of Membership Dues

- A. The Company will deduct from each employee all membership dues which include initiation fees and monthly dues, as they respectively become payable. Such deductions will 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 will be made during the first pay period of each calendar month and the sums deducted will 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 will 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 will be automatically renewed, and will 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, will as a condition of employment, become a member of the Union, and will, as a continuing condition of employment, maintain their membership in good standing in said Union. Upon notice by the Union that any employee is not in good standing, the Company will have five (5) days to separate such employee. Such replacements will be employed in accordance with the provisions of this Agreement applying to new employees.
- B. A bulletin board will 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 by seniority among the employees in each 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 agreed upon by the Union.

In the case of a layoff, nothing herein will 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 will be whether the employee has successfully in the past performed the work required and is presently qualified to perform the work required. In the case of Quilting and Matt Build, the employee will have three (3) working days to demonstrate both qualification and ability to perform the job. In all other cases, the employee must demonstrate qualification and ability by the end of the first full day of work. 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 President 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 will solicit volunteers for lay-off in order to avoid involuntary dislocations. Prior to any lay-off, senior employees will have the right to displace probationary employees (1st 90 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 will be on a probationary period for the first ninety (90) calendar days of his employment. If retained, they will 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 between the Company and the Union.
- C. Upon mutual agreement between the Union and the Company involved, variations in the application of these sections may be made.
- D. Overtime work will be distributed by seniority among qualified employees in each classification 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 three (3) 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 three (3) 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 and the Union must be notified.
- 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 fifteen (15) minute rest period after their regular eight (8) hour shift (this is in addition to the two 15-minute rest periods provided during the 8-hour shift). If an employee works ten (10) hours in a given day, the employee will receive a 30 minute meal break beginning before the end of the 10th hour of work, 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 fifteen (15) consecutive working days if qualified employees are on layoff.
- H. Whenever there is a job opening in the plant, the Company will 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 will 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.

The promoted employee, if qualified as competent, will 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 penalty.

Such trial period may be extended by fifteen (15) days, upon mutual agreement of the Company and the Union. No qualified employee will be required to serve two (2) trial periods on the same classification. Qualified employees will, on the basis of seniority, be given an opportunity to fill newly established jobs.

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

- J. Employees will 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 six (6) months and his seniority is not extended for good cause upon mutual agreement with the Union (in the case of disability or workers' comp leave, the period will be one year unless the Union and the Company agree otherwise).

The Union Local President will be notified in writing of any action taken on the above clause.

- K. Any Supervisor who is relieved of their position and returned to regular production work will be eligible for Union membership and will have their name returned to the plant seniority list with up to an

additional five (5) years of seniority accumulated while working as a Supervisor. The Department that the former Supervisor is returned to may not reduce hours for six (6) months.

- L. The Company will give the Union Local President a list of its Departments which will constitute the list of Departments for the purposes of this Agreement. Any change to such list will be discussed with the Union Local President or designee.
- M. There will be an accurate list compiled by the Company by classification of all employees, supplemented from time to time, which list will be called the "Seniority List." Seniority lists will be posted quarterly for each department and a copy thereof given to the Union. Posted seniority lists will 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 will 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 will 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, will 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 at least five (5) days' advance notice to the appropriate Union representative and, upon request, will discuss the matter with the Union before implementing changes.

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 will 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 (less than six (6) hours).
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 (less than six (6) hours).
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 will 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 will 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 will be posted by the 10th of each month and will remain posted for at least one full week before training begins. Employee with the most seniority who signs up will be trained first. Employees will 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 will 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 will be given to the Local Union President 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 will be given to the laid off workers.

ARTICLE VII

Hours, Holidays, Overtime, and Funeral Leave

- A. The work week will 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 will 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 will 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) consecutive Saturdays 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 workday for day shift is 5:00 a.m. – 2:30 p.m. with thirty (30) minutes for lunch

if applicable. The regular scheduled workday for second shift is 3:00 p.m. to 11:30 p.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 will be considered overtime and will be paid for at the rate of time and one-half, provided however that the Company will 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 will remain in effect. The Union agrees the Company will 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 will be a premium of one dollar (\$1.00) for second and third shift added for each hour worked. It is agreed that if the first shift will be scheduled to begin work before 5:00 a.m. a premium of fifty (.50) cents will be added for each hour worked before 5:00 a.m.
- D. Unless the Company, or its representative, will 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 will 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 will 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 will not be in excess of the four (4) hours guarantee of the time that the employee remains at the plant. This guarantee will 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 will be paid for at double the regular base rate of pay.
- F. The following holidays, if not worked, will be paid for at the employee's regular rate of pay, regardless of the day on which it falls:

New Year's Day
Good Friday
Memorial Day
Independence Day
Labor Day
Veteran's Day

Thanksgiving Day
The day after Thanksgiving Day
Christmas Eve Day
Christmas Day
New Year's Eve Day

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

Employees who do not work their full scheduled work day before and their full scheduled work day after a paid holiday will 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 will 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 will 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 thirty (30) days' notice to the employees and the Union so proper arrangements can be made.

- G. Pay for Saturday work, will be at one and one-half (1-1/2) times the regular rate of pay up to 8 hours; thereafter employee will received double time for Saturday work.
- H. There will 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 will be compensated for at the employee's "Day Work" hourly rate for time lost up to eight (8) hours per day. Two (2) additional unpaid days off will be provided if the funeral is held in the state of California. If the funeral is held outside of the State, two (2) additional paid days off will be provided.
- 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, will be paid for the balance of the day up to eight (8) hours upon which the injury occurred.

There will be no compensation for time off for redressing after employee returns to work unless by mutual agreement between the Company and the Union.

- 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

A. The Company will provide paid vacations to full time hourly employees in accordance with the following guidelines:

1. The vacation year is the calendar year January 1 through December 31 of each year. Paid vacation time off is earned each January based on the employee's length of continuous service (measured from the employee's most recent date of hire) as of each January 1st.
2. An employee will earn paid vacation time off based on length of service, according to the following schedule:

<u>Service Completed as of January 1st</u>	<u>Vacation Earned Per Year</u>
Less than 1 year	See No. 3 below
1 year but less than 2	1 week
2 years but less than 3	1 week + 20 hours
3 years but less than 8	2 weeks
8 years but less than 18 years	3 weeks
18 years but less than 25 years	4 weeks
25 years or more	4 weeks + 25% add'l pay

3. For employees with less than one year of service as of January 1, employees earn vacation time as indicated on the following schedule:

<u>Hire Date</u>	<u>Vacation Earned</u>	<u>To be Taken After</u>
1/1 to 3/31	4 days	January 1
4/1 to 6/31	3 days	January 1
7/1 to 9/30	2 days	January 1
10/1 to 12/31	1 day	January 1

(No vacation will be considered to have been earned until 90 calendar days' service is completed).

Employees with three (3) or more 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.

The Company will meet with the Union prior to the vacation scheduling for the following calendar year to discuss changes in the vacation "blackout" periods for the next calendar year and scheduling. All vacations to be taken for that calendar year will be scheduled by the end of the month of December. The criteria used for scheduling vacations will be seniority. Any vacation scheduled on or after January 1st

will be on a first come first served basis (respecting seniority wherever possible). Employees can only schedule vacation after it has been earned.

- B. 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 will 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.
- C. The Company will attempt to give senior employees their preference of vacation time off within the limits of production demand.
- D. Employees will receive their vacation pay at the time they receive their final paycheck.
- E. A week's vacation pay, as provided for herein, will be forty (40) times the straight time hourly rate of pay.

All of the time worked by an employee will 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 will 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 their 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 January 1st, then said employee will 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.

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) will be required of employees who have been employed as set forth in Section A of this Article.

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

- F. Employees may request to be paid vacation time at the time taken in lieu of a vacation pay out.
- G. Vacation pay will be paid no later than the week following the week that December 31st falls in.
- H. If an employee is on vacation on Friday they will be automatically excused from Saturday work.

ARTICLE IX

Leaves

- A. Eligibility: All employees with a minimum of one (1) years of continuous service as of December 1 will be granted one (1) day of Attendance Incentive Leave, thereafter, the employee will accrue at the rate of .417th of a day for every month.
- B. Accumulation: The accrued leave will be added to all unused Attendance Incentive Leave with pay of the employee, but will not accumulate beyond ten (10) days.
- C. Attendance Incentive Leave will apply as of the first day of illness, and will 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 they will receive from the Company will be no more than is necessary to equal their regular straight time pay, except that in no event will 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 one (1) 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 will 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 will pay employees eight (8) hours, regular base pay, for no more than three (3) days of jury service.
- I. Employees will be allowed early outs with prior approval by management.

ARTICLE X

Health and Welfare

- A. For the term of this Agreement, the Company will provide to each eligible employee either:

Health and welfare benefits under the Tempur Sealy Medical and Dental Benefits Plan (or any other medical/dental programs as may be provided to non-bargaining unit employees); or

A monthly sum equal to the Company of the Tempur Sealy Medical and Dental Benefits Plan (or any

other medical/dental programs as may be provided to non-bargaining unit employees) to a Union-sponsored health and welfare plan. The difference between the cost of the Union-sponsored plan is the responsibility of the employee. Any required employee contributions will be added to the weekly payroll deduction.

Eligible employees are defined as all regular employees who have completed their probationary period provided the employee has enrolled for coverage and agrees to make the required contributions.

Employee contributions for employees that remain on the Tempur Sealy Plan will not increase more than 15% in any year. However, for employees that elect a Union-sponsored plan, employees will be required to contribute the difference between the Company contribution and the total cost of the plan as it changes from year to year.

- 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 will be made for the current month when the absence occurs plus one (1) additional month thereafter, provided, however, that no contribution will be made for such employee's replacement during this period of time.
- C. 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.

- a. 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: The Union will notify the Company of any grievance within ten (10) calendar days from the time the alleged violation occurred or from the date of discovery. A conference will be held between the Steward(s) and the Supervisor involved and/or the Production Manager within ten (10) days of notification of the grievance. The Company will provide relevant requested documentation within seven (7) days of notification (and accompanying request for information) regardless if a Step I conference takes place. If not resolved during the conference, the Company will have seven (7) days to provide a written response to the grievance and the Union will then have seven (7) days to indicate whether they intend to advance to Step II.

Step II: If the grievance is not settled in Step I, a conference will 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 will be in writing and each of the attending persons will 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 grievant(s) involved, and the remedy requested. If the grievance cannot be settled in the meeting, then the Company's answer will be given in writing within five (5) working days addressed to the Union Local President.

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 City of Industry 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

SENIORITY YEARS	HOURS SEVERANCE PAY
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. 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 their classification or if they are the junior employee, they shall be paid the rate of the job they are sent to.
- D. 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.
- E. There will be no reduction in the compensation of any employee as a result of putting this agreement into effect. There will be no reduction in pay rates for employees receiving more than the minimum provided herein.

- F. 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 within thirty (30) days after notice of the new wage rate, the temporary wage rate will become permanent and not subject to arbitration.

- F. 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, 2026, 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.

Appendix A

JOB CLASSIFICATIONS, MEASURED DAY WORK RATES

MDW TITLE	CLASSIFICATION	10/16/2022	10/16/2023	10/16/2024	10/16/2025
FOUNDATION II	ALL FOUNDATION SKILLS	\$26.34	\$27.09	\$27.83	\$28.33
FOUNDATION I	SKUTE – FINISHER UPHOLSTERES, GRID	\$25.34	\$26.09	\$26.83	\$27.33
MATT BUILD IV	MATT BUILDER + TAPER + MS	\$28.24	\$28.99	\$29.73	\$30.23
MATT BUILD III	TAPER	\$27.84	\$28.59	\$29.33	\$29.83
MATT BUILD II	MATT BUILDER	\$25.34	\$26.09	\$26.83	\$27.33
MATT BUILD I	GLUE BRIDGE	\$24.34	\$25.09	\$25.83	\$26.33
LINE SUPPLY	LINE SUPPLY	\$24.34	\$25.09	\$25.83	\$26.33
UNIT BUILD I	UNIT BUILDER	\$23.44	\$24.19	\$24.93	\$25.43
MAINTENANCE III	MAINTENANCE III	\$35.94	\$36.69	\$37.43	\$37.93
MAINTENANCE II	MAINTENANCE II	\$32.04	\$32.79	\$33.53	\$34.03
MAINTENANCE I	MAINTENANCE I	\$28.14	\$28.89	\$29.63	\$30.13
QUILTER I	PANEL QUILTER, BORDER QUILTER	\$26.34	\$27.09	27.83	\$28.33
SEWING II	SEWING MULTI SKILL	\$25.34	\$26.09	\$26.83	\$27.33
SEWING I	CAPPER, FLANGER, LABELLER, PILOW TOP SEWER, MATT BORDER, CUTTER	\$24.34	\$25.09	\$25.83	\$26.33
SEWING SUPPORT	ANY MIX OF THE FOLLOWING WORK: EMBROIDERY, VERTICAL STITCH, DECORATIVE, VENT BAR TACK HANDLE, HANDLE, MATERIAL SLITTER, FAUX PT, SERGER, LUXURY WALKOUT	\$23.34	\$24.09	\$24.83	\$25.33
SUPPORT I	MATERIAL HANDLER/FORKLIFT TICK SUPPLIER, CRATE OPENER, SCRAP BAILER	\$21.44	\$22.19	\$22.93	\$23.43
SUPPORT II	RECEIVER, STAGER, QC PACKER*, FLOOR PERSON	\$22.44	\$23.19	\$23.93	\$24.43
SUPPORT III	CI ASSISTANT	\$25.34	\$26.09	\$26.83	\$27.33
LEAD	BY DEPARTMENT	+\$1.00	+\$1.00	+\$1.00	+\$1.00

As reflected above, the base rate for all job titles included in Appendix A will be increased as follows:

October 16, 2022	\$1.24 per hour
October 16, 2023	\$0.75 per hour
October 16, 2024	\$0.74 per hour
October 16, 2025	\$0.50 per hour

Employees who bid into a lower paying classifications will immediately go to the new MDW base rate for that classification.

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

Maintenance II: Can trouble shoot and repair all machines.

Maintenance III: Can trouble shoot and repair all machines and holds applicable certifications.

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.

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 Pay does not apply to Sewing Support.

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). MDW titles excluded from multi-department multi-skill pay are: Maintenance and Support.

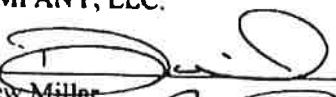
Appendix B

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, Unit Build, Crate Opener
2. Box Spring Upholsterer, Wood Frame Box Spring, Line Feeder
3. Sewing, Supplier, Cutting, Stager and Sewing Support
4. Quilting
5. Maintenance
6. Support (Material Handler/Forklift, Receiver, Tick Supplier, QC Packer, Scrap Bailer)

C. IN WITNESS WHEREOF, the parties have hereunto set their hands and seals by their respective officers or representatives thereunto duly authorized on the _____ day of _____, 2023.

SEALY MATTRESS MANUFACTURING
COMPANY, LLC.

By: 
Drew Miller

By: 
Luis Ortega

COMMUNICATIONS WORKERS OF AMERICA,
AFL-CIO, CLC

By: 
Jason James

By: _____
Johnny Herrera

By: _____
TerMar Washington

By: _____
CWA District 9 Staff Representative