COLLECTIVE BARGAINING AGREEMENT

between

PENDLETON WOOLEN MILLS - PENDLETON, OR

&

SERVICE EMPLOYEES INTERNATIONAL UNION
LOCAL 49

in effect from

OCTOBER 16TH, 2016

through

OCTOBER 15TH, 2019
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AGREEMENT

In recognition of the desirability of cooperation and good will between the employer and employees, to provide reasonable and fair working conditions, and in recognition of the problems of both employer and employees in maintaining steady employment through economy and efficiency, which will permit the mill to meet competition, and in consideration of the mutual promises hereinafter contained, the PENDLETON WOOLEN MILLS, Pendleton Branch, Pendleton, Oregon, hereinafter called the “Company” and/or “Employer” and SEIU Local 49, hereinafter called the “Union”, have this 16th day of October, 2016 executed in duplicate their contract which

WITNESSETH

For and in consideration of the mutual promises and covenants hereinafter contained, and the performance thereof, and for the purpose of creating a working agreement, the parties agree as follows:

ARTICLE I - RECOGNITION

The Company agrees to recognize the Union as the sole representative for the purpose of collective bargaining for all the employees (excluding superintendents, supervisors, guards, as defined in the National Labor Relations Act, as amended, independent contractors and employees thereof, and office and administrative employees) in the Company’s plant of Pendleton, Oregon, in respect to rates of pay, wages, hours of employment or other conditions of employment.

ARTICLE II - RIGHTS AND DUTIES

A. It is recognized that the Company has certain rights, powers and authority among which are the following: To hire, promote, suspend, or discharge any employee and to exercise its discretion in determining all matters concerning the employee’s integrity, qualification, capacity or performance of his/her duties and responsibilities as an employee; to control the volume of production of the Company or of any unit thereof; to control the number of employees required by the Company at all times, and, subject to the security and seniority provisions of this Agreement, to control the assignment of all work, either to departments, jobs or individual employees.

B. 1. Notwithstanding the reservation of the aforesaid rights by the Company, such rights are qualified by the specific provisions of this contract respectively relating thereto. It is mutually understood and agreed that in all matters pertaining to any suspension or discharge, no suspension nor discharge shall be made without sufficient cause.

B. 2. In the event of an arbitration of a suspension or discharge case, the determination of whether or not there was sufficient cause for such suspension or discharge shall be for the determination of the arbitrator.
C. It is agreed by and between the parties hereto that upon application to the Plant Manager’s office, any authorized representative of the Union shall have admission to the factory of the Company at any time during working hours for the purpose of ascertaining whether or not this Agreement is being observed, or to assist in the adjustment of grievances upon the request made by an employee or by the Company. There shall be no Union activity on the Employer’s premises during working hours except such as is herein specifically authorized.

D. The Union may designate for each department a shop steward who may call to the attention of his/her supervisor any question of employment conditions that shall arise in each department. Any act on the part of the Company that gives rise to a question or grievance under the terms of this agreement must be brought to the attention of management within five (5) working days after both parties became aware of the alleged act. Failure to present grievances within the time limits shall bar either party from further prosecution of such grievance, unless the parties have agreed to extend the time limits.

E. The normal procedure to be followed by an employee in resolving any question arising under the terms of this agreement shall be as follows:

Step 1. The employee shall first discuss the question with his/her supervisor. The shop steward shall be present if requested by the employee, the supervisor, or the shop steward. Any decision must be consistent with the terms of this agreement, but if the employee and the supervisor are unable to agree the decision of the supervisor shall prevail.

Step 2. If the question was not resolved and the shop steward was not present at Step 1., the shop steward must participate at a second discussion of the question with the supervisor and the employee. If the shop steward was present at Step 1., Step 2 shall be omitted.

Step 3. If the employee and the shop steward are not satisfied with the outcome of Steps 1 and 2, the employee and/or shop steward and/or chief steward may prepare a written grievance on the form provided therefor, one copy of which must be presented to the plant manager’s office and one copy to the union office.

Step 4. A Company representative other than the supervisor shall discuss the written grievance with the employee and/or shop steward and/or chief steward within five (5) working days. The Company will provide a written answer to the grievance within five (5) working days from the discussions. The parties may mutually agree to extend the time limits.

Step 5. If the employee and the shop steward are not satisfied with the outcome of Step 4, the chief steward, the shop steward, the employee shall discuss the question with representatives of the Company, other than the Company representative at Step 4, at a meeting scheduled for that purpose. A staff representative of the union may be present if requested by the union plant representatives.
Step 6. If the Union representatives and the Company representatives cannot reach an agreement at Step 5, either or both parties may submit the question to a special committee appointed for settling and determining the particular matter in question. Such a committee shall be composed of at least two (2) representatives selected by the Union and two (2) representatives selected by the Company. A meeting of the committee shall be held within thirty (30) days from the date from which the Union notified the Company in writing of the Union’s representative selected for such a meeting.

If this committee determines that an employee has been discharged or suspended without sufficient cause or has been otherwise dealt with unjustly, it shall have the authority to remedy the Company’s action by reinstatement and such back pay or pay for lost time as it deems fair and proper.

Step 7. If the committee is unable to reach an agreement, either party may proceed in accordance with the provisions of Section E.5, provided however, that prior to any stoppage of work, slowdown, strike, or lockout, either party may request the services of the State or Federal Conciliation Service, who may meet with the parties and attempt to effect a settlement of the grievance through further negotiations by the parties.

E. 2. In the event that a majority of the committee provided for in Step 6, fails to make a determination with respect to any case involving the discharge or suspension of an employee, either party may submit the case for determination by arbitration as follows:

a. The parties shall jointly request from the Federal Mediation and Conciliation Service a panel of seven arbitrators who reside in Oregon. Upon receipt of such panel, the parties shall attempt to mutually agree upon a single arbitrator. In the event they are unable to do so, they shall promptly request a second panel from the same service and upon receipt of such panel shall alternately strike names, and the final name after each party has exercised an equal number of strikes shall be the arbitrator.

b. The Company and the Union agree to bear the expense of their respective cases, including cost of witnesses. The expense of the arbitrator shall be borne equally by the Company and the Union.

c. If the arbitrator shall determine that an employee was discharged or suspended without sufficient cause, such employee shall be reinstated with such back pay, if any, as the arbitrator deems appropriate.

E. 3. Any grievance not appealed from management’s decision at one step of this procedure to the next step within five (5) working days of such decision shall be considered settled on the basis of the last decision and not subject to further appeal, unless the parties have agreed to extend the time limits.
E. 4. The Company may, at its option, present grievances. Company grievances shall be presented in writing to the Union office with a copy to the chief steward, whereupon the representatives of the Union and the representatives of the Company shall meet to consider such grievance. If such representatives are unable to reach an agreement, either or both of them may submit the question to a special committee as provided above.

E. 5. It is agreed that as to those grievances for which arbitration is made available under the terms of this article, the arbitrator's decision shall be final and binding and the procedures of this agreement shall be the sole method for determining such grievances. Such grievances shall not result in or be the cause or basis of any stoppage of work, slowdown, strike, lockout or any concerted action of any kind interfering with the work of the Company or the employees nor shall there be any picketing. As to grievances processed through the provisions of this article but for which arbitration is provided, there shall be no stoppage of work, slowdown, strike, lockout or any concerted action of any kind interfering with the work of the Company or the employees nor shall there be any picketing until the parties have exhausted all of the procedures of this agreement through and including Step 6, and if either party invokes it Step 7, Either party shall have the right under the terms of this paragraph to consider that procedures of the agreement as having been exhausted after the expiration of thirty (30) days from the date upon which the grievance was submitted to the plant manager in writing in accordance with the provisions of Step 3. The right of either party to resort to any form of economic activity as above outlined after the expiration of said thirty (30) day period shall be also subject to all of the machinery provided for in Section E. 1 of this article having been met. This shall not be so construed as to limit to any extent or in any manner the duties imposed upon the Company and on the Union by the Labor Management Relations Act of 1947.

E. 6. If the thirty (30) day time period is not sufficient, as provided herein, then the parties through mutual agreement may extend this period.

ARTICLE III - UNION MEMBERSHIP

A. On or after the thirtieth day following the beginning of employment or the date of execution of this Agreement, whichever is the later, every employee represented by the Union shall become a member of the Union through the regular tender of periodic dues and/or initiation fees uniformly required as a condition of acquiring or maintaining membership in the Union. This clause shall be subject to all the provisions of the National Labor Relations Act, as amended.

B. The Company will notify the Union President or department steward when any employee has been discharged.

C. The Union will not request the discharge of any employee hereunder without first giving the employee and the Company two weeks' notice in writing together with a written statement of the reason for the request, so that the employee affected shall have an opportunity to acquire or reacquire membership in the Union by the tender of periodic dues and/or initiation fees uniformly required by the Union.
D. The Union agrees to save the Company harmless from any liability which the Company may incur in the event that the Company, acting in good faith, discharges any employee at the Union’s request under this clause.

ARTICLE IV - SENIORITY

A. Seniority in each department shall depend on length of service with the Company in such department and shall be measured from the first day on which the employee worked in that department.

B. New employees shall be considered probationary for the first thirty (30) days of employment. In the event the Company is unable to reach a conclusion as to a probationary employee’s fitness for the job by the completion of the probationary period, it may extend this period for a maximum of thirty (30) days for jobs in Grades 1 through 8 and three (3) months for jobs in Grade 9 and above, by giving notice to the Union and the employee of its decisions to do so. When an employee is no longer on probation, seniority shall date from the beginning of the initial probationary period.

C. 1. The Company agrees to prepare and post a seniority roster in each department once every six months. Any corrected lists will be posted and the Union notified of such correction and posting. Any employee having any objection to any such roster shall so notify the Company within thirty (30) days after such posting of such roster or such objection will be deemed waived.

C. 2. If any grievance shall arise as a result of any such objection, the same may be settled by agreement of the Company and the Union, and the decision so reached shall be binding upon all employees affected thereby.

D. 1. Employees discharged, resigning, or leaving the employ of the Company for any reason, who are subsequently rehired, shall establish new seniority as a new employee as of the date rehired.

D. 2. Seniority shall be retained during absences caused by sickness, accident or other approved leaves and lay-off. However, after an absence of twelve (12) consecutive months due to any one or a combination of above listed absences, the employee may be exited and removed from the seniority lists.

D. 3. As to an employee whose employment with the Company is less than six (6) months measured from the most recent date of hire to the first day of continued absence, the twelve (12) month period referred to in section (D.2) shall be reduced to a period equal to the length of the employee’s employment from the last date of hire to the first date of continued absence.

E. 1. Any employee transferred from one Pendleton Woolen Mill Textile Plant to another which is covered by an SEIU Local 49 contract or who terminates at one plant and is hired at another within thirty (30) days, shall retain all benefits except seniority. This provision will not apply to employees terminated for just cause.
E.  2. However, an employee on lay-off may accept a temporary position at another Pendleton Woolen Mills Textile Plant and seniority shall continue to accrue for all hours worked in the temporary position as if the employee had worked in the employee’s regular job or department and no seniority shall accrue in the temporary job or department. When any available work at the plant from which the employee transferred is offered and refused, the employee will be terminated at that plant.

E.  3. In cases of short term lay-offs, three (3) days or less, the Company may, at the request of a more senior employee, grant an un-paid leave or absence for the length of the short term lay-off and allow junior employees to continue working as long as the junior employee has the qualifications to perform the job.

F.  TRANSFERS

1. Caused by lay-off

   a. In cases of lay-off extending beyond thirty (30) days, the laid off employee will be offered a trial in other departments where new personnel are needed, provided they meet the basic qualifications of the job and the Company feels the employee is capable of performing the duties of the job. If needed, employees will be granted three (3) working days to report for work.

   b. After accepting such transfer, the employee may elect to retain seniority on the job from which they transferred by so notifying the Company within thirty (30) days after the transfer. If such election is made, seniority shall continue to accrue on the job from which the employee transferred and no seniority shall accrue on the job to which the employee transferred. If such election is not made, the employee shall lose seniority on the job from which the employee transferred and seniority shall accrue on the job to which the employee transferred.

   c. Employees who are laid off thirty (30) days or more and are offered work in other departments shall be terminated if such offers are refused, unless they are unable to perform the work available due to physical or medically related conditions, supported by doctor’s statement. In those cases employees shall retain their recall rights to the job, department and classification from which they were laid off.

2. OTHER TRANSFERS

   a. Employees who are transferred from one department to another, either at their request or that of the Company, shall not lose their seniority rating in the department from which they are transferred for a period of thirty (30) days, but upon the expiration of such thirty-day period, they will lose their seniority in the department from which they transferred. By requesting employees to transfer from one department to another, the Company does not, however, guarantee any given length of employment in the new departments.
b. Employees not on lay-off, who temporarily perform work in other departments at the Company’s request shall retain seniority on the job from which they transferred and will accrue no seniority in the job to which they transferred. The Company agrees to assign temporary work on the basis of seniority, except in an emergency or when operations require specialized skill or experience.

G. Any employee who is or has been transferred or promoted to a position which is normally excluded from the bargaining unit as listed in Article I - Recognition, shall continue to retain and accumulate seniority for a period not to exceed six (6) months from the date of such transfer or promotion without the payment of union dues. However, if the employee’s new position involves regular and substantial performance of production and maintenance work, the employee may retain and accumulate seniority for a maximum of one (1) year, including the above mentioned six (6) months, provided such employee pays a service fee to the Union which shall not be in excess of the regular monthly union dues.

H. 1. DEPARTMENT SENIORITY BUMPING PROCEDURE: In the event an employee is laid off or bumped from his/her job, he/she may exercise his/her seniority by bumping an employee with less seniority on the same job or on another job as follows:

a. Own Job
   i. Bump an employee with the lowest seniority in the same job classification on same shift.
   
   ii. If there is no employee on the same job on the same shift with lower seniority, the employee may bump the employee with the lowest seniority on the same job in the department.

b. Another job (as an alternative to item a)
   i. Bump the employee with the lowest seniority on the same shift in another job if

   The employee has satisfactorily filled the job previously so no further training is necessary except for a brief period of reorientation when the Company feels it is necessary, and The Company feels the employee is capable of performing the duties of the job.

   ii. If there is no employee with lower seniority on the same shift in another job for which the employee qualifies, the employee may bump the employee with the lowest seniority in the department if

   iii. The employee has satisfactorily filled the job previously so no further training is necessary except for a brief period of reorientation when the Company feels it is necessary, and
the Company feels the employee is capable of performing the duties of the job.

iv. In cases of lay-offs expected to last two (2) weeks or more, employees in job grades 9 or above may bump any employee with lower seniority if the employee has satisfactorily filled the job previously so no further training is necessary except for a brief period of re-orientation when the Company feels it is necessary, and the Company feels the employee is capable of performing the duties of the job.

H. 2. If an employee is unable to exercise seniority as provided above, the employee may bump into any position in the department which is filled by an employee with less seniority in the department provided the junior employee is probationary. However, if there is no probationary employee in the department, an employee with five (5) years seniority in his/her department may bump the employee in his/her department with the least seniority, provided the lay-off is expected to last two (2) weeks or more.

H. 3. In the event of lay-offs in any department, expected to last less than one week, seniority rights as provided in H.1, or H.2 shall not be effective until the beginning of the employee’s regular shift following one (1) elapsed full shift of lay-off.

H. 4. Lay-offs in job grades 9 or above will be based on length of time in a job rather than by department seniority.

I. 1. All job vacancies will be posted on that department’s bulletin board or in the bid book as the vacancies occur and the shop steward will be notified of said posting. The Company agrees to notify employees who are not working during the posting period of the vacancy. This notice of job vacancy will remain posted for a period of three (3) working days and at the end of that time will be removed and the job awarded in accord with the following procedure.

I. 2. It is agreed that jobs will be awarded on the basis of the most senior employee who is qualified and capable. In job grades 9 and above, the senior employee must have clearly demonstrated the necessary aptitude for a vacant job before being offered a trial on the job.

I. 3. In the event that no one in the department bids on the job, the job vacancy will be posted plant-wide for three (3) days. Interested employees must apply with the HR Manager or Mill Manager. If a job vacancy is not filled through the job posting procedure, the Company may assign the least senior employee or new personnel, or hire from the outside.

I. 4. It is further agreed that probationary employees are not eligible for job bidding until the completion of their probation period. It is also agreed that an employee may occupy by bid award only two (2) different job classifications in any twelve (12) month period and must have filled the job from which they are bidding for a period of no less than four (4) months. Exceptions to the twelve (12) month period and the four (4) month period may be granted for reasons of health certified by a physician, lay-off, or for other reasons at the discretion of the Company.
I. 5. It is further agreed that jobs anticipated to last less than sixty (60) days are not subject to the bid procedure but may be filled in a manner best suited for the efficient operation of the department. However, the Company agrees that seniority will be the determining factor except in cases where multiple training is required.

I. 6. It is understood that job bidding applies only to jobs within the bargaining unit. The Company reserves the right to select and promote to jobs outside the bargaining unit, as it deems proper.

I. 7. When a person is assigned by bid award to a different job classification in the department, having never before been assigned to that job, there shall be a period of thirty (30) days for the purpose of allowing the employee to return to his/her previous job at any time during such period. The job that the employee leaves will not be permanently assigned to another employee during the thirty (30) day period. For jobs in grades 9 and above, this period shall be for ninety (90) days.

ARTICLE V - HOURS OF WORK

A. 1. The normal workday shall be eight (8) hours and the normal workweek shall be forty (40) hours. All hours worked in excess of eight (8) in a work day, or in excess of forty (40) in a work week by an employee, shall be paid at the overtime rate of one and one-half times the employee’s regular straight time hourly rate for the job classification involved.

A. 2. Time and one-half premium rate shall be paid for hours worked on Saturday and double time premium rate shall be paid for hours worked on Sunday by employees whose scheduled work week is Monday through Friday.

A. 3. Time and one-half premium rate shall be paid for hours worked on the sixth (6th) consecutive day, and double time shall be paid for hours worked on the seventh (7th) consecutive day by employees whose scheduled work week is other than Monday through Friday. The Company may schedule other workweeks as it deems appropriate, the terms of which are negotiable.

A. 4. This section shall not be construed to apply to employees who work on Saturday and/or Sunday, who work on the sixth (6th) consecutive day and/or the seventh (7th) consecutive day, after voluntarily failing to work one of their scheduled workdays during their work week. In such instances, employees who are excused by prearrangement with management, and/or laid off by the Company for two days or less during the work week, shall not be considered to have voluntarily failed to work.

B. It is understood that each employee shall give a full measure of work during working hours, and the Union agrees to full cooperation with the Company in securing compliance with this provision. As the end of any working period approaches, all employees shall continue at their regular work until the quitting signal is given at the end of the work period.
C. If the company fails to notify an employee that the employee will not be needed on his next shift and the employee reports for work, the employee shall be given not less than four (4) hours work at the employee’s regular rate of pay, the work to be designated by the Company. If such should occur at a time falling within an overtime period, the employee will receive the overtime rate.

The Company shall be relieved of this obligation if:

They have made a reasonable effort to notify the employee at least two (2) hours prior to the beginning of the shift; or no work was available caused by plant closure due to circumstances beyond the Company’s control; such as fire, flood, ice, earthquake, power failure, and the such like.

D. 1. No overtime work shall be compulsory, and at least one shift shall elapse between shifts for each employee or overtime shall be paid. There shall be no discrimination against employees refusing to work overtime, provided, however, if an employee has agreed to work overtime on a particular occasion and fails to present himself for work on such occasion, his/her absence shall be considered cause for discipline to the same extent as is absence of an employee from a regular shift.

D. 2. If an employee’s regular job is scheduled for overtime, the employee is entitled to the overtime. The Company agrees to assign other overtime on a basis of seniority, as far as it is possible and practical. However, it is agreed and understood that exceptions occur from time to time.

D. 3. For instance, in cases of emergency, where it is not possible to contact an employee with higher seniority, the overtime may be assigned to an employee with lower seniority.

D. 4. In cases where an employee declines to work the amount of overtime required, the overtime may be assigned to an employee with lower seniority who will work the required overtime.

D. 5. In cases where an employee has declined to accept overtime on three consecutive occasions, the employee may be passed over and an employee with less seniority may be assigned the overtime. An employee who has been passed over for this reason who notifies the foreman that he/she desires to work overtime will be assigned overtime on a seniority basis.

D. 6. Notwithstanding paragraph D1, after using the regular seniority provisions above and the overtime requirements have not been met, the Company may assign overtime starting with the least senior employee who can perform the job up to the number of employees needed, provided notice of at least twenty-four (24) hours has been given. However, once an employee has worked sixteen (16) hours overtime in any one-month or one hundred twenty (120) hours during each calendar year, either voluntarily or assigned, the provisions of D.1 will prevail.

E. 1. If an employee is to work overtime for two hours or more, he/she will be allowed a 15 minute special break between shifts or within a reasonable time of the shift change to arrange for food or personal needs.
E. 2. The Company agrees to provide each employee with two (2) breaks per shift of 10 minutes duration each, which breaks may be either scheduled or unscheduled at the discretion of the Company provided however, that one break will be taken during the first four hours of the shift and the second during the last four hours.

F. The Company agrees to provide an unpaid thirty (30) minute meal period for each employee during his or her regularly scheduled eight (8) hour shift. This meal period may be scheduled or unscheduled and will be as much as feasible within a reasonable time of the regular lunch period for that shift.

ARTICLE VI - WAGES

A. 1. Rates of pay for hourly-paid employees shall be provided in the “Wage Scale” marked Exhibit A attached hereto and by this reference made a part of this agreement.

A. 2. Production Standards are subject to change as changes occur in conditions affecting a particular job.

B. 1. When an employee temporarily performs work under another classification in own or another department, the following will apply:

a. When out of work on own job,
   i. May be assigned another job at own regular rate or the rate on the temporary job, whichever is higher.
   ii. May voluntarily work at lower paying job at lower rate, if such work available.

b. When not out of work on own job, but assigned to another job for the convenience of the Company, the employee will be paid own rate or the rate on the temporary job, whichever is higher.

B. 2. When an employee’s regular job requires work in two or more job classifications, the employee will be paid at the rate for each classification for hours worked on each classification or a composite rate if there is a constant job mix.

B. 3. The rates as described in section (B.1 or B.2) will be the basis for determining overtime pay.

C. Pay days shall be maintained as of every other Friday.
D. 1. Employees assigned to the second shift shall receive .05 cents per hour shift premium for each hour worked during said second shift. Employees assigned to the third shift shall receive .10 cents per hour shift premium for each hour worked during said third shift.

D. 2. All work performed by an employee in excess of eight (8) hours in any one day, and all work performed in excess of forty (40) hours per week shall be compensated at the overtime rate, which rate shall be one and one-half times the regular straight-time hourly rate for the job classification involved.

D. 3. The regular straight-time hourly rate will include the appropriate shift differential for employees regularly employed on the second or third shifts.

D. 4. If an employee works four (4) hours overtime in any one (1) day on a shift that carries a higher differential than his/her own regular shift, the employee will receive time and one-half based on the higher differential.

D. 5. If an employee works four (4) hours overtime in any one (1) day on a shift that carries a lower shift differential than the employee’s own regular shift, the employee will receive time and one-half based on his/her regular shift differential.

ARTICLE VII - JOB CLASSIFICATION

A. It is understood and agreed that the job descriptions contained in the attached wage scale or in any wage scales hereafter adopted by and agreed upon between the Union and the Company shall merely outline the ordinary duties of each classification without attempting to list or forecast the many irregular or emergency tasks it is often reasonable and necessary for an employee to perform in order to fully cooperate in the efficient operation of his/her department. This Agreement contemplates the full cooperation of all employees in respect to such necessary and reasonable irregular or emergency work, wherever there is no detrimental effect on the earnings of the employee.

B. For proper placement of the Wage Scale, the Company agrees to review substantial and permanent changes in job classifications resulting from a change in skills required.

C. When there is a substantial change in workloads or related wage rates, the Company shall notify the Union, giving a reasonable detailed description of such changes prior to putting the changes into effect. Any disputes regarding existing or new workloads or work assignments shall be handled through the Grievance Procedure.

ARTICLE VIII - VACATIONS

A. For the purpose of a vacation period, the mill will close down for at least one week during the summer months, the exact date to be announced by the Company prior to March 1st each year. Every employee will be expected to take at least one week’s vacation during this shutdown period each year.

B. Employees will receive their regular hourly rate for vacation pay due.
C. 1. For determining eligibility for vacations, the Company will credit each employee for all hours worked during the 26 pays received prior to January 1 of each year.

C. 2. In addition, the Company will allow the following hours to be credited in any one vacation year as hours worked:

a. Up to 480 hours credit for hours lost due to maternity, sickness, or off-the-job accidents covered by a leave of absence in writing.

b. Up to 480 hours credit for hours lost for which compensation has been received under the Washington State Industrial Insurance and Medical Aid Acts.

c. Up to 80 hours credit for hours lost during leave of absence for formal training periods in the Military Reserve. It is also agreed that such leave will not be counted against an employee’s earned vacation period.

d. Up to 8 hours credit per day or 40 hours credit per week for hours lost due to jury duty.

e. Up to 240 hours credit for hours lost due to lay-off for employees on the payroll for a full calendar year who otherwise would have earned 1360 credit hours or more.

D. 1. Each employee who has had sixteen hundred (1600) credit hours, as defined in section C.1 and C.2 will be granted one (1) week’s vacation with pay, a week being defined as five (5) working days of eight (8) hours per day. For vacation qualifying only, an employee will have qualified for the first year if he/she has worked sixteen hundred (1600) hours in the year they were/are hired or has been employed one (1) calendar year, whichever occurs first.

D. 2. Any employee who has three (3) calendar years of service will be granted an additional week’s vacation with pay.

D. 3. Any employee who has seven (7) calendar years of service will be granted a third week’s vacation with pay.

D. 4. Any employee who has seventeen (17) calendar years of service will be granted a fourth week’s vacation with pay.

D. 5. Employees who have not obtained the required number of hours in the 26 pay periods received prior to January 1 for full vacation pay will receive vacation pay in the proportion that the number of hours actually credited is to the 1600 hours required, provided such employees are on the payroll at the time of the vacation period shut down or have been in the employ of the Company for the full-year prior to January 1.
E. 1. Those employees entitled to a second or fourth week’s vacation with pay may arrange the time of such second or fourth week in accordance with established procedure in the department, with first consideration being given by both parties to this agreement to the number and work of employees who may be spared from the department at any one time to effect the greatest possible continued efficient operation of the department.

E. 2. An employee entitled to a second or fourth week of vacation may be allowed to take such vacation in one day segments, subject to scheduling needs as determined by the Company, and provided the employee gives one week’s notice prior to scheduling of such segments, unless otherwise granted by supervision. Maintenance employees whose vacations are scheduled at time other than the shutdowns, may take those vacations in like manner and conditions as described in this paragraph.

E. 3. Preference in such arrangements will be in order of seniority on all written request received prior to April 1 each year. On or after April 1, such written request will be considered in the order of the date on which the request was filed. All such written requests will be filed with the supervisor, on a form provided by the Company.

E. 4. Those employees entitled to a third week’s vacation will take as vacation the days between Christmas and New Year’s Day. Any needed employee entitled to a third week’s vacation may work if production is scheduled and they so desire.

F. All employees qualified for vacation pay on the full 1600 hours, and those qualified for vacation pay who have been in the employ of the Company for the full year prior to January 1, may draw such pay for the first and third weeks not more than 45 days prior to the posted mill shutdowns. Employees qualified for a second and fourth week vacation may draw such pay after January 1.

G. Vacation pay earned in the preceding calendar year will be paid to the surviving spouse of a deceased employee.

H. 1. An employee who shall have qualified for at least one regular vacation period of one week, in accordance with Section D.1, and whose employment is discontinued by reason of lack of work before qualifying for a full week’s vacation in any subsequent 12 month period, will be entitled to a pro rata percentage of vacation pay at the time such employment is discontinued, if the employee’s status as an employee of the Company has terminated and this fact is shown on the Company records.

H. 2. Employees who terminate after having qualified for one (1) vacation, as defined in Section D.1, will be paid for accrued vacations during the year of the termination, except those employees terminated for just cause. Accrued vacation pay will also be paid to surviving spouses of deceased employees without regard to years of service.
ARTICLE IX - HOLIDAYS

A. The Company agrees to pay eight (8) hours at the employee’s regular straight time hourly rate.

1. New Year’s Day
2. President’s Day
3. Memorial Day
4. Independence Day
5. Labor Day
6. Thanksgiving
7. The Friday after Thanksgiving
8. Christmas Day Eve
9. Christmas Day

B. 1. The employee shall receive such payment provided the employee has been employed for ninety (90) days and works his/her shift on the last scheduled work day before and the first scheduled work day after the holiday.

B. 2. However, if an employee is absent on medical leave (including on-the-job illness or injury), supported by a doctor’s statement, and the employee returns within thirty (30) calendar days, the employee will receive pay for all missed holidays for which the employee would otherwise be entitled.

B. 3. In cases of lay-off, if the employee returns to work on the day requested and has not been laid-off for more than thirty (30) calendar days, the employee will receive pay for all missed holidays for which the employee would otherwise be entitled.

B. 4. In cases of tardiness caused by severe weather, if the employee reports for work within 120 minutes of the beginning of the shift, the employee will not be disqualified from holiday pay because of such tardiness if the employee is otherwise eligible.

B. 5. No employee shall lose more than two (2) paid holidays due to ninety (90) day qualifying period, nor more than one (1) paid holiday due to failure to work either the last scheduled work day before or the first scheduled work day after multiple holidays occurring within the same qualifying period. However, if an employee fails to work both the last scheduled day before and the first scheduled day after the holidays, the employee will be disqualified for all holidays occurring in that period.

Employees who are late to work on either the day before or on the day following a holiday shall be eligible for holiday pay, provided such lateness does not exceed fifteen (15) minutes.

B. 6. Time spent on jury duty shall be deemed as time worked for purposes of qualifying for holiday pay. Likewise, time spent on paid vacation, other than the scheduled mill shut-downs, shall be deemed as time worked for the purpose of qualifying for holiday pay.

B. 7. In cases of death in the immediate family (as defined in Article XI,B), sickness or injury requiring doctors care, employee doctors appointments, serious illness or
injury to child or spouse requiring medical emergency care, or a spouse requiring special emergency care or any FMLA leaves, the employee will not be disqualified from holiday pay if all other qualifying conditions are met. At the Company’s discretion, the employee may be required to furnish satisfactory proof of reasons for such absences.

C. Whenever any of these holidays falls on Sunday, the holiday shall be observed on the following Monday.

D. Any work performed on these holidays shall be compensated for at the rate of two (2) times the regular straight time hourly rate of pay for the appropriate job classification.

E. In the event one of the above holidays fall during the work week, it will be counted as a day worked in figuring overtime for the week.

ARTICLE X - JURY DUTY

A. Any employee who has completed ninety (90) days of service, who is required to perform jury duty will be entitled to reimbursement for hours lost at the straight time hourly rate of the employee’s regular job.

B. 1. If an employee is required to report for jury duty and is excused by the court previous to three (3) hours before the end of the shift, the employee shall report to the Company, as soon as possible, for the purpose of determining if there is work available for the balance of the day. If the employee’s regular job is not available, the employee shall perform such other work as may be designated by the Company. The rate of pay for such work will be the employee’s regular rate.

B. 2. Exceptions to the above are as follows:

a. If a second shift employee is not excused by the court prior to 7:00 p.m. and is required to report for jury duty the next morning, the employee will not be required to report for work as required in B.1.

b. If a third shift employee serves 5 hours on jury duty and must report the next morning for jury duty, the employee will not be required to report for work as required in B.1.

C. The employee will be required to furnish a signed statement from a responsible officer of the court as proof of jury service and jury pay received.

ARTICLE XI - FUNERAL LEAVE AND PAY

A. An employee who has ninety (90) days of service, shall be granted necessary time off for the purpose of making the necessary arrangements or attending the funeral when death occurs in the employee’s immediate family.

B. The immediate family shall be defined as spouse, child, stepchild, mother, father, brother, sister, mother-in-law, father-in-law, grandparent, or grandchild, stepparents or stepsiblings.
C. Funeral leave pay shall be paid for the day before, the day of, and the day following the funeral if such days fall on days of the regular work week the employee is scheduled to work and was granted leave.

D. Funeral leave pay for hours lost on the employee’s regular scheduled shift shall be based on the employee’s regular straight time hourly rate.

E. No funeral leave pay will be granted unless the employee notifies the Company and requests leave on the form provided therefor. The Company may, at its discretion, require evidence of death and kinship.

**ARTICLE XII - LEAVES OF ABSENCE**

A. Leaves of absence up to a maximum of ten (10) working days may be granted by the department supervisor upon request by an employee. Personal leaves may be granted if the employee’s services are not urgently required and in the case of a request for medical leave, medical proof must be furnished.

B. 1. Leaves for more than ten (10) working days, but not more than thirty (30) calendar days, may be granted by the Company, but must be requested from the Personnel Office on the forms provided therefor. Requests for extensions of up to thirty (30) calendar days of any leave beyond the original leave expiration date must be made in like manner before the expiration of the original leave.

B. 2. In cases where a thirty (30) day leave or an extension thereof are not granted, the request will be reviewed by a committee if the employee so requests such review. The committee will be composed of two members appointed by the Company and two members appointed by the Union.

C. All leave requests for accident or sickness must be accompanied by a medical statement of the necessity for such leave. The Company, at its discretion, may grant leaves for more than thirty (30) calendar days if the medical statement warrants such extension.

D. Any employee leaving the bargaining unit to take a full-time job with SEIU Local 49 will be granted a six months’ leave of absence.

E. Employees on a leave of absence must return to work on their next scheduled shift after the expiration of such leave or be considered AWOL. Engaging in other employment, or any other activity not consistent with the purpose of the leave, will be considered as a termination.

**ARTICLE XIII - CHECK-OFF DUES**

A. Upon receipt of a written signed order from each Union member, the Company agrees to deduct from his/her pay, and transmit to the Union, the regular monthly dues uniformly required by the Union which he/she may lawfully owe. Such an assignment may be revoked in writing by the Union Member at any time. Until such assignment is revoked, the Company shall
remit to the Union the dues deducted, pursuant to such assignment at least once each calendar month together with a written statement of the names of the employees for whom the deductions were made and the amount of each deduction. The Union shall promptly acknowledge receipt thereof in writing.

B. The Union agrees to save the company harmless from any actions against the Company growing out of these deductions, and assumes full responsibility for the disposition of such funds once they have been remitted to the Union.

**ARTICLE XIV - UNAUTHORIZED STRIKES OR LOCKOUTS**

A. Neither the Union nor any of its officers shall become liable for any strike unless the strike is expressly authorized or ratified in writing by the general president of the Union. A copy of said writing shall be sent to the Company.

B. In the event of an unauthorized strike, the Union agrees to take the following steps: The Union will endeavor to secure a return of the strikers to work. The general president of the Union shall, within twenty-four (24) hours of the time he is notified by the Company of the existence of a strike (Saturday, Sundays and holidays excepted) telegraph, by direct wire, a statement to the Company at Washougal, Washington, addressed to its employees, advising them that the strike is unauthorized and that they should return to work immediately or the executive head of the SEIU Local 49 shall, within twenty-four (24) hours (Saturdays, Sundays and holidays excepted) of the time he is notified the Company of the existence of a strike, send by registered mail a written statement to the Company at Washougal, Washington, addressed to its employees, advising them that the strike is unauthorized and that they should return to work immediately. The Company shall be free to publicize the contents of either or both of the above referred to statements any manner it chooses.

C. The Company shall have the right to discipline or discharge any employees who may engage or participate in any unauthorized strike. It is understood that the Company’s sole remedy for a breach of this Article shall be to discharge or discipline the employees engaging or participating in an unauthorized strike. Such discipline or discharge may be the subject of a grievance under the provisions of Article II (E) hereof.

D. It is also understood and agreed that any lockout not expressly authorized or ratified in writing by the President of the Company (a copy of which shall be sent to the Union) shall be deemed for all purposes an unauthorized lockout for which there shall be no liability on the part of the Company.

**ARTICLE XV - RETIREMENT PLANS**

**Pension Plan**

A. The Company provides a pension plan for eligible employees as set forth in the Pendleton Woolen Mills, Inc. Hourly Employee’s Pension Plan and Trust, and subject to all terms and conditions thereof. Employee contributions are not permitted in this plan.
B. 1. Benefits were not accrued under the Plan for any participant during the calendar years 2011, 2012, or 2013. Accrual of benefits under the Plan resumed effective January 1, 2014, at which time participants in the Plan started accruing benefits, at the Plan's current accrual rate, based on Hours of Benefit Service earned on and after January 1, 2014. Benefits accrued under the Plan in 2014, 2015, and 2016 will be added to the benefits accrued through 2010.

B. 2. Accrual of benefits under the Plan will stop on January 6, 2017, and no additional benefits will accrue for any plan participant thereafter. Plan participants will continue to earn service for vesting of previously accrued benefits.

401k Savings Plan

C. The Company provides a savings plan for eligible employees as set forth in the Pendleton Woolen Mill 401k Savings Plan for Hourly Paid Employees, and subject to all terms and conditions thereof.

D. Company and Employee contributions are permitted in the Plan. All years of service earned by plan participants will apply toward vesting in Company contributions.

ARTICLE XVI - TECHNOLOGICAL DISPLACEMENT COMPENSATION

A. 1. Whenever a change of equipment, method or process causes the permanent elimination of one or more jobs, the Company will so notify the Union in writing and the following conditions will apply.

A. 2. The Company will notify employees when displacement may occur and will offer to all employees in the department an opportunity to apply voluntarily for Technological Displacement Compensation. Those who apply will be paid Technological Displacement Compensation and exited in descending order of seniority, but only up to the number of jobs eliminated. Such exits will reduce the number of employees who must then be involuntarily displaced.

A. 3. Any employee who must be involuntarily displaced will be taken from the bottom of the department seniority list and placed on technological lay-off. Such employees will then have the following choices:

   a. To accept other suitable bargaining unit jobs if such jobs become available during a period of six months. (During this period the Company will try to provide such jobs.)

   b. To accept Technological Displacement Compensation immediately, or at any time during a period of six months, and be exited.

A. 4. If a technologically laid off employee accepts a bargaining unit job offered by the company, the employee will be transferred to it at the regular rate of pay for the new job. If the employee holds no seniority in the new job to which he/she is transferred, his/her seniority
in that job will begin as of the date of transfer. If the employee works a total of ten (10) shifts at
the new job without notifying the Company in writing of his/her desire to return to his/her former
status under this clause, he/she will be deemed to have accepted the new job and the obligation
of the Company to pay him/her Technological Displacement Compensation will automatically be
canceled, but for this instance only. Those employees technologically displaced who accepts
jobs in the same or other departments with a loss of seniority will receive, after one year in such
job or jobs, a payment equal to one-half to Technological Displacement Compensation provided
in Section (C) of this clause.

A. 5. If, by the end of six months from the date when an employee is
technologically laid off, he/she has not accepted another bargaining unit job, or another such job
has not become available, then he/she must accept Technological Displacement and be exited.

B. When an employee accepts Technological Displacement Compensation, he/she
will lose all seniority rights and his/her seniority and continuous service with the company will
end.

C. Technological Displacement Compensation will be a lump sum payment equal to
the employee’s number of years of continuous employment multiplied by the current maximum
weekly benefit rate being paid under the State of Oregon Employment Security Act at the time of
displacement.

**ARTICLE XVII - INSURANCE PLANS**

**Medical, Dental, Vision and Life Insurance**

A. 1. These benefits are provided by the Amalgamated National Health Fund
and subject to all the terms and conditions thereof, which the Company agrees to adhere to.

A. 2. Eligibility for coverage is effective the first day of the month following
sixty (60) days of service.

A. 3. Required monthly contributions are determined by the Trust’s Board of
Directors.

a. During the term of this agreement, monthly contributions toward
Amalgamated National Health Fund’s 90/80 Plan will be paid by the
Employer as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2017</td>
<td>$ 983.93</td>
</tr>
<tr>
<td>January 1, 2018</td>
<td>$1,026.89</td>
</tr>
<tr>
<td>January 1, 2019</td>
<td>$1,087.56</td>
</tr>
</tbody>
</table>

b. The employee’s portion of the monthly contribution will be paid
by pre-tax payroll deduction through the Company’s Cafeteria Plan.

The Company’s monthly contribution will not exceed the amounts set forth above, irrespective
of any increase in the premium. The employee’s monthly contribution shall be the amount
necessary to pay the difference between the Company’s monthly contribution and the applicable
monthly premium. Premium payments will not be based on a shared percentage.
Non-Occupational Disability Insurance

B. 1. Effective the first day of the month following ninety (90) days of service the Company shall make available to its employees the non-occupational disability benefits as are set forth in the contract between the Company and the insurance carrier selected by the Company and subject to all terms and conditions thereof.

B. 2. The weekly benefit shall be ($200.00) two hundred dollars per week, effective November 1, 2010.

B. 3. The Company agrees to pay that part of the premium so that the resulting cost to the employee is $7.25 per month, effective November 1, 2010.

Coverage in the event of leave or layoff

C. 1. The Company shall continue its contributions to the Trust for up to six (6) months in case of sickness or accident leave and three (3) months in cases of layoff. Said months will be counted beginning with the first day of the month next following the month in which leave or layoff is effective.

ARTICLE XVIII - PERSONAL RIGHTS, HEALTH AND SAFETY

A. In accordance with the long-standing principles and practices of the Company and the Union, there shall be fair treatment of and among employees and qualified applicants regardless of race, color, creed, sex, age, disability or national origin.

B. The Company shall make all reasonable provisions for the safety and health of its employees during the hours of their employment, and the Union will cooperate with the Company in encouraging all employees to observe all safety regulations and to work in a safe and healthful manner.

C. The Safety Committee will include an equal number of members from management and from elected members of the bargaining unit. The chairperson, shall be elected from it members by the committee. The committee will meet once a month and also conduct safety surveys on a regular basis. The committee will review all accidents and make recommendations to the mill manager regarding the safety and health of all employees.

D. Appropriate employees shall receive formal first aid training, and other such training that may be required, at Company expense.

ARTICLE XIX – SEPARABILITY

Should any article, section or portion thereof, of this Agreement be held unlawful and unenforceable by any court of competent jurisdiction, or any administrative agency having jurisdiction over the subject matter, such decision shall apply only to the specific article, section, or portion thereof directly specified in the decision. Upon the issuance of any such decision, the parties agree to immediately negotiate a substitute, if possible, for the invalidated article, section, or portion thereof. All other portions of this Agreement, and the Agreement as a whole, shall continue without interruption for the term thereof.
ARTICLE XX - TERMINATION AND REVISION

This Agreement shall be in full force and effect and binding upon the parties hereto from October 16, 2016 to and including the 15th day of October 2019 and for one (1) year periods thereafter unless either party desiring to terminate or modify the Agreement serves a written notice upon the other of the proposed termination or modification of the Agreement not less than Sixty (60) days prior to October 15, 2019 or October of any annual anniversary thereafter. In the event that notice to terminate is so given, this Agreement shall be terminated upon the ensuing October 15, 2019 or on the October 15 of any year thereafter.

Effective October 14, 2016 there will be sixty-eight cents (.68) per hour wage increase.

Effective October 13, 2017 there will be forty-nine cents (.49) per hour wage increase.

Effective October 12, 2018 there will be forty-nine cents (.49) per hour wage increase.

In the event that negotiations following any reopening do not result in mutual agreement by the said anniversary date of this agreement, either party shall have the right to take such economic action as is otherwise legal as it may elect, provided that such party notifies the other in writing at least ten days prior to taking such action of its intent to do so, in which case the provisions of the Article shall be considered waived.

IN WITNESS WHEREOF, Union and Company have executed this agreement this

Pendleton Woolen Mills

By

Charles Bishop, VP Mill Operations

John Boston, Mill Manager, Pendleton

Emily Jackson, Mill HR Manager

Julie Strand, Corporate HR Director

SEIU Local 49

By

Meg Niemi

President, SEIU Local 49

Melissa Espinosa

SEIU Local 49

By

Erica Askin

SEIU Local 49

Colette Rogers, Committee Member

Charlotte Cecel

Charlotte Cecel, Committee Member

Emma Rea, Committee Member
New employees will progress from minimum starting rates to the rates for jobs as shown in the wage scale as follows: In 30 days for Grades 1 - 4; in 60 days for Grades 5 - 9; and in accordance with the employee acquiring the necessary skills in the judgment of the Company for Grades 10 and above.

Employees bidding on new jobs or transferring into new jobs will start at their present rate or the rate of the new job, whichever is lower. Progression to the rate of the new job shall be as above.