MEMORANDUM OF AGREEMENT

It is hereby agreed by and between Local Union No. 730 affiliated with the International Brotherhood of Teamsters ("Union") and Canada Dry Potomac Corporation ("Company") (collectively referred to as "parties") that the parties' collective bargaining agreement ("2015 CBA") which expired on February 26, 2020 shall be extended for an additional four (4) years. The parties agree that, upon ratification of this Memorandum of Agreement ("MOA") by the Union's membership who are covered by this MOA, the parties shall reduce the terms and conditions provided for in this MOA into a new collective bargaining agreement. The new collective bargaining agreement shall commence on February 27, 2020 and shall expire on February 26, 2024. The terms and conditions provided for in the 2015 CBA shall remain unchanged except as provided for herein. The parties agree as follows:

1. Each full time non-probationary employee on the payroll on the date of the contract ratification shall receive a $1,500 one (1) time lump sum bonus.

2. Each employee employed in the categories listed below, on the below listed dates, shall receive the following wage increases effective on such dates, and the classification rates increased accordingly:

	2/27/21	2/27/22	2/27/23
Swing Sales/ Merchandiser			
Daily Base	+$3.00	+$3.00	+$3.00
Bulk Sales Person & Advance Sales Person			
Half Case Commission	+$0.005	+$0.005	+$0.005
Full Case Commission	+$0.01	+$0.01	+$0.01
Daily Base	+$2.00		+$1.00
Delivery Drivers			
Half Case Commission	+$0.005	+$0.005	+$0.005
Full Case Commission	+$0.01	+$0.01	+$0.01
Daily Base	+$2.00	+$2.00	+$1.00
Bulk Delivery Driver			
Hourly Wage	+$0.60	+$0.60	+$0.60
Garage Employees & Truck Mechanics			
Hourly Wage	+$0.70	+$0.70	+$0.70
All Other Hourly Employees			
Hourly Wage	+$0.60	+$0.60	+$0.60

3. The car allowance for all employees entitled to receive a car allowance, shall be as follows:

2/27/20	2/27/21	2/27/22	2/27/23
$575.00 Per Month	$585.00 Per Month	$585.00 Per Month	$600.00 Per Month

4. Effective February 27, 2020, the Company's contribution to the Beverage and Brewery Drivers Health and Welfare Fund (Article IX of Section Three), shall be increased by $3.00 weekly on February 27, 2020, an additional $3.00 weekly on February 27, 2021, an additional $2.00 weekly on February 27, 2022; and an additional $7.00 weekly on February 27, 2023.

5. In **SECTION ONE, <u>ARTICLE I, WAGES</u>, paragraph (D)**, add to the end the following:

Delivery drivers who are selected by the Company, at the Company's discretion, to train and mentor newly hired delivery drivers ("Trainer-Mentor") shall receive $25.00 per day for which they conduct the training of newly hired delivery drivers. If a newly hired delivery driver remains employed by the Company for six consecutive months without any lost time, the Trainer-Mentor shall receive a one-time lump sum bonus of $100.00. If a newly hired delivery driver remains employed by the Company for one consecutive year without any lost time, the Trainer-Mentor shall receive a one-time lump sum bonus of $200.00.

6. In **SECTION ONE, <u>ARTICLE I, WAGES</u>, paragraph (G)**, revise the end the following:

<u>G.</u> <u>Hybrid Delivery Drivers</u>

The Company shall have the right during the term of this Agreement to implement a Hybrid Delivery Driver System. "Hybrid Delivery Drivers" shall be defined as delivery drivers who service both large and small format accounts, who utilize vehicles with trailers and lift gates and who may require a "Class A" license. Compensation for Hybrid Delivery Drivers shall be as follows:

	2/27/20	**2/27/21**	**2/27/22**	**2/27/23**
Daily base pay	**$50.00**	**$51.00**	**$51.00**	**$52.00**
Commission	**$.26**	**$.27**	**$.28**	**$.29**
Empty Shell Return	**$.05**	**$.05**	**$.05**	**$.05**

Upon the Company's implementation of a Hybrid Delivery Driver System, for a period of one year after the implementation, any driver who had successfully bid a Hybrid Delivery Driver route shall be guaranteed no less than the wages earned

over the previous year. This guarantee will only become effective provided that a) the same number of days or more are worked in the year after the driver successfully bids the Hybrid Delivery Driver route as the driver had worked in the previous twelve month period and b) the driver works a minimum of six months after the implementation as a Hybrid Delivery Driver.

7. In **SECTION ONE, <u>ARTICLE 2, WORKWEEK</u>**, add to the end the following:

Notwithstanding anything contrary provided herein, the Employer shall have the right to implement a night-time delivery operation and modify the work schedules of the number of employees necessary for a night-time delivery operation. The start times for those employees shall be between the hours of 9:00 p.m. and 2:00 a.m. as determined by the Employer. Employees assigned to the night-time delivery operation shall receive one week's notice of such assignment. Employees shall be entitled to bid in seniority order for the night-time delivery operation; if insufficient numbers of employees bid on the available schedules, the work schedules shall be assigned by the Employer in reverse seniority order. Bulk Delivery Drivers assigned to the night-time delivery operation shall receive an additional $.50 per hour for all hours actually worked during the night-time delivery operation. Hybrid Delivery Drivers assigned to the night-time delivery operation shall receive an additional $4.00 per shift for any shift actually worked during the night-time delivery operation.

8. In **SECTION TWO, <u>ARTICLE I, WAGES</u>, paragraph (D)**, add to the end the following:

The Company shall have the right to create a Mechanic's Apprentice position. The Mechanic's Apprentice shall be required to meet minimum qualifications established by the Company to achieve the Mechanic position. A Mechanic's Apprentice who fails to meet the minimum qualifications established by the Company for the Mechanic position within one year shall be subject to termination by the Company.

9. After the second sentence of the second paragraph of **SECTION THREE, <u>ARTICLE V- GRIEVANCES</u>, <u>Step 2</u>** add the following:

The list of Arbitrators to select from shall only include Arbitrators who are members of the National Academy of Arbitrators.

10. In **SECTION ONE, <u>ARTICLE XV</u>** delete **"TELEPHONES"** and replace with **"TECHNOLOGY"**. Delete the existing paragraph and replace with the following:

The Company shall further have the right to implement and utilize technology to operate its business and shall have the right to require that its employees utilize such technology. The Company's rights in this paragraph include, but are not limited to, a) the right to require an employee to report the time he begins to work at the start of the day, and the time he finishes his work at the completion of the day by using

the Company provided remote electronic device (i.e. mobile smart phone or tablet) and b) the right to require an employee to receive work assignments, execute work assignments, report work assignment status and record mileage via the Company provided remote electronic device (i.e. mobile smart phone or tablet).

11. Delete **SECTION THREE, ARTICLE VII-SICK LEAVE, paragraphs (b) & (c), renumber the paragraphs in ARTICLE VII accordingly** and replace with the following:

(b) In the case of illness/injury of any full-time Advance Salesperson, Swing Salesperson/Merchandiser, Delivery Driver, Swing Delivery Driver, Driver Salesperson, and Bulk Salesperson, who is in the full-time employ of the Company and has completed the probationary period, the Company shall pay the employee sick pay as follows:

The employee shall receive one-fifth (1/5) of the employee's average weekly earnings for the preceding year, calculated by dividing the employee's W2 earnings for the preceding year by the total number of weeks actually worked in the preceding year.

12. In **SECTION THREE, ARTICLE VII-SICK LEAVE, paragraphs (e) (new paragraph (d))**, delete "construed to cover one (1) year from the anniversary date of employment." and replace with **"defined as a calendar year commencing each January 1."**

13. Delete **SECTION THREE, ARTICLE VII-SICK LEAVE, paragraph (f) (new paragraph (e))** and replace with:

(e) Employees with less than two (2) years of continuous service shall accrue one (1) hour of sick time for every 30 hours worked up to a maximum of forty (40) hours in a calendar year. Employees with two (2) years or more of continuous service shall accrue one (1) hour of sick time for every 15 hours worked up to a maximum of eighty (80) hours in a calendar year.

14. Delete the second sentence of **SECTION THREE, ARTICLE VII-SICK LEAVE, paragraph (g) (new paragraph (f))** and replace with:

Employees may only take sick leave in no less than four (4) hour increments. Employees may only use sick leave for the purposes provided for in the Maryland Healthy Working Families Act ("MHWFA"). In the event the MHWFA is repealed or amended to no longer provide the purposes for the use of sick leave, employees may only use sick leave when the employee is unable to work due to illness/injury.

15. In **SECTION THREE, ARTICLE XI- HOLIDAYS**, revise the second paragraph of **paragraph "A"** to read as follows:

With respect to Advance Salespersons, Delivery Drivers, and Driver Sales, holiday pay shall be as follows:

<u>2/27/20</u>	<u>2/27/21</u>	<u>2/27/22</u>	<u>2/27/23</u>
$110.00	**$120.00**	**$120.00**	**$125.00**

16. In **SECTION THREE, <u>ARTICLE XV-FUNERAL LEAVE</u>,** revise the paragraph to read as follows:

Full-time employees shall be granted up to three (3) days (equal to ten (10) hours each for employees on a four (4) day ten (10) hour schedule) funeral leave in the event of the death of their Father, Mother, Sister, Brother, Child, **Step-child** or Spouse. One (1) day shall be granted in the event of the death of a Mother-in-law, Father-in-law, Grandparent, Grandchild **or Step-grandchild**. To be entitled to this benefit, proof of funeral attendance may be required **and proof of relationship to a Step-child or Step-grandchild may be required**. For Advance Salespersons, Delivery Drivers and Driver Sales, pay shall be based on the **holiday** leave pay then in effect. For all other employees, the pay shall be calculated at eight (8) hours their current hourly rate of pay.

17. In **SECTION THREE, <u>ARTICLE XXII-MISCELLANEOUS, paragraph (d)</u>**, add to the end the following:

In the event the Company implements a warehouse management system with pick and load technology (e.g. voice pick), the Company shall have the right to modify the existing Load Standards provided for in Exhibit B but only 1) with the agreement of the Union as to the revised Load Standards or 2) with an award by an Arbitrator finding that the Company's proposed Load Standards are reasonable. To contest the reasonableness of the Company's proposed Load Standards, the Union must present an alternative proposal for Load Standards from an Industrial Engineer. The Union shall be authorized to use an Industrial Engineer of its choosing including one from the International Brotherhood of Teamsters. Further, the Company may implement a progressive discipline program to enforce the Load Standards but only 1) with the agreement of the Union as to the progressive discipline program or 2) with an award by an Arbitrator finding that the Company's proposed progressive discipline program is reasonable. The Company shall provide the Union with access to the Company's warehouse so that the Union may create its own proposal for Load Standards and a progressive discipline program.

18. In **SECTION THREE, <u>ARTICLE XXII-MISCELLANEOUS, paragraph (S)</u>** add to the end the following:

It is understood by and between the Union and the Company that customer requirements and/or demands may necessitate the modification of the Load Standards (Exhibit B), but the modified standards shall not exceed the current Bulk

Picking standard. In such circumstances, the Company shall have the right to modify the process used for picking and the Load Standards (Exhibit B).

Pending ratification by the covered Union membership, this MOA is endorsed by the Union and the Union bargaining committee and tentatively agreed to by and between:

CANADA DRY POTOMAC CORPORATION

ANDREW GRABOIS, VICE PRESIDENT

10/22/2020
DATE

TEAMSTERS LOCAL UNION NO. 730

FRANK MYERS

10/22/2020
DATE