COLLECTIVE BARGAINING AGREEMENT

Between

BMW of North America, LLC

And the

International Union, United Automobile, Aerospace and Agricultural Implement Workers of America,

Local Union No. 2326

July 1, 2024 through June 30, 2029

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AGREEMENT

This Agreement made and entered into as of July 26, 2024, by and between BMW of North America, LLC (hereinafter referred to as “BMW NA”) and the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, AFL-CIO, and its Local 2326 (hereinafter jointly referred to as "Union").

WITNESSETH that BMW NA and the Union, acting by their duly authorized agents agree as follows:

ARTICLE I
RECOGNITION

1.01 BMW NA recognizes the Union as the sole and exclusive bargaining agent for all full-time warehouse employees employed by BMW NA at the Nazareth, Pennsylvania Regional Distribution Center (RDC) but excluding all office clerical employees, custodial/maintenance employees, engineers, guards and supervisors as defined by the National Labor Relations Act.

1.02 In the event that BMW of North America, LLC shall discontinue operations, or any portion thereof, or outsource/subcontract labor at its Nazareth RDC facility, or relocate its warehouse operations elsewhere within a seventy five (75) mile radius of the existing facilities, then, and in such case, all employees who are still employed as of the date of such relocation, shall be afforded the opportunity to transfer to the new facility. Those employees who transfer will do so at their own expense and with full BMW NA total service time intact. Employees, who elect to transfer, and who have a suspension on file for productivity or quality within the 12 months of the date that the transition begins, will carry the disciplinary record to the new facility. A one month grace period will be afforded to those employees. However, the progression of discipline will follow for any subsequent violations of minimum productivity or quality requirements. Those employees who choose not to relocate, or who are disqualified as a result of disciplinary action on file, will be eligible for severance pay under the terms outlined in Section 28.01 hereof, provided that they are still employed on the date of the operations closure .

This agreed upon recognition provision satisfies any obligation of BMW NA to bargain respecting the decision, or the effects of the decision, to sell, close or relocate the Nazareth RDC, or any part thereof.

ARTICLE II
MANAGEMENT’S RIGHTS

2.01 Management’s rights remain vested exclusively with BMW NA and shall include the full and exclusive control and management of BMW NA’s facilities, providing such action does not violate any other provision of this Agreement.

2.02 BMW NA maintains the right to set reasonable productivity and quality standards during the life of this Agreement. BMW NA shall provide 30 days notice to the Union prior to implementing any change in such standards.

ARTICLE III
NON-DISCRIMINATION

3.01 There shall be no discrimination against any employees within the collective bargaining unit covered by this agreement (including, for the purpose of this anti-discrimination provision of the agreement, probationary employees) by reason of race, color, religion, sex, national origin, disability, age or any other characteristic protected by any federal or state statute, law, regulation, or rule including, but not limited to, claims made pursuant to Title VII of the Civil Rights Act, Sections 1981 through 1988 of Title 42 of the United States Code; the Americans with Disabilities Act; the Age Discrimination in Employment Act of 1967; the Pennsylvania Human Relations Act; Pennsylvania Equal Pay Law (herein collectively referred to as statutory claims). There shall also be no retaliation against those employees covered by this article for pursuing their rights, statutory and contractual, under this Article.

3.02 The Union agrees, on behalf of itself and all the employees covered by this Agreement and this Article, that the sole and exclusive forum for the adjudication of all such claims (statutory and contractual) under this Article,

and the sole and exclusive remedy for violations of the rights (statutory and contractual) set forth in this Article, to the preclusion of all other remedies and forums (judicial administrative and otherwise), shall be the grievance and arbitration procedures of this Agreement.

3.03 Notwithstanding any other provisions of this Agreement or the laws governing this Agreement, the Union shall be required to pursue any grievance filed by an employee under this Article through the grievance and arbitration provisions of the Agreement and may not compromise any such grievance without the agreement of the aggrieved employee(s).

3.04 Notwithstanding any other provision of this Agreement, the Arbitrator selected to hear and decide grievances alleging unlawful discrimination or retaliation shall be required to consider and apply all the appropriate statutes to the claim(s) of discrimination or retaliation, and to determine if such statutes have been violated.

3.05 Notwithstanding any other provision of this Agreement, the decision, determination and award of the Arbitrator shall be the sole and exclusive remedy for the statutory and contractual claims which were or could have been raised and shall be final and binding upon the Employer, the Union and the employee(s) alleged or determined to be aggrieved and shall preclude the Union and said employee(s) from seeking and/or obtaining any other remedy whether statutory or contractual.

ARTICLE IV
UNION SHOP AND CHECKOFF

4.01 It shall be a condition of employment that all employees of BMW NA covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing, and those who are not members on the effective date of this Agreement shall, on the thirtieth day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall be a condition of employment that all employees covered by this Agreement and hired on or after its effective date shall, upon completion of the probationary period, become and remain members in good standing in the Union.

4.02 An employee who shall tender the initiation fees (if not already a member) and the periodic dues uniformly required as a condition of acquiring or retaining membership shall be deemed to meet this condition.

4.03 BMW NA shall not be required to discharge any employee for failure to attain or to maintain membership in good standing in the Union unless it shall have received ten (10) days' written notice from the Union prior to the date such discharge is demanded by the Union.

4.04 BMW NA agrees to collect from the pay of all those employees who have in writing authorized BMW NA to do so, all the amounts representing dues in the Union and initiation fees.

4.05 An employee who desires the initiation fees and the monthly dues of the Union to be deducted from his/her pay by BMW NA and remitted to the proper Union Officer of the Union shall submit a fully executed Authorization Card for this purpose, said card to read as follows:

AUTHORIZATION FOR CHECK-OFF DUES

TO THE _____ COMPANY Date_____

I hereby assign to Local Union No. 2326, International Union, United Automobile, Aerospace and Agricultural Implement Workers of America UAW), from any wages earned or to be earned by me or a regular supplemental unemployment benefit payable under its supplemental unemployment benefit plan as your employee (in my present or in any future employment by you), such sums as the Financial Officer of said Local Union No. 2326 may certify as due and owing from me as membership dues, including an initiation or reinstatement fee and monthly dues in such sum as may be established from time to time as union dues in accordance with the Constitution of the International Union, UAW. I authorize and direct you to deduct such amounts from my pay and to remit same to the Union at such times and such manner as may be agreed upon between you and the Union at any time while this authorization is in effect.

This assignment, authorization and direction shall be irrevocable for the period of one (1) year from the date of delivery hereof to you, or until the termination of the collective agreement between BMW NA and the Union which is in force at the time of delivery of this authorization, whichever occurs sooner; and I agree and direct that this assignment, authorization and direction shall be automatically renewed, and shall be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable collective agreement between BMW NA and the Union, whichever shall be shorter, unless written notice is given by me to BMW NA and the Union, not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year, or of each applicable collective agreement between BMW NA and the Union whichever occurs sooner.

This authorization is made pursuant to the provisions of Section 302(c) of the Labor Management Relations Act of 1947 and otherwise.

_____(Signature of Employee here) (Address of Employee)

_____ (Type or print name of Employee here)

_____

(City) (State) (Zip)

_____ _____ _____

(Date of Sign. (Emp. Clock No.) (Soc. Sec. No.)

_____

(Date of Del. to Employer)

4.06 BMW NA agrees to make payroll deductions of Union dues and initiation fees upon proper authorization of its employees. Such amounts are to be deducted on the pay day immediately preceding the end of the calendar month, to be applied to the current month's dues, and BMW NA will transmit to the Union the total amount deducted, together with a list of names of the employees from whose pay deductions were made, without delay. The monthly dues for full time employees is 2.5 hours per month.

4.07 The Union shall indemnify BMW NA and hold it harmless against any and all suits, claims, demands and/or liability arising out of or by reason of any action that shall be taken by BMW NA for the purpose of complying with the foregoing provisions of this Article or in reliance on any list or notice which shall have been furnished to BMW NA under any such provision.

ARTICLE V
REPRESENTATION

5.01 Union Stewards, who are employees of BMW NA, will function as Distribution Center representatives of bargaining unit employees. The Union shall designate a Union Steward and an Alternate Union Steward for each set of shift hours to which bargaining unit employees are assigned. Each shift must have a minimum of 20 employees to warrant a Steward. The Alternate Union Steward shall function only in the absence of the Union Steward. The Union will designate one of its Union Stewards as the "Chief Union Steward."

5.02 When leaving jobs to process grievances, or conduct Union business, the Union Stewards or Union Member shall obtain approval from a Supervisor and record the time appropriately. Upon return to their jobs, they shall inform their Supervisor and return to their job function. The Union Steward will use reasonable efforts to investigate grievances in such a manner as to limit the impact on production. If approval is not given immediately, it will be granted in the next one (1) business hour.

5.03 Time used by a Union Steward (or his/her alternate) for the purpose of investigating and settling grievances and for time spent in meetings with BMW NA, during their scheduled work hours, shall be treated as hours worked and paid by BMW NA.

5.04 The Union shall furnish BMW NA, in writing, with current lists of the names of its Union Stewards and Union Alternate Stewards, together with the shift each represents. Also, the Union shall furnish BMW NA, in writing, with the names of its representatives from the International Union and Local Union that have been assigned responsibilities for representing the bargaining unit included in this Agreement; and of any changes.

5.05 If, in order to process a grievance, it becomes necessary for a Union representative (International or Local) to visit in the Nazareth RDC, admittance will be permitted; provided arrangements for such visit is made with the RDC Manager, or his/her designated representative.

ARTICLE VI
GRIEVANCE PROCEDURE

6.01 Grievances are defined as any alleged violation of the terms of this Agreement or differences of opinion as to its interpretation or application. Grievances as defined herein, shall be settled promptly in the manner hereinafter set forth.

6.02 An employee who has a grievance may present said grievance during scheduled working hours to their supervisor and the Union Steward, and the Union Steward may investigate, discuss and process grievances during scheduled working hours without suffering loss of pay for time so spent.

6.03.1 Step 1. A grievance, except one which is of a general or policy nature, must be submitted in writing to the RDC Operations Manager by the Steward and the employee asserting the grievance. A meeting to discuss the grievance will be scheduled without undue delay.

6.03.2 The foregoing is not intended to prohibit any individual employee or group of employees the right to present a grievance to BMW NA at any time; however, BMW NA shall not be permitted to make any adjustment to such grievances without first giving the Union the opportunity to be present for any grievance adjustment.

6.04.1 Step 2. If a satisfactory settlement is not reached within ten (10) days of being initiated at Step 1, the Steward shall submit the grievance to the RDC Manager, or his/her designee. The Step 2 grievance shall be submitted in writing, shall state the nature of the grievance and the specific provision(s) of this Agreement alleged to have been violated.

6.04.2 A Step 2 meeting will be held as soon as possible but not later than five (5) working days after receipt of the grievance by the RDC Manager unless otherwise mutually agreed to by the parties. The Steward filing the grievance will be in attendance for the Union. The RDC Manager (or his/her designee) will be in attendance for BMW NA. Within seven (7) working days from the time of the meeting, BMW NA will provide the Steward a reply to the grievance.

6.05 Step 3. If a satisfactory settlement is not reached in Step 2, the Union may request a meeting with higher management. Such request shall be in writing and directed to the BMW NA HR Business Partner responsible for the Nazareth RDC. The written request will state the nature of the grievance and be submitted within seven (7) days of the date BMW NA's 2nd Step answer was given to or should have been given to the Union. Representatives of BMW NA and Union shall meet and confer as soon as possible, but within thirty (30) days of the request. BMW NA will provide the Union's International Representative (or his/her designee) BMW NA's grievance answer in writing, within five (5) working days of this meeting.

6.06 A grievance considered by the Union to be of a general or policy nature may be submitted directly to Step 3 of the grievance procedure.

6.07 No grievance shall be valid unless submitted to BMW NA (i.e., the grievant' s Operations Manager , as applicable) and Shop Steward within thirty (30) days after the employee or the Union knew of the facts giving rise to the grievance, with the exception of suspensions. A grievance for suspension must be submitted within 15 days of the date the discipline is issued.

6.08 In the event the grievance or dispute is settled in any step of the grievance procedure, such settlement shall be reduced to writing and signed by representatives of BMW NA and Union.

6.09 Arbitration

6.09.1 In the event any grievance referred to in Step 3 of the grievance procedure remains unsettled following discussion of the grievance in the Step 3 meeting, the Union shall have (30) days from the date BMW NA's Step 3

answer was given to or should have been given to the Union to submit the grievance to arbitration and to notify BMW NA in writing of same. Matters so referred to arbitration shall be submitted to an impartial arbitrator selected by the parties in the following manner: A representative of the Union and a representative of BMW NA will meet within ten (10) calendar days after the date formal notice of referral is given in an effort to select a qualified arbitrator who will be mutually agreeable. In the event the parties are unable to agree upon an arbitrator within such ten (10) day period after notice of referral, the Union may request the American Arbitration Association ("AAA") to submit a panel of nine (9) impartial experienced arbitrators, from which each party shall strike the names of those individuals it does not accept and shall number the remaining names, if any, in the order of preference. Upon receipt of the preferences of the parties, the AAA shall thereupon appoint the individual selected by both parties who shall have the highest combined preference. If the AAA is unable to appoint an arbitrator acceptable to both parties from the first panel, an additional panel of nine (9) arbitrators, none of whom shall have appeared on the first panel, shall be submitted to the parties for their consideration. Upon receipt of such a second panel, the parties shall meet within ten (10) calendar days and shall strike names alternately, each party striking four (4) names. The individual whose name remains shall be designated the impartial arbitrator. In the event the parties shall fail to meet to strike names from such a second panel within twenty-one (21) calendar days, or within such additional period as shall be mutually agreed upon, the AAA shall appoint an arbitrator from the list.

6.09.2 The arbitration shall proceed under the policies and procedures of the American Arbitration Association. Arbitrators shall conform to the ethical standards and procedures set forth in the Code of Professional Responsibility for Arbitrators of Labor Management Disputes, as approved by the Joint Steering Committee of the National Academy of Arbitrators.

6.09.3 The Arbitrator, when duly appointed or designated, shall proceed to consider the disputed grievance without delay and shall render his/her decision promptly following the conclusion of his/her taking of evidence in the matter.

6.09.4 The decision of the Arbitrator shall be final and binding. The jurisdiction of the Arbitrator shall be limited to the interpretation or application of the terms of this Agreement, or any agreement made supplementary hereto, and he/she shall have no authority to add to, subtract from, or to change any of such terms. No more than one (1) grievance shall be arbitrated by any one Arbitrator; provided however, that more than one grievance may be heard by an arbitrator where the parties can agree concerning the issues involved.

6.09.5 The compensation and expenses of the Arbitrator shall be borne by the party losing the case.

6.09.6 Time spent in an arbitration hearing by the grieving employee need not be paid by BMW NA unless the arbitrator so rules.

ARTICLE VII
DISCIPLINE AND DISCHARGE

7.01 An employee may be discharged or otherwise disciplined for just and proper cause only. Where BMW NA shall desire to discharge or otherwise discipline any employee, the employee shall be given written notice of such discipline or discharge and the reason therefore. A copy of said notice shall also be given at the same time to the employee's Union Steward; excepting that where the employee's Steward and Alternate Steward are absent at the time the notice is given, it shall be given to the Steward at the time he/she returns to work.

7.02 Unless an offense is so serious or flagrant that only more severe action would be effective, any employee subject to discipline shall be given a verbal warning for the first offense, a written warning for the second offense, a three (3) working day suspension for the third offense; for the fourth offense he/she may be discharged. A separate record of offenses for absenteeism and tardiness will be taken independently of any action resulting from other disciplinary offenses.

7.03.1 Discipline for infractions or violations of Plant rules warranting disciplinary action will be issued within seven (7) working days (during which the employee is actually working in the Nazareth RDC) from the date BMW NA has knowledge of the involved employee's infraction or violation, otherwise the discipline shall be invalid. Discipline for violations of Productivity and Quality standards will be issued within 7 days of the date that final Employee Report Card figures are available to the RDC Manager, however the date of issue of discipline shall not exceed the 14th calendar day of the month. BMW NA agrees to counsel/discipline employees on a progressive discipline schedule

(counseling, verbal, written, suspension, termination) on a rolling 12 month basis for productivity or quality violations. After 12 months, the counseling will be eliminated and any remaining discipline reduced to the next lowest level(s).

7.03.2 A discipline may be issued for accumulated violations at any time, providing the discipline is issued within seven (7) employee worked days of the last violation of Plant rules. Warnings, disciplinary actions and such notations as are made of record regarding an employee for possible later discipline shall be effective for one (1) year from the date of issue of such disciplinary warning. No warning or other discipline shall be used as precedent for further, incremental disciplinary action if such prior disciplinary action is more than one (1) year old.

7.04.1 No employee shall be required to leave the plant for disciplinary reasons before BMW NA has determined the specific discipline that BMW NA intends to impose on such employee and the specific reasons for such discipline; unless otherwise provided for in this Article. It is expected that BMW NA will fully investigate the circumstances surrounding infractions of established work rules before imposing discipline. An employee may be requested to attend a meeting for the purpose of investigating potential discipline. The employee has the option of having the Steward in attendance during the meeting.

7.04.2 At the discretion of BMW NA and with notice to the Shop Steward, or where known facts would make it reasonable to assume that an employee's further presence in the plant would pose an unsafe condition for the employee or other employee(s), before specific discipline has been determined, such employee may be required to leave the plant on a non-disciplinary suspension for investigative purposes; providing such suspension is not for more than two work days, unless otherwise extended by BMW NA and Union Grievance Committee. The employee's Steward shall be contacted immediately and informed of the reason(s) surrounding the employee's removal from work. BMW NA shall be required to pay the employee's lost wages resulting from such suspension unless it is determined that disciplinary time-off is warranted.

7.05 The Union shall have the right to challenge the propriety of any penalty or discharge and may present the matter as a grievance to be settled under and pursuant to the grievance and arbitration procedures as described in this Agreement.

ARTICLE VIII
ATTENDANCE

8.01 As part of BMW NA work rules stated in this Agreement, habitual absenteeism or tardiness are infractions which may result in disciplinary action up to and including discharge. As a production facility, BMW NA relies on your good attendance to achieve the level of service required by our customers. Detailed below is the Nazareth RDC policy for absenteeism and tardiness.

8.02 Full Shift Unscheduled POI will be accepted on the designated number or email address published by BMW NA. Associates must notify BMW NA prior to the start of their shift; list their name and the date they will be absent.

8.03 Habitual Absenteeism

Up to 72 hours of POI leave is made available to employees for use in instances where an employee is too ill to come to work, an emergency personal situation arises, or for scheduled personal leave (please refer to Article 15 for details).

8.04 Point System

All attendance infractions will be monitored by a point system as described below. For the purpose of this point system, unexcused absence, tardy or leave early are defined as any unapproved time off during scheduled working hours. Points will accumulate on a calendar year basis with any points accrued in 2020 before this Assignment Agreement remaining with the individual who accrued said points. Effective July 1, 2024, BMW NA will remove all accrued attendance points, and each employee shall have their record reset to zero including being moved to the zero-discipline prior year scale. Thereafter, points will accrue as provided for herein this Article.

Points	Scale (Zero Discipline Prior Year)	Points	Scale (Discipline Prior Year)
0.5	Unexcused late or leave early less than 30 minutes	0.5	Unexcused late or leave early less than 30 minutes
1	Unexcused late or leave early greater than 30 minutes but less than 2 hours	1	Unexcused late or leave early greater than 30 minutes but less than 2 hours
2	Unexcused late or leave early of greater than 2 hours	2	Unexcused late or leave early of greater than 2 hours
2	Unexcused absence (No POI Time Available)	2	Unexcused absence (No POI Time Available)
3	Calling-in during Inventory	4	Calling-in during Inventory
3	Missing mandatory overtime	4	Missing mandatory overtime
4	No show, no call	5	No show, no call
Points	**Discipline**	**Points**	**Discipline**
4	Verbal Warning	2	Verbal Warning
6	Written Warning	3	Written Warning
8	Suspension	4	Suspension
10	Termination	5	Termination

8.05 Tardiness

8.05.1 Lateness will not count against an employee's tardiness record for up to three (3) occurrences per calendar year. The employee's arrival time must be within two (2) hours of their scheduled start time for that day.

8.06 If an employee fails to report to work for 3 consecutive days for which he/she is scheduled to work, without providing any notice to BMW NA (i.e., calling into the designated sick leave number), the employee shall be deemed to have abandoned his/her position and voluntarily resigned his/her employment.

8.07 Leaving early without providing notice to BMW NA is unacceptable and may result in immediate disciplinary action up to and including termination.

8.08 An absence, tardy, or leave early for the following reasons will not result in the employee incurring points:

a. Personal Leave (Section 14.02.1)
b. Family and Medical Leave (Section 14.02.2)
c. Military Leave (Sections 14.06 & 14.07)
d. Time-off taken in compliance with Section 15.04
e. Vacation (Article 16)
f. Holidays (Article 17)
g. Bereavement Leave (Article 18)
h. Jury Duty (Article 19)
i. An approved and authorized medical leave of absence

8.09 Each employee is responsible for keeping track of his/her own attendance and point accumulation.

8.10 Mandatory overtime and voluntary overtime, once agreed to, both constitute a commitment on the part of the employee. All overtime assignments are subject to the rules set out above.

8.11 Employees may be excused from overtime (mandatory or voluntary) up to six (6) times per calendar year. Overtime for inventory is excluded from this provision.

ARTICLE IX
SAFETY AND HEALTH

9.01 BMW NA shall maintain safe and sanitary conditions in all facilities where bargaining unit employees are required to work, and agrees, insofar as possible, to eliminate any conditions hazardous to the health and welfare of employees.

9.02 Safety protective devices and wearing apparel for the safety of employees during working hours shall be supplied by BMW NA where BMW NA requires use of such devices or apparel. No employee shall be expected or permitted to work on equipment or under conditions which are abnormally hazardous for the type of work involved. BMW NA agrees to provide appropriate education and training in health and safety for all employees.

9.03 Established safety rules will be printed, distributed to all affected employees and Union representatives.

9.04 Safety Committee

9.04.1 For purpose of making recommendations to BMW NA on safety and health conditions, there shall be a Safety Committee composed of the Operations Manager (or his/her designee), the Union's Chief Steward (or his/her designee) and representatives appointed by BMW NA and representatives appointed by the Union. Unless otherwise agreed to by BMW NA and Union, there shall be up to four (4) representatives of BMW NA and four (4) representatives of the Union on the Safety Committee. The Union and BMW NA will collaborate and agree on communication to promote safety and health committee participation. Participants will be elected by the Union from a sign-up list prominently displayed on the Union Bulletin Board each time there is an open committee member position.

9.04.2 The Safety Committee will meet at least once a month, during working hours, for the purpose of making safety tours of the plant, reviewing injury reports and discussing general safety and health recommendations. Special meetings may be held on an "as needed" basis. Meeting minutes will be taken and published. Members of the Safety Committee shall suffer no loss of pay for time spent in Safety Committee functions. Safety Committee members may be required to change their shift on the days when the committee meets.

9.04.3 The Safety Committee shall receive copies of Workers' Compensation data, reports on all lost-time accidents, results of workplace monitoring, substances used at the Nazareth RDC, reports on toxic materials in the workplace, and generic and chemical names and composition of all substances used at the Nazareth RDC. Where state or federal law prohibits BMW NA from providing information to the Union concerning an individual's personal medical tests without such employee's written consent, BMW NA will not be required to provide such information without such employee's written consent.

9.04.4 The Safety Committee shall not be permitted to negotiate the revision of wages, hours or other terms and conditions of employment.

9.04.5 Associates are encouraged to report safety violations, near misses or any other safety concerns directly and immediately to management. The Safety Committee will also agree to and implement a dedicated form that can be used for reporting any safety concerns. The form can be given to any member of management or provided anonymously to any member of the Safety Committee. Nothing in this provision will prevent an associate from reporting any safety concerns through any other established methods. Additionally, an anonymous drop box for associates to submit their safety related concerns will be installed.

The company agrees to establish a safety resolution path as follows:

- After two (2) Weeks: Escalation to RDC Quality & Compliance Manager (or their designee).
- After thirty (30) Days: RDC Facility Manager (or their designee).

9.04.6 The Company shall maintain all restrooms in good working order, cleaned and fully stocked. The Company shall provide and stock the women's restrooms with hygiene products without cost to the associate.

ARTICLE X
UNIFORMS AND SAFETY SHOES

10.01 BMW NA shall supply each employee with the following uniform items: seven (7) long sleeve tee shirts; nine (9) short sleeve tee shirts; (2) wool hats (upon request); and (1) Sweatshirt (no hoodies). Every two (2) years each employee will be eligible to request one (1) non-hooded fleece, or vest, or jacket. After an associate completes five (5) full years of service they will be entitled to request five (5) button-down shirts. BMW NA shall replace uniform items if and when they wear out. Employees will be permitted to alter their tee selection mix or exchange shirts for sizing changes if warranted once every two-year period. Employees will not cut off their sleeves or purposely alter their uniforms in any manner. In addition, each employee will be responsible for cleaning their tee shirts and pants. Bargaining Unit employees will be required to wear safety shoes during working hours. All employees are required to wear the designated uniforms. After the ratification of this agreement the Company will provide a grossed up $600.00 allowance to purchase work shoes, pants, or denim jeans (long or short) in blue or black color per rolling calendar year. No cargo style pants and no holes, rips, or tears acceptable.

10.02 BMW NA reserves the right to require employees to wear long pants when performing assignments where leg protection is necessary to avoid injury. Employees may not substitute their own short pants for those provided by BMW NA.

10.03 Bargaining Unit employees will be required to wear safety shoes during working hours. BMW NA shall supply each employee with safety shoes, replace safety shoes, or reimburse employees up to $130 for safety shoes purchased during the preceding twelve months in August of each year of this Agreement. If the safety shoes are damaged at work and reported immediately to the employee's supervisor, BMW NA will replace the shoes or reimburse the employee for the replacement cost, up to $130.

10.04 Bargaining Unit employees will be required to wear authorized uniforms during working hours, excepting hours worked on weekends and holidays. The parties agree that uniforms and safety shoes are to be worn only while working for BMW NA or traveling to and from work.

10.05 All provided uniforms must be returned to BMW NA within three (3) working days of resignation or termination of employment. If the items are not returned the cost will be charged to the associate and offset in their final payment. This does not apply to safety shoes. Pants or shorts: $15 per unit; Tee shirts: $8 per unit; Button down work shirts: $35 per unit, Sweatshirts: $12 per unit.

ARTICLE XI
SENIORITY

11.01.1 "Seniority" shall be defined as the right of precedence accruing to an employee based on length of continuous service (active or inactive) in the bargaining unit. Unless otherwise legally prohibited, seniority for each employee shall be measured from the employee's last (i.e., most recent) hire date with BMW NA; provided that such hiring was into a job within the bargaining unit. If two or more employees are hired on the same date, their seniority shall be determined alphabetically using an employee's last name first.

11.01.2 "Total Service" for purposes of Seniority under this CBA shall be defined as an employee's total length of

continuous service in the employ of BMW NA including the continuous time employed by Penske Logistics and the employment time both in and out of the bargaining unit.

11.02.1 A new hire shall be considered a probationary employee for the first one hundred twenty (120) calendar days of his/her employment within the bargaining unit. If the employee is unable to perform normal job duties for an extended period due to illness, injuries, or emergency situations BMW NA has the right to extend the probationary period, equal to time missed. Notification of extensions shall be given to the employee and Union representative before the end of the original 120-day period.

11.02.2 A re-hired employee shall be considered a probationary employee for the thirty (30) days period following his/her last date of hire into the bargaining unit.

11.02.3 The termination or layoff of a probationary employee will not constitute the basis for a grievance under this Agreement. Any disciplinary action taken during the time frame that an employee is considered a probationary employee shall not be taken into account as precedent for incremental disciplinary actions which may subsequently occur after the employee is no longer considered probationary.

11.03 Seniority lists of employees of BMW NA shall be supplied by BMW NA to the Union upon request and copies thereof shall be posted on the official bulletin boards of BMW NA. Seniority lists, arranged in the order of seniority, shall provide the following information about each employee: name; job classification; assigned department; and shift. Seniority lists shall be revised every ninety (90) days. On or before their date of hire, BMW NA shall provide the Union's Chief Steward with the names of probationary employees and the amount of their probation period. BMW NA shall also provide the Union's Chief Steward with the names of any employee's termination as soon as possible after such termination. BMW NA further agrees to maintain a list which would include employees on layoff and inactive status, and to make copies of such lists available to the Union's Chief Steward monthly.

11.04 Stewards assigned to represent a particular shift, will be given "super seniority" and head all seniority lists for the purposes of layoff, recall and remaining on the shift of their assigned representational area, provided they are capable of performing the available work.

11.05 An employee shall cease to have seniority if he/she goes on inactive status. An employee shall cease to have seniority and his/her employment with BMW NA shall be terminated for all purposes when:

(a) He/she voluntarily leaves BMW NA's employ.

(b) He/she is discharged for just and proper cause.

(c) Having been laid off for lack of work, he/she fails to report as required by provisions of this Agreement.

(d) He/she is absent from work for three (3) consecutive working days, without notifying BMW NA, unless a satisfactory explanation is given for non-notification. An employee who is legitimately sick or injured shall be required to call in every day until BMW NA is notified that the employee is covered by Workmen's Compensation, FMLA, or short-term disability.

(e) He/she is laid off for a continuous period of time equal to his/her length of seniority at the time of layoff.

11.06 An employee transferred from a job in the bargaining unit to a position out of the bargaining unit shall cease to have seniority as of the effective date of their transfer out of the bargaining unit. The seniority date for an individual that is hired into a bargaining unit job from a non-bargaining unit position shall be the date the individual begins working in the bargaining unit job.

11.07.1 An employee shall be permitted to exercise his/her choice of shift by seniority. The employee may make a choice of shift by electing to fill an open job or to displace the least senior employee on a different shift. After an employee has been transferred to his/her shift of choice, he/she shall not be eligible to make more than one such request for a different shift in any period of twelve (12) consecutive months.

Should an employee successfully bid for a position in a different classification, the employee will be restricted from bidding to another classification for one year as stipulated in this agreement. Should there be an opening in that same

classification on another shift, the employee is eligible to exercise shift preference for that shift and the award will be in seniority order.

11.07.2 No employee shall be required to involuntarily move to a different shift without at least two weeks notice.

11.07.3 To allow for adequate training, shift preference shall not be exercisable by or against any probationary employee who is in training.

11.07.4 Exceptions to the parties' stipulations concerning shift transfers may be made by mutual agreement of BMW NA and Union Chief Steward.

11.08 If, in making assignments, it becomes necessary to transfer employees from one shift to another, such transfers will be made so as to give preference to the seniority of employees. Where a more senior employee does not desire to be transferred, the least senior employee on the shift will be transferred.

ARTICLE XII
DEPARTMENTS/BIDDING

12.01 Departments, for the purpose of this Agreement, shall be:

12.01(a)	Bulk;
12.01(b)	Rack Picking;
12.01(c)	Mez. Picking;
12.01(d)	Packing;
12.01(e)	Returns;
12.01(f)	Receiving;
12.01(g)	Bin Maintenance;
12.01(h)	RPP (Replenishment, Picking, and Put-away);
12.01(i)	Coded Parts;
12.01(j)	Motorcycles;
12.01(k)	Haz Mat Pick/Pack; and
12.01(l)	Floaters.

12.02 When new Departments are created, or permanent vacancies occur in any department, on any shift, absent a departmental cutback, such openings shall be posted for a bid within ten (10) business days. Openings will be posted on the BMW NA Bulletin Board for five (5) working days beginning on Wednesday. The posting shall set forth the Department, the shift, and the qualifications required, for the opening to be filled. Eligible employees who wish to bid for the vacancy shall sign the notice within the five (5) days that the posting is on the board. When an employee is bidding for more than one vacancy at a time, they must indicate on each notice their order or preference for the Departments available. This order of preference will be honored at the time the posting is processed.

12.03 Department openings shall be awarded to the most senior qualified employee applying for the Department. The successful bidder will be transferred to the opening within thirty (30) working days of the posting being removed from the board.

12.04 Should any of these Department openings remain unfilled, they will be filled by assignment of the least senior employee not assigned to a job on the same shift where the vacancy occurs unless there is a valid production reason for not making such a move. In such case the next least senior employee that can accommodate the production requirement will be used to fill the job requirement, and will not be required to fill a job requirement under this section for 30 days. When the least senior employee is not used to fill such opening, BMW NA shall advise the Union's Chief Steward of the reason.

12.05.1 The one hundred and eighty (180) calendar days following an employee's transfer to his/her bid position will be considered a trial period. BMW NA will inform the employee of any condition of the new position where the employee is not satisfactorily progressing.

12.05.2 The employee may not bid for a new Department for a period of 1 year after the date that he/she transferred to his/her current bid position. For the purposes of calculating the 1 year period, the training period will be included, except as stated in 12.05.3.

12.05.3 When, during the trial period, either 1) the employee, after adequate training, fails to satisfy fully the requirements of the bid position, or 2) the employee voluntarily decides to leave the bid position, then:

(i) The employee who fails to satisfy fully the requirements of the bid position and is removed from the position will be defaulted into an alternative open position and will not be allowed to bid on a new job for six (6) months after the default.

(ii) The employee who voluntary resigns his/her position will be defaulted into an alternative open position and will not be allowed to bid on a new position for one year after the default.

12.05.4 Receiving (Air, Sea, and Domestics doors) and Return Door Jobs -- Employees in the Receiving or Returns Departments will have the first opportunity to accept the door job. The supervisor will start at the top of the Department's seniority list and ask if the employee with the most seniority would like to be assigned to the position. If refused, the Supervisor will move to the next most senior candidate. If nobody within the Department fills the position the position will be posted for bid and the most senior qualified candidate will be awarded the position.

12.05.5 Openings in the Haz Mat Pick/Pack Department shall be offered first to the most senior qualified employee who is Haz Mat certified. If the employee does not accept the position it will then be offered to the next most senior Haz Mat certified employee until the position is filled. All employees assigned to the Haz Mat Pick / Pack Department and the Coded Parts Room will be required to obtain and maintain their Haz Mat Certification.

12.06.1 BMW NA may, at its discretion, reassign employees on a temporary basis to meet its needs, so long as this re-assignment is not in conflict with any other part of this Agreement.

12.06.2 If a position is filled with a transferred BMW NA employee for 8 hours per day for a period of 20 consecutive working days and it is not vacant due to paid or unpaid leave, it shall be considered a permanent vacancy, excepting in the case of special projects. If there is a department cut back within 60 consecutive work days that employee will be the first in the department to be displaced and will default into an open position with no restrictions on posting into another job.

12.06.3 Special projects may be assigned to floaters or agency workers provided notice is given to the Shop Steward, including the estimated project completion date. When Special projects require workers assigned to departments other than Floater, BMW NA will post a bid for special projects, and will assign the project to the most senior qualified worker(s).

12.06.4 BMW NA agrees that in making temporary department transfers, it will not fill the position of a worker who has been temporarily removed from their Department assignment with another BMW NA worker.

12.07 BMW NA will provide the Union's Chief Steward with notice of employee transfers upon request.

ARTICLE XIII
LAYOFFS AND RECALLS

13.01 Definitions

13.01.1 A "cut-back" is defined as a decrease in the number of employees in a department on a given shift, without reduction in the total work force in the Nazareth RDC.

13.01.2 A "layoff" is defined as a reduction in total work force in the Nazareth RDC whereby a number of employees with the least amount of seniority are displaced from the Nazareth RDC.

13.02 BMW NA will be permitted to cut-back or layoff employees for a lack of work; excepting that BMW NA shall not be permitted to layoff any bargaining unit employee while there are any agency workers performing bargaining

unit work.

13.03 When a cut-back becomes necessary in a department, the lowest senior employee in the department will be transferred. Fifteen (15) first shift positions, and Fifteen (15) second shift positions have been designated "floater" positions, where time spent per department over the course of the day varies considerably depending on operational needs. For the purpose of determining department cutbacks, these positions will not be considered as part of a specific department's manpower count unless BMW NA is cutting back on the number of floaters.

13.04 When a lack of work necessitates a layoff, a sufficient number of employees with the least amount of seniority will be laid off.

13.05 BMW NA will give the employees and the Union not less than five (5) working days notice of layoffs; or pay affected employees for the days required notice was not given.

When the workforce is to be increased after a layoff, it shall be increased by first recalling any employees on layoff status. Such employees shall be recalled in the reverse order of their layoff, the most senior being recalled first.

13.06 Notification of Recall

13.06.1 Laid off employees will be notified to return to work by a certified letter to the address on file with BMW NA. Laid off employees will be allowed five (5) working days from his/her receipt of the certified letter to notify BMW NA of their intentions.

13.06.2 A laid off employee who fails to notify BMW NA within this period of time will be terminated.

13.06.3 If a laid off employee has notified BMW NA that he/she intends to return to work, he/she must report for work within seven (7) days from the date he/she received the certified letter notification. A laid off employee who fails to report within this seven (7) day period, without satisfactory arrangement having been made with BMW NA, will be terminated.

13.06.4 The above language is not intended to prohibit BMW NA from expediting the process by telephoning employees, but responses to such telephone calls shall not be used as a basis for terminating employees.

13.07 Refusal of Recall - Any laid off employee offered recall to a job to which he/she is entitled by virtue of his/her seniority, but which he/she refuses to accept, will thereby forfeit all rights to recall and will be terminated.

ARTICLE XIV
LEAVES OF ABSENCE

14.01 - General Leave Provisions: The following rules shall govern all leaves of absence:

14.01.1 An employee shall accumulate seniority for the duration of any authorized leave of absence.

14.01.2 BMW NA paid Group Insurance benefits shall be provided to the employee and his or her eligible dependents in accordance with the same terms and conditions of eligibility and participation as they are provided to other eligible BMW NA employees who are not represented by a collective bargaining agent. In the event BMW NA implements any changes or modifications to said benefits, those changes and/or modifications shall be implemented at the same time and to the same extent for employees in this bargaining unit. Any such unilateral changes and/or modifications will not be subject to negotiation by BMW NA.

14.01.3 An employee who has been granted a leave of absence and who is returning to active employment shall be returned to the Department, job assignment and work-shift held at the time he or she went on such leave, provided he or she: (1) has the seniority; and (2) has not been on leave of absence for period of more than thirty (30) days or the time that the job has been filled by way of the bid procedure, whichever time period is later. Otherwise he or she shall be placed in accordance with the cut-back and layoff procedure included in this Agreement, excepting those employees who have been on a non-occupational leave of absence for 3 years or greater and were hired after the effective date of this Collective Bargaining Agreement.

14.02 - Personal Leave:

14.02.1 An unpaid leave of absence for personal reasons may be granted by BMW NA to an employee for a period of up to thirty (30) days. Where there are extenuating circumstances, an extension may be granted by mutual agreement between BMW NA and the Union's Chief Steward.

14.02.2 Unpaid personal leaves of absence shall be granted for up to twelve (12) weeks in a twelve (12) month period where such leaves are intended to comply with the Family Medical Leave Act. All leaves of absence run concurrently with FMLA leave.

14.03 - Non-Occupational Medical Leave - A leave of absence for non-occupational illness (including pregnancy) or injury shall be granted by BMW NA to an employee who is required to be absent from work solely because of such condition; provided such condition is supported by satisfactory medical evidence. Wage-replacement benefits will be provided in accordance with the provisions included in Article XXV of this Agreement.

14.04 - Occupational Medical Leave - A leave of absence for an occupational injury or illness shall be granted by BMW NA to an employee who is required to be absent from work as a result of such occupational injury or illness, provided such condition is supported by satisfactory medical evidence and provided further that the employee's injury or illness is covered by Workers Compensation. Wage-replacement benefits will be provided in accordance with the provisions included in Article XXV of this Agreement.

14.05 - Short-term leaves of absence not to exceed two (2) weeks shall be granted without pay to employees to act on Union business with a limit of two (2) employees at any one time, and a maximum total of six (6) weeks of leave per calendar year. A request for such time must be made by the Union ten (10) days in advance.

14.06 - Military Training Leave **-** An employee that is a member of a reserve component of the U.S. Armed Forces, shall be granted up to ten (10) days absence for annual military training. In a military emergency, twenty (20) additional days of annual military training leave will be granted. BMW NA will pay the employee the difference between the employee's military pay and what the employee's regular straight-time earnings would have been for the maximum thirty (30) day period Reimbursement will be processed when the employee submits his/her time card or time sheet, a copy of the employee's military orders and pay voucher.

14.07 - Extended Military Leave:

14.07.1 Employees who have entered or who hereafter shall enter the Armed Forces of the United States shall be granted a leave of absence for the period of such service with the Armed Forces, and upon completion of such service, they shall be entitled to reinstatement to the extent and under the circumstances that reinstatement may be required under the applicable laws of the United States. Any alleged violations of such laws shall not be subject to the grievance and arbitration procedure of this Agreement.

14.07.2 An employee who is a member of a United States Armed Forces reserve unit which is activated for an extended period of time, will have his/her position held open for a maximum of 90 days. If the employee's military leave exceeds 90 days, the employee will be assigned to an appropriate position upon his/her return to BMW NA. The position will offer the same grade level and equivalent position in the salary range. The employee must notify BMW NA of his/her intention to return to work within 90 days of his/her release from military service or longer if permitted by law. If the employee accepts employment with another company, the employee will forfeit his/her right to BMW NA employment.

14.07.3 For up to one year, BMW NA will pay the employee the difference between his/her military pay and the regular straight-time earnings he/she would have received as a BMW NA employee. To receive the employee's military pay differential, Payroll must receive a copy of the employee's military orders and pay voucher. For up to thirty (30) days, the employee will retain his/her medical insurance coverage. Life insurance coverage is terminated upon the start of active duty. Dependent medical benefits will be continued for up to one year.

14.07.4 BMW NA will provide the above leaves in accordance to all Federal, State and local statutes.

ARTICLE XV
PERSONAL OR ILLNESS PAY

15.01 BMW NA shall provide all bargaining unit employees with annual time off with pay for personal or illness time (POI) use in accordance with the provisions of this Article XV of the Agreement. Nothing in this Article is intended to diminish any rights or benefits provided in any other Article of this Agreement.

15.02 Personal or Illness Time Pay Entitlement

15.02.1 Annual - On January 1 of each year, BMW NA shall entitle each bargaining unit employee to seventy-two (72) hours of POI with pay.

15.02.2 New Employees - Upon completion of his/her sixtieth calendar day of employment, each new bargaining unit employee hired after January 1 of any year shall be entitled to the following amount of POI time off with pay in his/her initial calendar year:

- If hired during January, February or March; forty (40) hours.
- If hired during April, May or June; thirty-two (32) hours.
- If hired during July, August or September; sixteen (16) hours.
- If hired during October, November or December; eight (8) hours.

15.03 Personal or Illness (POI) Time - Each employee will be paid for each hour of POI at his/her regular hourly rate in effect at the time such employee takes his/her POI off.

15.04 Time-off

15.04.1 An Employee having POI entitlement shall be granted time off with pay providing the employee's request meets the following criteria.

15.04.2 POI leave must be scheduled with at least 23 hours advance notice, provided the number of employees permitted to be scheduled as outlined in Articles 16.04.2, 17.06.1 and 17.06.2 is not exceeded.

15.04.3 POI may be used without prior scheduling. POI may be used in hourly increments up to a maximum of 32 hours over a maximum of twelve (12) occurrences. Any use of 15.04.2 to schedule partial POI will not deduct from the associate's twelve (12) occurrences but will be deducted from the 32 hours maximum of partial POI.

15.05 Unused POI Time

15.05.1 Pay in Lieu Of – Unused POI may not be carried over and will be paid out in the second pay period of January.

15.05.2 Employees who have any unused POI at the time of their retirement shall be paid a pro-rated portion of such entitlement, within thirty (30) calendar days following the effective date of their retirement. The pro-rated portion shall be five-sixths (5/6) of a day's pay for each full month worked in the year of retirement; rounded up to the next full day's pay (i.e., an employee who works until May 1 of any year, would be paid four days pay).

15.05.3 Employees who have any unused POI as of December 31st of any year because of a layoff shall be paid a pro-rated portion of such entitlement in the first payroll period following such December 31st. The pro-rated portion shall be five-sixths (5/6) of a day's pay for each full month worked in the year of layoff, rounded up to the next full day's pay (i.e., an employee that works until May 1 of any year, would be paid four days pay).

15.05.4 Other than retirement and layoff, POI is not paid out upon separation from BMW NA. In the event an employee transfers from an hourly union position to a non-union position, POI will be converted to sick time and made available to the employee in accordance with BMW NA's Sick Leave Policy.

ARTICLE XVI
VACATIONS

16.01 BMW NA shall provide all bargaining unit employees with annual vacation time off with pay in accordance with the provisions of this Article XVI of the Agreement.

16.02 Vacation Entitlement

16.02.1 Annual - On January 1 of each year, BMW NA shall entitle each bargaining unit employee to the following amount of vacation time off with pay:

Seniority (at Least)	But Less Than	Vacation and Pay
6 months	1 year	5 days (40 hrs)
1 year	5 years	10 days (80 hrs)
5 years	10 years	15 days (120 hrs)
10 years or more		20 days (160 hrs)

16.02.2 New Employees - Each new bargaining unit employee shall be entitled to five (5) days of vacation time off with pay upon acquiring six months seniority; for use within that calendar year (or permissible carry over period). Thereafter the other provisions of this section will apply for the purposes of determining vacation eligibility.

16.02.3 Anniversary - On the first year, fifth year and tenth year anniversary of a bargaining unit employee's seniority date, such employee shall be granted five (5) days of vacation time off with pay in addition to that vacation provided in Section 16.02.1 and Section 16.02.2; for use within that calendar year (or permissible carry over period).

16.02.4 Service - In the event a bargaining unit employee's Total Service is greater than his/her seniority, such employee's Total Service shall be used to compute vacation entitlement.

16.03 Vacation Pay - Each employee will be paid for each hour of vacation entitlement at his/her regular hourly rate in effect at the time such employee takes his/her vacation. The vacation pay shall be given to the employee prior to the employee's scheduled vacation period/s, provided the employee submits a vacation pay request to the payroll department at least three (3) weeks in advance; otherwise it shall be paid in the payroll period in which the vacation day(s) fall.

16.04 Vacation Scheduling

16.04.1 Vacations, so far as possible, shall be granted at times most desired by employees with employees having the greater amount of seniority being given preference as to choice.

16.04.2 A minimum of eleven percent (11%) of the total amount of bargaining unit employees (rounded to next highest number - i.e., 9.1 = 10 people) shall be permitted to schedule their vacation on any day of preference with 23 hours' notice for vacations.

16.04.3 An employee scheduling a whole week off shall be given preference over an employee scheduling individual days off, regardless of seniority.

a) - If an employee with higher seniority is not granted days based on this article they will be notified and given reasonable opportunity to schedule the whole week prior to completion of general scheduling.

16.04.4 An employee desiring vacation time off during the month of January shall be required to submit a vacation request before December 1 of the previous year to have seniority preference applied.

16.04.5 General scheduling of vacation time off shall be accomplished during the month of January each year. An employee desiring a particular vacation time off shall be required to submit a vacation request before the end of the first full week (Friday) of January to have seniority preference applied. The general schedule of vacation time

off shall be posted on BMW NA's bulletin board immediately following the processing of vacation requests. The vacation schedule posting shall be updated when needed.

16.04.6 Employees shall be permitted to cancel a scheduled vacation period with advance notification to BMW NA. However, employees shall not be permitted to cancel a vacation day(s) or floating holiday(s) for a day where the maximum numbers of employees are scheduled for vacation without at least twenty (20) days notification to BMW NA. BMW NA will post that the previously full days are available for three (3) working days and comply with article 16.04.7. The exception to such notice requirement is where an employee is required to be out of work on an authorized absence (i.e. medical leave) during his/her scheduled vacation.

16.04.7 Any vacation time that becomes available during the year, will be posted and subject to selection via the seniority process. The seniority process will begin from the point on the seniority list that was held by the employee who relinquished the vacation time.

16.05 Holiday During Vacation. In event that a paid holiday falls in the period of an employee's scheduled vacation week, an employee shall be given the option of scheduling an additional day(s) anytime during the calendar year; or receiving pay for the holiday in addition to his/her vacation pay.

16.06 Unused Vacation Time

16.06.1 Carry Over Vacation Time - Vacation time is generally expected to be used within the calendar year that entitlement was granted. However, up to ten (10) vacation days may be carried over for use up to March 31 of following year.

16.06.2 Vacation time not used in the calendar year in which it is granted, and not carried over pursuant to 16.06.1 above, will be paid out. Pay in lieu of vacation entitlement shall be paid no later than the second payroll period following December 31st of each year.

16.06.3 Employees who have any unused vacation entitlement at the time of their retirement shall be paid the amount of such entitlement, within thirty (30) calendar days following the effective date of their retirement.

16.06.4 Employees who have any unused vacation entitlement as of December 31st of any year because of a layoff or authorized leave of absence shall be paid the amount of such entitlement in the first payroll period following such December 31st. Such employees will be paid at the regular hourly rate they were earning on the last day worked.

16.06.5 Employees who have any unused vacation entitlement at the time of their termination shall be paid the amount of such entitlement, within thirty (30) calendar days following the effective date of their termination.

16.06.6 An employee will earn his/her full entitlement of vacation on January 1, provided he/she worked 183 or more days in the previous calendar year. If an employee works less than 183 days but more than 126, he/she will be eligible for a prorated amount according to the following schedule:

Days Worked	1 yr Days Available 10	5 yrs Days Available 15	10 yrs Days Available 20
182-165	5	7	10
164-146	2	3	4
145-126	1	1	2

In order to qualify for vacation leave each January 1st, an employee must have worked no less than 126 days (1008 hours) in the previous calendar year.

For purposes of determining the prorated vacation entitlement, days worked include up to 180 Workers' Compensation Days in a rolling twelve-month period, Vacation, Holidays and Floating Holidays.

ARTICLE XVII
HOLIDAYS

17.01 BMW NA shall provide all bargaining unit employees with annual holiday time off with pay in accordance with holidays under the provisions of this Agreement.

17.02.1 Designated Holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Day After Thanksgiving Day – Up to 40 associates required to work
- Day Before Christmas Day – Up to 40 associates required to work
- Christmas Day
- Day Before New Year's Day – Up to 80 associates required to work

The Day after Thanksgiving Day, Day Before Christmas Day, and Day Before New Year's Day are holidays but also a mandatory workday for a certain number of associates due to business conditions. Employees working will receive holiday pay and the premium for working the holiday. Management will cease all operations no later than 9:00PM so employees can enjoy the next day`s holiday. To determine which associates are working the days listed in this paragraph, a volunteer sign-up sheet will be posted for each day listing the number of associates required to work and the day that volunteers must sign up by. At the point the volunteer sign-up sheet is removed, the list of associates are committed to work on that day, points system applies. If the quantity of volunteers satisfies the requirement of that day no further action is needed. If the quantity of volunteers does not satisfy the requirement of that day, then associates will be assigned to work on that day until the required number of associates is reached, this will be done using inverse seniority. Associates with a prescheduled day off on the business day preceding or following the day will not be eligible to be forced to work the day. Notification to associates that are forced to work the day will be no later than 14 calendar days prior to the day being worked. Any hours worked as part of this paragraph do not count toward the mandatory overtime requirement in 21.08.

17.02.2 When a designated holiday specified in Section 17.02.1 falls on Saturday, it shall be celebrated on the last day normally worked prior to such Saturday (i.e. Normally Friday unless such Friday is a designated holiday, then Thursday). When a designated holiday specified in Section 17.02.1 falls on Sunday, it shall be celebrated on the first day normally worked following such Sunday (i.e. normally Monday unless such Monday is a designated holiday, then Tuesday). The day that any designated holiday is to be celebrated may be changed by mutual agreement of the parties.

17.03 Holiday Entitlement

17.03.1 Designated Holidays – BMW NA shall provide all employees time off with pay for the designated holidays shown in Section 17.02.1, providing they meet the eligibility requirements shown in Section 17.05 below.

17.03.2 Floating Holidays - On January 1 of each year, BMW NA shall entitle each bargaining unit employee to seven (7) days of floating holiday time off with pay.

17.03.3 New Employees - Upon completion of his/her probation period, each new bargaining unit employee hired after January 1 of any year shall be entitled to the following amount of floating holiday time off with pay in his/her initial calendar year:

- If hired during January, February or March; five (5) days.
- If hired during April, May or June; three (3) days.
- If hired during July, August or September; one (1) day.
- If hired during October, November or December; zero (0) days.

17.03.4 If BMW NA decides to add Juneteenth as an additional corporate holiday, one (1) additional Floating Holiday will be granted to each Union Member covered under this contract.

17.04 Holiday Pay

17.04.1 Employees will be paid eight hours at their regular hourly rate for each day of holiday entitlement.

17.04.2 An employee that works on a designated holiday shall receive the eight hours holiday pay in addition to two (2) times his/her regular hourly rate for all hours worked.

17.05 Eligibility for Designated Holidays

17.05.1 To be eligible for holiday pay for a designated holiday, the employee must have been a bargaining unit employee for at least thirty (30) days as of the date of such holiday.

17.05.2 To be eligible for holiday pay for a designated holiday, the employee must have worked the last six (6) regular scheduled hours on the last scheduled workday prior to and worked at least seven (7) hours on the next scheduled workday after the holiday. An employee's failure to work on such prior or next following schedule workday shall be excused for this purpose if due to one of the following reasons:

a) A personal injury arising out of and in the course of employment with BMW NA.

b) Scheduled vacation

c) Bona fide illness provided the employee works during the week prior to the holiday and the week after the holiday and the employee provided a doctor's note prior to returning to work.

d) Bona fide illness of an immediate family member (as defined in Article XVII) which results in an emergency or immediate need circumstance, provided a professional document confirming the emergency or immediate need circumstance of the illness is provide prior to the employee returning to work.

17.06 Scheduling of Floating Holidays

17.06.1 A minimum of eleven percent (11%) of the total number of bargaining unit employees (rounded to next highest number - i.e., 9.1 = 10 people) shall be permitted to schedule a floating holiday on any day of preference. Employees must first provide 23 hours' notice.

17.06.2 The numbers specified in Sections 17.06.1 and 17.06.2 are not in addition to the minimum number of employees permitted off for vacation. The calculation of the minimum number of employees permitted off under Sections 17.06.1 and 17.06.2 shall take into consideration and utilize the minimum number of employees scheduled off for vacation.

17.06.3 Floating holidays, so far as possible, shall be granted at times most desired by employees with employees having the greater amount of seniority being given preference as to choice. However, seniority may not be used to deprive an Employee of a previously approved floating day.

17.06.4 BMW NA agrees to exceed the minimum number of employees scheduled for Vacation or Floating Holiday leave if necessary to accommodate employee birthday leave requests, provided the days are scheduled during the Vacation scheduling in January.

17.07 Unused Floating Holiday Time

17.07.1 Employees who are scheduled to retire shall be permitted to schedule and take any unused floating holiday entitlement within the thirty (30) calendar days period preceding the effective date of their retirement and such time-off shall not count as time off when computing the restrictions on the number of employees that are permitted to schedule paid time off at any particular time.

17.07.2 Employees who have any unused floating holiday entitlement as of December 31st of any year because of a layoff shall be paid the amount of such entitlement in the first payroll period following such December 31st. Such employees will be paid at the regular hourly rate they were earning on the last day worked.

17.07.3 Unused Floating Holidays will be paid out no later than the second payroll period of the following year.

ARTICLE XVIII
BEREAVEMENT PAY

18.01 In the event of a death of a member of an employee's immediate family, BMW NA shall grant the employee three days of excused absence with pay, and if requested an additional two (2) unpaid days, for the purpose of attending the funeral and conducting other associated activities. For the purpose of this provision, immediate family is defined as: the employee's spouse, children (both biological and those to whom the employee is a verified legal guardian), parents, verified legal guardians of the employee's, siblings, grandparents and grandchildren, and the employee's spouse's children, parents, siblings, grandparents and grandchildren. All newly hired employees will have thirty (30) days from their date of hire, and current employees will have sixty (60) days from the ratification date for this Agreement to provide BMW NA with verifiable proof of any legal guardian relationship for the purpose establishing a legal guardian relationship under this Article.

18.02 If a funeral for one of the above named relations is outside of a 100-mile radius from the employee's home, the employee may be granted an unpaid excused absence up to two (2) additional days.

18.03 An employee shall be paid eight (8) times his/her regular hourly rate of pay for each day of paid bereavement absence.

18.04 Proof of death, employee's relationship to the deceased, and/or location of the funeral may be required by and provided to BMW NA, in its discretion, for this Article to apply. It shall not be an abuse of the BMW NA's discretion to require such proof in some, but not all, circumstances.

ARTICLE XIX
JURY DUTY

19.01 When an employee is called for jury service, BMW NA shall grant the employee excused absence, with pay, for the period of such service.

19.02 The employee will be paid eight (8) times his/her regular hourly rate of pay for each day of jury service.

19.03 In no case will payment be made for jury duty performed on Saturday or Sunday or for hours in excess of eight hours in a workday. Jury pay will not be given for a BMW NA paid holiday.

19.04 It shall be a condition of the foregoing that an employee report for work whenever excused from jury service during his/her normal work hours.

19.05 To be eligible for such payments, the employee must furnish the RDC Manager with a written statement from the appropriate public official verifying hours and rates of jury services and the fees received for such duty.

ARTICLE XX
WAGES

20.01 Rates of pay for bargaining unit employees are set forth in the Appendix "A" of this Agreement.

20.02 The "regular hourly rate" for the purposes of this Agreement shall mean an employee's straight time hourly rate of pay, including the employee's shift differential, if any, for his/her classification.

20.03 The "regular hourly base rate" for the purposes of this Agreement shall mean an employee's straight time hourly rate of pay, excluding the employee's shift differential, if any, for his/her classification.

20.04 Employees assigned to the Second Shift will be paid a shift differential of three percent (3%) of their regular hourly rate of pay, per hour, for all hours worked. Employees assigned to the Third Shift will be paid a shift differential of five percent (5%) of their regular hourly rate of pay, per hour, for all hours worked.

20.05 Hourly Increments – The hours of the working day shall be divided into periods of fifteen (15) minutes each for the purpose of computing the pay of all employees.

20.06 Pay Day – Employees shall be paid on a bi-weekly basis no later than the lunch period of their assigned shift on each appropriate Friday.

20.07 Overtime Rates

20.07.1 Overtime rates will be paid as follows:

20.07.2 Time and one-half will be paid for:

20.07.2.1 All time worked in excess of eight (8) in any one day.

20.07.2.2 All time worked outside of regular scheduled shift hours.

20.07.2.3 All time worked on Saturday.

20.07.2.4 All time worked in excess of forty (40) hours in one (1) work week for which overtime has not already been earned.

20.07.3 Double time shall be paid as follows:

20.07.3.1 All time worked on Sunday.

20.07.3.2 All time worked on a paid Holiday (in addition to Holiday pay).

20.07.4 When more than one overtime rate is applicable to the same hours of work, only the higher rate of compensation shall be paid.

20.08 Report-in Pay – In the event an employee reports for work on his/her regular scheduled shift without previously having been notified not to report, he/she shall be given at least four (4) hours work at the appropriate rate of pay, or if no work is available, he/she shall be given four (4) hours pay at appropriate hourly rate, except that, if work is unavailable because of causes beyond the control of Management, BMW NA shall not be so obligated.

20.09 Call Back Pay – Any employee who has completed his/her day's work and has left the warehouse and who is later called back to work shall be guaranteed a minimum of four (4) hours work or four (4) hours pay in lieu of such work.

ARTICLE XXI
HOURS – REGULAR & OVERTIME

21.01 For the purpose of payroll computation, each employee's work week shall begin at 12:01 a.m. Saturday.

21.02 Each employee's regular work week shall consist of five (5) consecutive eight and one-half (8&1/2) hour work days, beginning Monday and ending Friday; with each such work day having a one-half (1/2) hour unpaid lunch period.

21.03.1 The regular hours for work shifts shall be:

- Shift 1A: 6:00 a.m. to 2:30 p.m.
- Shift 1B: 11:00 a.m. to 7:30 p.m.
- Shift 1C: 8:00 a.m. to 4:30 p.m.
- Shift 2: 3:30 p.m. to 12:00 Midnight
- Shift 3: 12:00 Midnight to 8:30 a.m.
- Shift 3A: Start time 3:00am – 5:00am

Employees who work shift 3A will be eligible for a 5% shift differential.

21.03.2 Work shift hours may be changed by mutual agreement between BMW NA and the Union's Chief Steward.

21.04 Employees shall be provided a fifteen (15) minute paid break period in the first four (4) hours of their assigned shift hours and a second fifteen (15) minute paid break period in the second four (4) hours of their assigned shift hours. For each two hours of overtime, employees shall be provided an additional ten (10) minute paid break period. Break periods during regular scheduled shift hours shall be scheduled at times that will permit equal work periods (or as equal as practicable), before and after lunch. Break periods for overtime work shall be scheduled at times that will avoid more than approximately two hours of work without a break.

21.05 Employees working a weekend and/or paid Holiday overtime shift shall be provided a one-half (1/2) hour unpaid lunch period if working more than 6 hours.

21.06 Wash-up time: Employees shall be allowed five (5) minutes of paid wash-up time before lunch time and before quitting time.

21.07 Overtime work will be on a voluntary basis, except where specified below. Voluntary overtime offered on Holidays may be limited to the number of production hours required. Volunteers will be selected based on seniority. Employees who volunteer but fail to show for Holiday overtime will forfeit Holiday pay.

21.08 Forced Overtime

21.08.1 BMW NA shall be permitted to schedule all employees a limited amount of forced overtime each week, providing that the following conditions are met:

a) BMW NA is unable to satisfy the number of production hours required on a voluntary basis.

b) No more than ten (10) hours of forced overtime work shall be permitted in any workweek and will be called in hourly increments;

c) No more than two (2) hours of forced overtime work shall be permitted in any Monday through Friday workday;

d) No Saturday is to be part of the forced overtime requirement unless it can be scheduled for a minimum of six (6) hours of which at least four (4) hours must be mandatory without exceeding the maximum amount of forced overtime permitted in any week; forced overtime cannot be scheduled for consecutive Saturdays per shift;

e) Notice must be provided to employees and the Union no later than 6:30am at least one (1) day prior to any forced overtime that is scheduled for any Monday through Friday workday; excepting that in limited

emergencies, as defined in Section 21.08.2 below, notice will be provided in accordance with such Section 21.08.2;

f) Notice must be provided to employees and the Union by 10:00am on the prior Wednesday for any forced overtime that is scheduled for a Saturday; excepting that in limited emergencies, as defined in Section 21.08.2 below, notice will be provided in accordance with Section 21.08.2;

g) No forced overtime work shall be permitted for any Sunday or scheduled Holiday

h) Where forced overtime is scheduled for any Monday through Friday workday, it shall be after the normal Shift 1 A and Shift 3 hours ; and before the normal Shift 1 B and shift 2 hours.; Changes may be made to the forced overtime hours with mutual agreement between BMW NA and Union.

i) On any Saturday where forced overtime is required, each employee having a scheduled vacation day or floating holiday on the preceding Friday or subsequent Monday shall be excused from the forced overtime requirement for such Saturday.

21.08.2 Emergency Notice Exceptions – In the case of an emergency (such as power loss or system failures, that affect the receipt or processing of orders for a period of greater than 2 hours), forced overtime may be called for the weekday and/or Saturday following such emergency, at any time prior to the end of shift on the previous day.

21.08.3 Inventory Schedules – BMW NA shall be permitted to schedule all employees to work up to eight (8) hours on one Saturday per/year for the purpose of performing wall to wall inventory counting. Such work will not be counted against the number of forced overtime hours permitted above; providing (1) employees and the Union are provided written notice at least two (2) weeks in advance and (2) each employee having a scheduled vacation or floating holiday on the preceding Friday or subsequent Monday shall be excused from the Saturday overtime requirement. Subsequent to completion of counting, BMW NA may use the remaining scheduled Saturday overtime hours for order processing on a voluntary basis. Production rates for that day will not be included in the employee's monthly average total. If Sunday is necessary, it will be voluntary.

21.08.4 Overtime Equalization Procedure – In situations where a limited number of employees are being offered overtime work the overtime shall be offered to the employee/s with the least number of recorded "overtime opportunity hours." Where more than one employee has the same number of recorded "overtime opportunity hours." the overtime work shall be offered to the employee/s with the greater amount of seniority. Employees shall be charged a number of "overtime opportunity hours" equal to the number of overtime hours that they work and/or refuse. New employees shall be recorded as having an amount of "overtime opportunity hours" equal to the employee with the highest number of "overtime opportunity hours."

ARTICLE XXII
INDUSTRIAL INJURIES

22.01.1 Employees sustaining an injury in the course of employment which requires medical attention off the premises will be permitted to leave the warehouse without loss of pay in order to secure medical attention.

22.01.2 In the event the employee is advised by the attending physician not to return to work, he/she shall be paid his/her regular hourly rate of pay for the remainder of his/her regular eight hour shift.

22.01.3 An employee who has returned to his/her regular duties after sustaining a compensable injury who is required to receive additional medical treatment should schedule Workers' Compensation doctor and physical therapy appointments outside of scheduled working hours. In instances where an appointment is unavailable during off work hours, an employee shall receive his/her regular hourly rate of pay during such time. When BMW NA assists with scheduling appointments for after work hours, scheduled times will take into account employee travel time and will not exceed two hours before or after the employee's shift.

22.01.4 BMW NA compensated time-off, as provided for under any provision of this Agreement (i.e. vacation pay, holiday pay, etc.), shall be considered as hours worked for the purpose of calculating an employee's weekly compensation.

22.01.5 If an employee is injured and has any work capacity as defined by the treating physician, they will be offered light duty and will be paid normal wages for that period. This assignment will be within the doctors specified physical restrictions and will be offered to all..

22.02 Waiting Period Benefit

22.02.1 As an incentive to return to work and not try to prolong recuperation time, the following benefit shall be provided to employees as of the Effective Date of this Agreement.

22.02.2 If an employee is eligible to return to work prior to reaching the end of the waiting period for Workers' Compensation benefits, the employee will be paid 2/3rd's of their base wages for the portion of the waiting period they were not able to work. These wages would not be charged against an employee's sick or vacation time.

22.02.3 If the employee's injury results in the need to be out of work for the entire waiting period, the Workers Compensation carrier will pay the employee and BMW NA will be credited for any monies advanced.

22.02.4 If the employee is not absent for the entire waiting period, he/she will be given the option of receiving the difference between the 2/3rd's pay and their regular pay from any of their unused sick pay, vacation pay or floating holiday pay.

ARTICLE XXIII
MEDICAL CARE BENEFITS

BMW NA will provide subsidized medical care benefits with employee contributions for coverage as follows from July 1, 2024 through June 30, 2025:

Coverage	Bi-weekly EE Payroll Deduction
Single	$27.56
EE + Child	$94.66
EE + Spouse	$109.08
Family	$178.28

After June 30, 2025, BMW NA contribution towards the medical premiums will be capped at up to 4% in each of the years 2, 3, 4 and 5 of this agreement.

If at any time throughout this agreement, the increase of medical premiums exceeds 4% in a given year, BMW NA and the Union will review the UAW Horizon Medical Plan and discuss plan design changes, other alternatives or moving to another plan if it is substantially similar or better in coverage.

ARTICLE XXIV
DENTAL CARE BENEFITS

Dental care benefits shall be provided to the employee and his or her eligible dependents in accordance with the same terms and conditions of eligibility and participation as they are provided to other eligible BMW NA employees who are not represented by a collective bargaining agent. In the event BMW NA implements any changes or modifications to said benefits, those changes and/or modifications shall be implemented at the same time and to the same extent for employees in this bargaining unit. Any such unilateral changes and/or modifications will not be subject to negotiations by BMW NA.

ARTICLE XXV
LIFE AND DISABILITY INSURANCE

Life and disability insurance benefits shall be provided to the employee and his or her eligible dependents in accordance with the same terms and conditions of eligibility and participation as they are provided to other eligible BMW NA employees who are not represented by a collective bargaining agent. In the event BMW NA implements any changes or modifications to said benefits, those changes and/or modifications shall be implemented at the same time and to the same extent for employees in this bargaining unit. Any such unilateral changes and/or modifications will not be subject to negotiations by BMW NA.

ARTICLE XXVI
SAVINGS PLAN

Employee and his or her eligible dependents shall be eligible to participate in BMW NA's Savings Plan (401k) in accordance with the same terms and conditions of eligibility and participation as they are provided to other eligible BMW NA employees who are not represented by a collective bargaining agent. In the event BMW NA implements any changes or modifications to said benefits, those changes and/or modifications shall be implemented at the same time and to the same extent for employees in this bargaining unit. Any such unilateral changes and/or modifications will not be subject to negotiations by BMW NA.

ARTICLE XXVII
BONUS GRID

The unilateral implementation, modification and payment of a bonus to BMW NA employees, including bargaining unit members at the Nazareth RDC, is discretionary and non-negotiable. **The bonus grid is attached as Appendix (B).**

ARTICLE XXVIII
MISCELLANEOUS BENEFITS

28.01.1 Severance Pay – In the event BMW NA's Nazareth RDC is sold, closed, or relocated, BMW NA shall pay a severance payment of two weeks' pay (80 hours x regular hourly base rate) for each full year or partial year of seniority up to a maximum of 52 weeks pay to any active employee with two or more years of seniority at the time who is terminated as a result of the shutdown or outsourcing/subcontracting. To be eligible to receive payment, an employee must work until released by BMW NA. Employees who are terminated for cause or who abandon, quit or resign from their jobs are ineligible for severance pay.

28.01.2 The employee will have the option to be paid out in a lump sum or salary continuation. If salary continuation is elected, the employee will be eligible for medical, dental and vision benefits for the duration of the salary continuation. All other benefits, including disability benefits, pension credits, 401(k) and BMW NA vehicle program will be discontinued immediately.

28.01.3 This agreed upon severance provision satisfies any obligation of the BMW NA to bargain the decision, or the effects of the decision, to sell, close relocate or outsource/subcontract its Nazareth operations, or any part thereof.

28.02 Employee Eyeglasses – BMW NA agrees that in the event an employee's eyeglasses should be damaged or broken while performing his/her usual duties that BMW NA will reimburse the employee for the repair or comparable replacement of the eyeglasses as appropriate. This eyeglass practice will not apply in the event the eyeglasses are damaged as a result of carelessness, horseplay or other unauthorized behavior.

28.03 BMW NA shall continue to provide bargaining unit employees with free hot beverages (coffee, tea & hot chocolate) and subsidized vending machines on the same basis as in effect on the Effective Date of this Agreement.

28.04 Tuition Reimbursement – As of the Effective Date of this Agreement, bargaining unit employees shall be eligible for reimbursement of tuition for college courses in accordance with the same terms and conditions of eligibility and participation as they are provided to other eligible BMW NA employees who are not represented by a collective bargaining agent. In the event BMW NA implements any changes or modifications to said benefits, those changes and/or modifications shall be implemented at the same time and to the same extent for employees in this bargaining unit. Any such unilateral changes and/or modifications will not be subject to negotiation by BMW NA.

28.05 After ratification of this contract the company will have this agreement printed in covered booklet form, distribute copies to each existing member and each newly hired member of the bargaining unit. Additionally, the company will provide 10 spiral booklets of the CBA to be printed by a union printer and provided to the Chief Steward.

28.06 Out Of Unit Service Time - An employee transferred into the bargaining unit from a non-bargaining unit position will retain his/her service date for the purpose of determining benefits eligibility (i.e. vacation and sick leave eligibility, etc.) and pay rate (provided the pay rate may not be more than the highest rate under this Agreement) and his/her service date will be used to compute such benefits. In such cases the seniority date will be the effective date of the transfer as provided in Section 11.06 of this Agreement.

28.07 Fringe Benefits - The fringe benefits, including but not limited to FMLA leave, that are to be provided to bargaining unit employees by way of BMW NA benefit plans or programs, referred to in other provisions in this Agreement, shall continue to be provided in accordance with the same terms and conditions of eligibility and participation as they are provided to other eligible BMW NA employees who are not represented by a collective bargaining agent. In the event BMW NA implements any changes or modifications to said benefits, those changes and/or modifications shall be implemented at the same time and to the same extent for employees in this bargaining unit. Any such unilateral changes and/or modifications will not be subject to negotiation by BMW NA.

ARTICLE XIX
DRUG AND/OR ALCOHOL TESTING

29.01 Employees are not permitted to manufacture, distribute, disperse, possess or use a controlled substance in the BMW NA's workplace or while conducting BMW NA business off-premises. Employees violating any of these prohibitions will be subject to discipline, up to and including discharge.

29.02 BMW NA shall establish a drug-free awareness program to inform employees about the BMW NA's Drug and Alcohol policy, the drug abuse problem, and about available employee assistance, counseling or rehabilitation, as well as applicable penalties for violations involving illegal drugs and/or alcohol abuse. Employees who have drug and/or alcohol related problems shall be encouraged to seek help voluntarily from the BMW NA and the Union, and the emphasis shall be on the early recognition and cost effective treatment of employees whose job performance is adversely affected by such a problem. BMW NA shall offer, at no cost to the employee, to provide an Employee Assistance Plan (EAP).

29.03 Employees will be held to the terms of conditions of the BMW NA's Substance Abuse Policy with the following exceptions; an employee who tests positive for alcohol between the ranges of .02 and .0399 for up to two occurrences in a rolling 12 month period will be referred to the EAP on a mandatory basis. A third occurrence in the .02-.0399 range shall result in termination. Employees testing positive between the ranges of .04 and .0799 will be referred to the EAP on a mandatory basis. A second occurrence within the .04-.0799 range shall result in termination. The third occurrence of any combination of the above stated ranges shall result in termination. Employees found above the legal limit of alcohol or with detectable levels of drugs may be terminated on the first offense. BMW NA and Union agree that changes to the policy will be bargained prior to implementation. Union representation will be included in Supervisor training of Substance Abuse procedure enforcement.

ARTICLE XXX
BARGAINING UNIT WORK/AGENCY WORKERS

30.01 Job Classification - Each employee included in the bargaining unit shall be classified as a "Warehouse Person" unless otherwise agreed to by the parties.

30.02 Job Classification Duties - The duties of the Warehouse Person classification shall be those duties that had been historically performed by employees in Warehouse Person jobs prior ratification of this Agreement.

30.03 Additional duties which are not normally considered to be bargaining unit work may be included in bargaining unit jobs by mutual agreement of the parties.

30.04 Employees outside the bargaining unit may perform any work which is normally performed by or normally considered to be bargaining unit work if BMW NA personnel are not available. Agency workers will not work in the Nazareth RDC when bargaining unit workers are not scheduled to work or have not been offered work in the Nazareth RDC. Agency workers and any other BMW RDC associate will not work overtime on work which is normally performed by or normally considered to be bargaining unit work, unless the opportunity for overtime has been offered to all bargaining unit employees working during that shift. Management and clerks may assist a bargaining unit employee during the development of new production processes or for the purpose of instruction to train bargaining unit employees and as required to maintain the business operations.

30.05 Non-standard Conditions - Any productive time lost while on the job and in the warehouse due to nonstandard conditions, such as, but not limited to, faulty materials, machine breakdowns or other related interruptions, will not be included in computing the production requirements for that day.

30.06.1 Agency workers may be utilized to perform bargaining unit work provided the utilization of such agency workers does not violate any other provision(s) of this Agreement and does not result in the reduction or elimination of any of the current 114 bargaining unit positions.

30.06.2 Agency workers may be used in the Picking Department only when all bargaining unit employees have been assigned to the Picking Department in order of inverse seniority on each shift.

30.07 Agency Workers assigned to the facility after the ratification of this agreement will have a defined duration up to 6 months. Agency Workers are not guaranteed a job but may apply for any open bargaining unit position.

ARTICLE XXXI
GENERAL PROVISIONS

31.01 During the term of this Agreement, the provisions hereof may be amended only by written mutual agreement of the parties. Should either party wish to amend the Agreement, the proposed amendment shall be submitted in writing by the party wishing to amend to the other party for consideration. When amendments or revisions are so made, they shall be reduced to writing and be executed in the same manner as this Agreement.

31.02 Saving Clause - Should any part hereof or any provision herein contained be rendered or declared invalid by reason of an existing or subsequently enacted legislation, or by any decree of a government agency or court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portion hereof, and such remaining portion shall remain in full force and effect. Those portions of this Agreement which are invalidated as aforesaid shall be subject to immediate negotiations

31.03 Whenever the context so requires, the use in this Agreement of the masculine gender includes the feminine and neuter and the use of the singular number includes the plural.

31.04 This Agreement shall be binding upon BMW NA's Successors, Assigns, or Transferees whether such succession, assignment or transfer is effected voluntarily or by operations of law and in the event of BMW NA's merger or consolidation with another company or companies, this Agreement shall be binding upon the merged or consolidated company.

31.05 Each bargaining unit member's personnel file and/or working file shall be available for inspection by that employee upon reasonable notice at the BMW NA Nazareth RDC.

31.06 BMW NA agrees to send to the International Union, UAW, as requested a computerized listing of the names and addresses of all employees in the bargaining unit.

31.07 BMW NA shall furnish lockable bulletin boards for the exclusive use of the Union for the posting of officially signed notices of the Union's recreational and social affairs, elections and results thereof, appointments, meetings and status of policy grievances. The Union will provide BMW NA with a copy of all posted notices.

31.08 UAW V-CAP CHECKOFF

31.08.1 During the life of this Agreement, BMW NA agrees to deduct from the pay of each employee voluntary contributions to UAW V-CAP, provided that each such employee executes or has executed the following "Authorization for Assignment and Checkoff of Contributions to UAW V-CAP" form; provided further however, that BMW NA will continue to deduct the voluntary contributions to UAW V-CAP from the pay of each employee for whom it has on file an unrevoked "Authorization for Assignment and Checkoff of Contributions to UAW V-CAP" form.

31.08.2 Deductions shall be made only in accordance with the provisions of and in the amounts designated in said "Authorization for Assignment and Checkoff of Voluntary Contributions to UAW VCAP" form, together with the provisions of this Section of the Agreement.

31.08.3 A properly executed copy of the "Authorization for Assignment and Checkoff of Contributions to UAW

V-CAP" form for each employee for whom voluntary contributions to UAW V-CAP are to be deducted hereunder, shall be delivered to BMW NA before any such deductions are made, except as to employees whose authorizations have heretofore been delivered. Deductions shall be made thereafter, only under the applicable "Authorization for Assignment and Checkoff of Contributions to UAW V-CAP" forms which have been properly executed and are in effect.

31.08.4 Deductions shall be made, pursuant to the forms received by BMW NA, from the employees in the month following receipt of checkoff authorization card and shall continue until checkoff authorization is revoked in writing.

31.08.5 BMW NA agrees to remit said deductions promptly to UAW V-CAP, care of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW). BMW NA further agrees to furnish UAW V-CAP with the names and addresses of those employees for whom deductions have been made, and the amounts deducted for each employee. This information shall be furnished along with each remittance.

31.08.6 The Union shall indemnify BMW NA and hold it harmless against any and all suits, claims, demands and/or liability arising out of or by reason of any action that shall be taken by BMW NA for the purpose of complying with the foregoing provisions of the UAW V-CAP Checkoff provisions or in reliance on any authorization(s) furnished to BMW NA under any such provision.

31.09 Strikes and Lockouts

31.09.1 The Union agrees that, during the term of this Agreement, bargaining unit employees shall not be permitted to strike or slow-down in support of any disputes which are subject to the binding grievance and arbitration procedure included in this Agreement, excepting that bargaining unit employees shall be permitted to strike in support of disputes concerning health and/or safety.

31.09.2 It shall not be a violation of this Agreement for employees covered by this Agreement to refuse to cross a picket line established by any authorized union duly designated as bargaining agent representing employees in BMW NA's facilities, if such employees are engaged in a strike which is properly sanctioned by the UAW International Union. Also, no UAW member will be disciplined for refusing to cross a picket line sanctioned by the UAW International Union.

31.09.3 BMW NA agrees there shall be no lockout during the term of this Agreement.

31.10 Cost Containment: BMW NA and Union agree and recognize that cost containment measures and the efficient operation of the Nazareth RDC are to the mutual benefit of the parties. Accordingly, BMW NA agrees to review and consider any cost saving suggestions submitted by the Union's Chief Steward. The RDC Manager (or his/her designee) and the Union's Chief Steward (or his/her designee) will meet quarterly, immediately after the Safety Committee meeting, for a reasonable amount of time, to review any cost saving suggestions. If the RDC Operations Manager (or his/her designee) does not provide the Union's Chief Steward with a satisfactory response to the suggestion(s) at or before the following quarterly meeting, the Chief Shop Steward shall have the ability to submit the suggestion(s) to the General Manager (or his designee).

31.11 When a bargaining unit opening occurs BMW NA will take reasonable efforts to fill such opening within 90 days. BMW NA will continue the current practice of informing the Union of the status of new hires during the hiring process.

31.12 Starting with the productivity and quality numbers reached for 2011, the Union may designate a representative to observe an annual audit or to review annual audit results along with all supporting data (i.e., productive hours worked, hours excluded, and lines processed) for the Nazareth RDC and any other competing BMW NA outsourced facility/facilities with the highest productivity and/or quality numbers for each year. The employee's observation/review shall be limited to two consecutive workdays. The employee will be compensated only for a maximum of two eight-hour workdays of the audit. Any transportation expenses will be the responsibility of the Union.

ARTICLE XXXII

Continuous Improvement Committee (CIP)

32.01 For purpose of evaluating process improvement needs and objectives to work toward optimal results there shall be a Continuous Improvement Committee composed of the RDC Operations Manager (or their designee), the Union's Chief Steward (or their designee) and representatives appointed by BMW NA and representatives appointed by the Union. Unless otherwise agreed to by BMW NA and the Union, there shall be up to four (4) representatives of BMW NA and four (4) representatives of the Union on the Continuous Improvement Committee. Participants will be elected by the Union from a sign-up list prominently displayed on the Union bulletin board each time there is an open committee member position.

32.02 The Continuous Improvement Committee will meet at least once a month, during working hours for the purpose of reviewing upcoming, active, and recently completed process optimization opportunities. Process observations, review of process related data and documented requirements, goals and / or objectives may be needed. The committee will review and address training guidelines and related processes. Meeting minutes will be taken and published. Members of the Continuous Improvement Committee shall suffer no loss of pay for time spent in Continuous Improvement Committee functions. Continuous Improvement Committee members may be required to change their shift on the days when the committee meets.

32.03 The Continuous Improvement Committee shall not be permitted to negotiate the revision of wages, hours or other terms and conditions of employment.

32.04 The Continuous Improvement Committee will not take the place of associates participating on specific improvement topics within their area of work.

ARTICLE XXXIII
Duration

33.01 This Agreement shall become effective as of July 1, 2024, and shall remain in effect up to and including June 30, 2029, and shall automatically renew itself from year to year thereafter unless written notice to terminate or amend this Agreement is given by either party to the other at least sixty (60) days prior to June 30, 2029, or prior to the date of expiration of any annual renewal hereof.

BMW of North America, LLC

Vaishali Ahuja
Vice President, HR Americas Region

April Vigilante
Department Manager, HR Management, Marketing, Recruiting

Bryan Burke
Department Manager, Parts Logistics

Tim Zarate
Facility Manger, Nazareth Regional Distribution Center

International Union,
United Automobile, Aerospace and Agricultural Implement Workers of America, Local Union No. 2326

E-SIGNED by Kevin Fronheiser on 2024-07-24 22:26:46 GMT
Kevin Fronheiser
UAW Servicing Representative

E-SIGNED by Zachary Haas on 2024-07-25 11:56:53 GMT
Zachary Haas
Shop Steward

Reyna Lopez
Bargaining Committee Member

Steve Bilotti
Bargaining Committee Member

Robert Gusztaw
Bargaining Committee Member

Rogenis Solares
Bargaining Committee Member

WORK RULES

INFRACTIONS WHICH MAY RESULT IN DISCHARGE:

1. Dishonesty.
2. Falsification of records or reports.
3. Unauthorized destruction of records or reports.
4. Destruction or abuse of BMW NA property either intentionally or through gross negligence.
5. Fighting or other forms of physical violence on BMW NA premises; violation of the BMW NA's workplace violence policy
6. Theft or misappropriations of BMW NA property.
7. Being on the job under the influence of intoxicants or drugs, or use or possession of same while on the job.
8. Habitual absenteeism or tardiness. Tardiness will be enforced on a calendar 12 month basis.
9. Continued inefficiency.
10. Insubordination – refusal of a reasonable order
11. Persistent infraction of health or safety rules.
12. Persistent infraction of Work Rules.
13. Unauthorized punching, signing or recording of the time on the time card of another employee. Both employees may be subject to discharge.
14. Sleeping while on duty or sleeping in a hazardous area in the BMW NA's facilities at any time.
15. Reporting to work under the influence of drugs or alcohol as evidenced by testing under the BMW NA's reasonable suspicion policy
16. Violation of the BMW NA's harassment free workplace policy
17. Possession of firearms on BMW NA property.

INFRACTIONS WHICH MAY RESULT IN DISCIPLINARY ACTION:

1. Failure to call in and report an absence prior to the employee's regular starting time, except in those situations where the employee is physically incapable of doing so, in which case the employee will call in at the earliest opportunity.
2. Excessive tardiness or leaving work before quitting time without permission.
3. Engaging in horseplay on BMW NA property.
4. Loafing or loitering during work hours.

5. Carelessness or inefficient performance of duties, including failure to maintain acceptable standards of workmanship or productivity. Productivity and Quality standards will be enforced on a rolling calendar year basis.

6. Solicitation in BMW NA work areas.

7. Eating, drinking (other than water) or smoking any other items or devices in warehouse (including locker and restrooms).

8. Use of cell phones, tablets, and or cellular watches; all with the capability of transmitting phone calls, accessing the internet and or texting in the work place.

APPENDIX "A"

Wages

Effective Date	Top Rate (2+ years)	New Hire Progression (0-2 years)
July 1, 2024	$24.03	$21.63
July 1, 2025	$25.00	$22.50
July 1, 2026	$26.00	$23.40
July 1, 2027	$27.00	$24.30
July 1, 2028	$28.00	$25.20
June 16, 2029	$28.92	$26.03

Current associates hired before December 31, 2008 (Steve Bilotti and Asa Steele) will be paid a wage rate of $28.92 for the duration of this agreement. These two associates (Steve Bilotti and Asa Steele) will receive a lump sum in lieu of a base pay increase in the amount of $7,500.00 in the paycheck for the first payroll period of July in each year of this agreement beginning first payroll cycle following ratification of this contract.

Base Pay increase effective on the first full pay period following ratification of this agreement. Retroactive to July 1, 2024 if contract is ratified on or before July 25, 2024.

APPENDIX "B"

Bonus Grid

Updated and effective October 1, 2021

Quality	EPM							
99.9700	**300**	2.15	2.40	2.65	2.90	3.15	3.40	3.65	3.90
		0.65	0.72	0.80	0.87	0.95	1.02	1.10	1.17
99.9650	**350**	1.95	2.20	2.45	2.70	2.95	3.20	3.45	3.70
		0.59	0.66	0.74	0.81	0.89	0.96	1.04	1.11
99.9600	**400**	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50
		0.53	0.60	0.68	0.75	0.83	0.90	0.98	1.05
99.9550	**450**	1.55	1.80	2.05	2.30	2.55	2.80	3.05	3.30
		0.47	0.54	0.62	0.69	0.77	0.84	0.92	0.99
99.9475	**525**	1.35	1.60	1.85	2.10	2.35	2.60	2.85	3.10
		0.41	0.48	0.56	0.63	0.71	0.78	0.86	0.93
99.9400	**600**	1.15	1.40	1.65	1.90	2.15	2.40	2.65	2.90
		0.35	0.42	0.50	0.57	0.65	0.72	0.80	0.87
99.9300	**700**	0.95	1.23	1.45	1.70	1.95	2.20	2.45	2.70
		0.29	0.37	0.44	0.51	0.59	0.66	0.74	0.81
99.9200	**800**	0.75	1.00	1.25	1.50	1.75	2.00	2.25	2.50
		0.00	0.30	0.38	0.45	0.53	0.60	0.68	0.75
		26.00	**27.00**	**28.00**	**29.00**	**30.00**	**31.00**	**32.00**	**32.50**

Productivity (LPH)

Bonus Program Details

Bonuses will be calculated and paid out monthly, based on RDC Error per Million (EPM) **and** Lines per Hour (LPH)

To quality for any bonus payout, a minimum of 800 EPM **and** 26.00 LPH must be achieved by the RDC

Each box includes a shaded and white square
- Shaded = employee payout without a warning for attendance during the bonus period
- White = employee payout with a warning for attendance during the bonus period

Employee's payout will be calculated by the number of hours physically worked during the bonus period and the grid square achieved. (Vacation, Holiday, and POI hours are not part of the calculation)

Numbers will not be rounded to the nearest number

Logistics Center Award Premium for Silver or Gold Award in previous year – premium is applied to following year
- Gold Award = 10% plus grid score
- Silver Award = 5% plus grid score

New hires are not eligible during the month they are hired