

**COLLECTIVE BARGAINING AGREEMENT**

**between**

**PARKER HANNIFIN CORPORATION  
ACCUMULATOR AND COOLER DIVISION- SANTA FE SPRINGS FACILITY**

**and**

**INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AGRICULTURE  
IMPLEMENT WORKERS OF AMERICA, AND LOCAL 509, UAW**

**AGREEMENT DATES:**

**November 5, 2018 to November 6, 2022**

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## **AGREEMENT**

THIS AGREEMENT made and entered into this 5th day of November 2018, by and between PARKER HANNIFIN CORPORATION, hereinafter called the "Employer," for and on behalf of the plant located at 14087 Borate Street, Santa Fe Springs, California 90670, collectively called the "plant," and the INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE, AGRICULTURAL IMPLEMENT WORKERS OF AMERICA AND LOCAL 509, UAW, hereinafter called the "Union."

### **ARTICLE I BASIC PRINCIPALS**

SECTION 1. It is the desire of the parties hereto to provide, establish and put into practice, effective methods for the settlement of the misunderstandings, disputes or grievances between the parties hereto to the end that the Employer is assured continuity of operation and the members of the Union are assured continuity of employment, and industrial peace is maintained. The Employer and the Union have in common an interest in achieving the foregoing and, therefore, a working system and harmonious relations are deemed mutually desirable to further improve the relationship between the Union, the Employer and the its employees. All will benefit by continuous peace and by adjusting any differences as hereinafter in this Agreement set forth.

SECTION 2. The Union recognizes the responsibility imposed upon it as exclusive collective bargaining agent, and realizes that in order to provide maximum opportunities for continuing employment, good working conditions, and fair wages, the Employer must be in a strong market position. The Union, therefore, agrees that it will cooperate with the Employer and lend its support to assure a full day's honest effort and the part of all its members in return for a fair day's pay as provided for in this Agreement; that it will promote economy of operation, quality and reasonable quantity of output; that it will not condone or encourage practices which tend to restrict production. The Union further agrees that it will support the Employer in its efforts to eliminate waste, improve quality of workmanship, prevent accidents, and strengthen good will between the Employer, Employee and the Customer.

SECTION 3. *Non-discrimination.* The Employer, the Union, and the Employees, both individually and collectively, agree that there will be no discrimination on the basis of race, creed, color, sex, national origin, age, religious affiliation, handicap or veteran status as provided by applicable federal and state laws. The masculine gender, where used in this Agreement, shall also include the feminine.

### **ARTICLE II RECOGNITION**

SECTION 1. The Employer recognizes the Union as the sole collective bargaining agency for the purpose of negotiating wages and other conditions of employment for the following described employees of the Employer employed at the plant located at 14087 Borate Street, Santa Fe Springs, California 90670 (sometimes referred to as the "plant").

**INCLUDED:** All the Employer's production and maintenance employees at the plant.

**EXCLUDED:** Office and clerical employees, engineers, production control personnel, including Laboratory technicians, experimental and development employees, guards, draftsperson, salesperson, administrative employees, and all supervisors as defined in the National Labor Relations Act, as amended.

### **ARTICLE III UNION SHOP**

SECTION 1. Each employee, present and future, as a term and condition of employment, shall be required to be a member in good standing of the Union on the thirty-first (31<sup>st</sup>) day following the beginning of employment and thereafter to continue to be in good standing of the Union in accordance with law as a term and condition of employment.

### **ARTICLE IV DUES COLLECTION**

SECTION 1. Upon receipt of a proper written authorization from an employee in the form set forth below the Company agrees to deduct from the wages of such employee, and forward promptly to the Financial Secretary-Treasurer of Local 509, dues and initiation fee as designated in the Local Union Constitution. All such deductions shall be made on a monthly basis, provided such properly executed authorization is submitted to the Company at least ten (10) days prior to the subject pay day.

SECTION 2. The Union agrees to indemnify the Employer and hold it harmless against any and all suits, claims, demands and liabilities for damages or penalties that shall arise out of or by reason of any action that shall be taken by the Employer for the purpose of complying with the foregoing provisions of this Article.

SECTION 3. The Company agrees that during the life of this Agreement to deduct from the pay of each employee voluntary contributions to UAW V-CAP providing each employee who executes, or has executed, in writing to the Company an authorization for such (V-CAP check-off) on forms provided by the Union.

Deductions shall be made pursuant to the forms received by the Company from the employees 2<sup>nd</sup> paycheck in the first month following receipt of the check-off authorization card and shall continue until revoked.

The Company further agrees to furnish the Local Union with the name, address, Social Security number, and date of last authorization of those employees for whom deductions have been made. The Company further agrees to furnish the Local Union with a monthly and year-to-date report of each such employee's deductions.

The Company agrees to remit said deductions promptly to UAW V-CAP with UAW

Region 5 on memo line to an address in Detroit given to the Company by the International Union.

## **ARTICLE V MANAGEMENT RIGHTS**

SECTION 1. The authority and right of the Employer to manage the plant and direct the working force, including, but by no means whatsoever limited to, the authority to hire, direct, increase the work force, determine the products to be manufactured, establish schedules of production, contract or subcontract its operations, determine to change the methods, processes, means and places of manufacture, adjust, assign transfer and decrease the working force, to remove employees, and maintain discipline, shall be vested in the Employer except as hereinafter expressly limited by the provisions of the Agreement.

SECTION 2. It is not the intention of the Union to deprive the Employer of any management prerogatives which shall be retained by the Employer except as specifically modified by express provisions of this Agreement.

## **ARTICLE VI HOURS OF WORK AND SHIFT DIFFERENTIAL**

SECTION 1. The normal work schedule will consist of forty (40) hours per week, and eight (8) hours per day, but this shall not be construed as any guarantee of hours of work, or any limitation upon assignment of hours of work. For the purpose only of computing overtime pay, the standard seven (7) day work week shall begin at 6:00 a.m. Monday, each standard workday of twenty-four (24) hours, including Sundays, shall begin at 6:00 a.m.

SECTION 2. For all employees, eight (8) hours shall constitute the normal day's work to be performed within eight and one-half (8 1/2) consecutive hours.

SECTION 3. The Employer shall establish and maintain regular shifts with regular starting and quitting times. The normal day shift shall start at 6:00 a.m. and end at 2:30 p.m. The normal second shift shall start at 2:00 p.m. and end at 10:30 p.m. The normal third shift shall start at 10:00 p.m. and end at 6:30 a.m. Schedules may be altered by the Employer to accommodate varying operation and/or business conditions. The Employer will make every effort to notify the affected employee(s), and the Committee Chairperson, at least seventy-two (72) hours in advance, when possible, if a change in work schedules is mandated by changing business or operating conditions. In addition to the above, whole department(s) changes will be posted on the bulletin board.

SECTION 4. Employees assigned to the second shift shall receive a shift premium of fifty cents (\$0.50) per hour in addition to the regular hourly rate for all hours worked.

SECTION 5. Employees assigned to the third shift shall receive a shift premium

of fifty cents (\$0.50) per hour in addition to the regular hourly rate for all hours worked.

SECTION 6. Any other regular shift schedule shall be classified as first, second or third shift, according to the majority of hours falling within the above periods. For example, shift schedules of 8:00 a.m. to 4:30 p.m., 5:00 a.m., to 1:30 p.m., or 6:00 a.m. to 2:30 p.m. are first shifts.

SECTION 7. Shift differential and group leader pay will be included in determining the rate of pay for overtime computation.

SECTION 8. Shift differentials will not be used in determining the rate of pay of vacation pay, pay for unworked holidays, sick pay or pay for the unworked portion of call time guarantee.

## **ARTICLE VII REPORT TIME**

SECTION 1. (a) Employees reporting to work at the scheduled starting time of their shift without previous notification not to report shall be provided with four (4) hours of work or four (4) hours of pay at their regular hourly rate, except in cases of acts of God or conditions beyond the control of management.

(b) If a reporting employee is offered work, as set forth above, but such work is not in their regular classification, they may refuse such work, in which case they are not entitled to any pay which would otherwise be due under this Section.

## **ARTICLE VIII OVERTIME**

SECTION 1. Overtime at the rate of one and one-half (1 ½ times the affected employee's regular hourly rate of pay shall be paid as follows: for all hours worked in excess of eight (8) hours in one workday (except as provided in Section 2 below) or for all hours worked on Saturday, irrespective of hours worked during their workweek.

SECTION 2. Overtime at the rate of two (2) times the employee's regular hourly rate of pay shall be paid for all work in excess of twelve (12) hours in any one workday, for all hours worked on a paid holiday as proved in Article XIII of the Agreement or for all hours worked on Sunday, irrespective of hours worked during their workweek.

SECTION 3. There shall be no pyramiding of overtime premium pay; that is, employees shall not receive premium pay under any more than one of the above provisions for the same hours worked.

SECTION 4. *Notification of Overtime.* Employees who are to work daily overtime shall be advised at least four (4) hours prior to the quitting time of their shift. Employer will post required overtime by 2:00 p.m. on Wednesday of the week of the scheduled Saturday and/or Sunday for employees who are to work the weekend overtime. If these

overtime notification periods are not complied with, such overtime work shall be deemed "voluntary" and may properly be refused by the employee. Employees who agree to work voluntary overtime will be required to work such overtime. The above overtime notification provisions will be waived when customer requirements necessitate changes in daily and/or weekly work hours. The Employer will make every effort to notify the affected employees(s) and committee chairperson as far in advance as possible of the change.

#### SECTION 5(A). *Distribution of Overtime*

(1) When overtime is scheduled to be worked in a particular department, such overtime shall be assigned to qualified employees in the departments in the affected classification(s), and on the affected shifts, according to the number of hours of departmental overtime each employee has worked in the affected classification(s) on the affected shifts.

(2) Any department overtime hours which have been assigned to an employee, but properly refused, or for which the employee is unavailable due to vacation or sick leave, shall be considered to be overtime hours worked for the purposes of this Section.

(3) The number of overtime hours worked shall be computed for purposes of this Section, by multiplying the number of such hours actually worked by the relevant overtime rate.

(4) If there is a differential of more than twelve (12) hours of overtime worked within the calendar month, in a particular department to qualified employee(s) in the affected classification, the Employer shall, over the course of the calendar month, reduce the differential to twelve (12) hours or less by offering available overtime to the employee(s) with the lesser overtime hours worked. If this is not done, the affected employee(s) shall be compensated for the overtime in excess of the allowable differential. On the first day of a new month, the employee with the lowest overtime hours will be put at zero hours and those hours will be subtracted from the other employees on the overtime chart for purposes of calculating the differential.

(5) Employees hired or permanently transferred into a department shall be considered to have worked the "high" number of overtime hours in that classification and on that shift.

(6) For purposes of this Section the running total overtime hours will be posted Monday of each week in an area mutually agreed to by the parties. This chart will distinguish worked and non-worked hours of overtime.

#### SECTION 5(B). *Extra-Departmental Overtime*

(1) When the Employer determines that employees from other departments are needed to perform work in a department in which overtime is to be performed or in cases where overtime is to be performed on a non-departmental basis, the employees to work such overtime will be selected, according to their qualifications and seniority,

from among those who have indicated a desire to work such overtime by signing an overtime roster. The roster shall be posted in a convenient location at the beginning of the first shift on the Thursday preceding the regular workweek in which the overtime is to be worked, and shall remain posted for forty-eight (48) hours.

(2) In the event that a sufficient number of employees to perform the necessary extra-departmental overtime cannot be obtained from the overtime roster, the Employer may assign additional qualified employees to perform the work in the inverse order of seniority on the affected shift.

SECTION 6. If ten (10) or more employees are scheduled to work overtime on Saturday and/or Sunday, at least one (1) of those employees shall be a member of the Shop Committee or Union steward. Should the workforce be below 20 bargaining unit members at least one (1) of those employees will be a member of the Shop Committee when half the workforce is working. It is understood, however, that such committeeperson or steward must be qualified to perform the overtime work involved.

## **ARTICLE IX REPRESENTATION, GRIEVANCE & ARBITRATION**

SECTION 1. There shall be two (2) Shop Committeepersons (one of whom shall be designated by the Union as the Chairperson), all of whom shall be employees, for the first one hundred (100) employees or any fraction thereof. There shall be an additional Committeeperson, who shall be an employee, should the Bargaining unit exceed one hundred (100) employees. It is agreed that all Committeepersons have full-time work to perform in the plant as assigned by the Employer, and that time off for the purpose of investigating and adjusting a grievance shall be no more frequent and no longer than the matter reasonably requires. The Committeeperson or Chairperson shall be required to notify and obtain permission of their immediate supervisor before taking time off or leaving their work station for this purpose, permission will not unreasonably be denied but interruption of production shall be, minimized as much as possible. The Committee person or Chairperson shall record daily on their job card the time spent in this connection for cost accounting purposes. The Union may designate a "shop steward on any shift on which no member of the Shop Committee regularly works. However, such steward shall not have super seniority as provided in this Agreement.

SECTION 2. The Shop committee will act as a bargaining committee of two (2) employees, or three (3) if the number of bargaining unit employees exceeds one hundred (100), for the purpose of negotiating a new Agreement, or modification or supplements to this Agreement. The Employer shall pay up to a maximum of eight (8) lost straight time pay hours per employee on the bargaining committee for all time spent in contract renewal negotiations.

SECTION 3. Grievances shall be defined as disputes concerning the application or interpretation of the contents of this Agreement. In the event a grievance should arise, it shall be processed as follows:

Step 1. Grievances must be presented orally to the supervisor involved therein



within three (3) workdays of the alleged occurrence or three (3) workdays from the date the alleged occurrence reasonably should have been discovered. It is understood and agreed that no more than one (1) steward or committeeperson shall be involved in the first step of the grievance procedure unless more than one (1) member of management is involved in this step.

Step 2. If the matter is not satisfactorily adjusted within two (2) working days after having been so presented, the grievance shall be reduced to writing and presented within two (2) workdays thereafter by the aggrieved employee and committeeperson or chairperson to the Department Head who shall answer within five (5) working days. Such written grievance shall be presented to the Department Head and shall include all of the following information:

- (1) A statement of the grievance and the facts upon which it is based;
- (2) The Remedy or correction requested;
- (3) The Section or Sections of this Agreement claimed to have been violated;
- (4) The signature of the aggrieved employee or employees and of the committeeperson or chairperson, if they are presenting the grievance.

No more than (2) Union representative may be involved in the second step of the grievance procedure. However, if the Chairperson of the Shop Committee is not one of the original two Union representatives participating in Step 2, they may, after reasonable consultation with the original two representatives, take the place of one of them.

Step 3. If the grievance is not satisfactorily adjusted in Step 2, then the Shop Committee and or Business representatives and/or International Representatives may, within three (3) workdays after receiving the answer of the Department Head, by written notice appeal the grievance through the facilities Human Resources Manager or designated representative.

Step 4. If no settlement is reached within ten (10) days from the date of presentation of the grievance to such facilities Human Resources, as set forth above, then the Union may, within ten (10) workdays thereafter, require by written notice to the facilities Human Resources Manager that the matter be arbitrated as provided herein. Matters subject to arbitration as provided herein shall be referred to an arbiter. The parties shall endeavor to mutually agree in advance to arbitration on a joint submission setting forth the issue and the specific clause or clauses of this Agreement which the arbiter is to interpret or apply. The arbiter shall be selected as follows: A panel of five (5) names shall be submitted by the Federal Mediation and Conciliation Service. The Employer and the Union shall alternately strike one name until only one remains and such remaining person shall act as the arbiter. Only grievances involving the interpretation or application of this Agreement shall be subject to arbitration, except, however, that matters relating to agreed upon hourly wage rates, and management rights reserved to the Employer by Article V hereof, shall not be subject to submission to the arbitration procedure established herein. Jurisdiction of the arbiter is limited to:

(a) adjudication of issues which, under the terms of this Agreement, are subject to arbitration and,

(b) interpretation of specific terms of this Agreement which are applicable to the particular issue; and,

(c) a decision or award which in no way modifies, adds to, varies from, subtracts from, alters, changes, removes or amends the conditions of this Agreement or which is in conflict with the provisions of this Agreement; and,

(d) stating the decision or award in writing together with the reasoning and grounds upon which such decision or award is based, as a condition of its being final and binding upon the parties hereto; and,

(e) The decision of the arbiter shall be based solely on the evidence and arguments presented to them by the respective parties in the presence of each other and in the exchange of written briefs submitted by mutual agreement or with the consent of the arbiter. The arbiter shall have no jurisdiction or right to determine any question of arbitrability which may arise hereunder. No one arbiter shall have more than one (1) grievance submitted to him at any one time, unless the parties otherwise agree in writing. A grievance shall be deemed under consideration by an arbiter until the arbiter has rendered their decision in writing. The fees and expenses of the arbiter shall be shared equally by the Employer and the Union. The decision of the arbiter shall be final and binding upon the Employer, the Union and the employees affected.

SECTION 4. With respect to Section 9 of this Article, the following time limits are established. Any grievance not presented to the employer in writing as provided in Step 2 of Section 9 above within five (5) workdays after the occurrence of the facts on which the grievance is based shall be waived for all purposes. In addition, if any other steps or action provided in Sections 9 or 10 of this Article are not taken or appealed therein provided is not taken or notice given within the time limits therein specified, then the grievance shall be deemed final closed and settled on the basis of the Employer's last decision. If a representative of management fails to respond within the time limits specified in any step of the grievance procedure, the grievance shall be deemed to have been appealed to the next step of the grievance procedure. All the limits may be extended by mutual agreement.

## **ARTICLE X UNION REPRESENTATIVES**

SECTION 1. Local Union representatives or other proper representatives of the Union shall have access to the plant, upon proper application, for the purpose of contacting committee persons concerning employee complaints or grievances. Such visits shall not unreasonably interfere with production.

**ARTICLE XI  
BULLETIN BOARDS**

SECTION 1. The Employer shall furnish and install one (1) bulletin board within the plant. The bulletin board will be located in the plant. The bulletin board will be located in the employee lunch area. The bulletin board is provided for the purpose of communicating Union notices of the following nature:

- (a) notices of Union recreational and social affairs;
- (b) notices of Union elections;
- (c) notices of Union appointments and results of Union elections;
- (d) notices of regular or special Union meetings,
- (e) personal buy/sell notices

The Union will monitor the bulletin board and insure compliance with established Employer "No Solicitation" rules.

**ARTICLE XII  
INSURANCE**

SECTION 1. The Employer agrees to provide group insurance to the employees covered by this Agreement including comprehensive medical, dental and life insurance through the Kaiser Health Plan. Dental coverage will be provided through the Metlife Dental Plan. Total life insurance provided will be as follows:

<b>11/05/18</b>	<b>11/04/19</b>	<b>11/02/20</b>	<b>11/01/21</b>
\$35,000	\$37,500	\$40,000	\$42,500

SECTION 2. The Employer retains the right to change insurance carriers at anytime during the life of this Agreement, provided that comparable benefits shall be maintained

SECTION 3. In the event of such change, Local 509 representatives will be advised accordingly, and the Union shall have the opportunity to discuss all aspects of a new health insurance plan. No other provisions of the Collective Bargaining Agreement shall be affected by such discussion

SECTION 4. Effective with this contract, all employees will be subject to coverage under the Kaiser Plan for Medical Coverage. Office visits will be provided with costs being \$10.00 per visit. Emergency department visits will be \$100 per visit. Employee contributions on a pre-tax basis will be required as follows:

	Effective 11/5/18	Effective 11/4/19	Effective 11/2/20	Effective 11/1/21
EMPLOYEE EMPLOYEE + 1 FAMILY	19% of cost	20% of cost	20% of cost	21% of cost

Prescription drug coverage will be provided as follows:

30 day Generic	\$10.00
30 day Brand	\$20.00

**MAIL ORDER**

100 day Generic	\$20.00
100 day Brand	\$40.00

SECTION 5. All employees will be covered under the Metlife Dental Plan. The Employer will contribute \$23.48/employee/month toward the cost of that coverage or any future coverage with the balance of such cost of coverage, due to the Union's chosen plan changes, being the responsibility of the Employees.

SECTION 6. If an employee is terminated as a result of a reduction in work force, they may elect to continue their medical insurance as provided under the terms of COBRA.

SECTION 7. Non-Occupational Accident and Sickness Insurance will be provided up to a maximum of \$180.00 per week up to a maximum of 26 weeks for any one disability, beginning on the first (1st) day from the accidental disability and the first (1st) day for a hospital sickness disability, and on the first (1st) day for non-cosmetic outpatient surgery normally performed on an in-patient basis, and on the eighth (8th) day for other sickness disability.

**ARTICLE XIII  
HOLIDAYS**

SECTION 1. The Employer recognizes the following Holidays:

New Year's Day	Friday after Thanksgiving
Memorial Day	Last day preceding Christmas Day
Fourth of July	Christmas Day
Labor Day	Last day preceding New Year's Day
Thanksgiving Day	

One (1) floating holiday to be announced by the Employer no later than January 31 of each contract year. An additional floating holiday will be available to each employee to be scheduled with the Company's approval.

SECTION 2. Eight (8) hours of straight time pay will be paid to each eligible employee on each of the full holidays regardless of the day of the week on which the

holiday falls within an employee's vacation or sick leave, which commences less than thirty-one (31) calendar days prior to the holiday, or any other leave of absence up to fourteen (14) calendar days total duration, the employee shall be eligible for the holiday. An employee would not be precluded from receiving holiday pay if they were absent or tardy on the last scheduled workday preceding the first scheduled workday after the holiday so long as such absence or tardiness were for a reason which the Employer would normally deem to be a valid excuse for an absence or tardiness. If work is performed on any of these holidays an employee working shall receive, in addition to the holiday pay above, two (2) times their regular hourly rate for at least four (4) hours. When any holiday falls on Sunday, it will be observed on the following Monday.

**ARTICLE XIV  
VACATIONS**

SECTION 1. Each employee shall be entitled to vacation pay at the straight-time base rate, as shown below; provided, however that vacation credits shall only be accumulated for active service with the Employer:

<i>Accumulated Seniority</i>	<i>Years</i>	<i>Monthly Rate</i>	<i>Maximum Vacation time</i>	<i>Weeks/Days</i>
0- 12 months	0-1	3 1/3 hours	40 hours	1 week
13-48 months	1-4	6 2/3 hours	80 hours	2 weeks
49-108 months	4-9	8 hours	96 hours	2 weeks, 2 days
109-168 months	9-14	10 hours	120 hours	3 weeks
169-240 months	14-20	13 1/3 hours	160 hours	4 weeks
241-252 months	20-21	14 hours	168 hours	4 weeks, 1 day
253-264 months	21-22	14 2/3 hours	176 hours	4 weeks, 2 days
265-276 months	22-23	15 1/3 hours	184 hours	4 weeks, 3 days
277-288 months	23-24	16 hours	192 hours	4 weeks, 4 days
289+ months	24-	16 2/3 hours	200 hours	5 weeks

An employee shall receive proportionate vacation pay either when laid off or terminated by Employer initiative or upon entering military service or by leaving the Employer on their own volition, provided they have been in the employ of the Employer for at least six (6) months.

SECTION 2. There shall be no deduction from the full vacation entitlement for absence up to and including thirty (30) consecutive days caused by the employee's illness or injury.

SECTION 3. If any holiday referred to in Article XIII falls during any employee's vacation, they shall be paid for this holiday in addition to the vacation or shall receive an additional day's vacation at their regular straight-time base rate of pay.

SECTION 4. The Employer expects employees to use vacation time to refresh and for general well-being. Employees are required to take a minimum of two weeks of accrued vacation during the calendar year or roll it over into the following calendar year. At no time can an employee's total vacation accrual for the calendar year exceed 1.5 times their annual vacation accrual. All remaining vacation time will be paid out on the

first pay period in December unless otherwise scheduled, or at the time an employee is discharged, laid off or resigns.

SECTION 5. In the event of an emergency, employees may be granted emergency vacation provided at least one (1) hour notice is provided. Such emergency vacation may be granted on up to two (2) days in a calendar year with a maximum of one (1) day in each six (6) month period. These two (2) emergency vacation days may be used in either one half day (4 hours) or one (1) full day (8 hours) increments.

An emergency vacation may not be tied to an existing scheduled vacation, company holiday or physical inventory. Emergency vacation will not be granted during: Inventory, Thanksgiving week and the weeks in which Christmas and New Years fall. Every effort will be made to grant emergency vacation requests and approval will be subject to business conditions.

SECTION 6. Vacation requests should be submitted at minimum one (1) week in advance of days off being requested. That is five (5) business days excluding weekends and holidays. Vacation requests will be approved on a case-by-case situation based on production demands and will need to be in-compliance-with the remainder of this guideline. All vacation requests will be approved based on seniority within the open scheduling period which will be between the first workday of January and the Friday of the first full week in February of a given year to a maximum of four employees on any given day. After all requests during the scheduling period have been submitted, those after, will be approved on a first-come first-serve basis by day and time. The company may reschedule approved vacation in-order-to meet production demands due to capacity constraints or other employees out sick, etc. by mutual-agreement.

SECTION 7. New hires may begin using accrued vacation time after completion of their 60-day probationary period.

## **ARTICLE XV MEAL AND REST PERIODS**

SECTION 1. There shall be two (2) net ten (10) minute rest periods: one (1) at approximately the midpoint between the starting time and the meal period, and one (1) at approximately the mid-point between the end of the meal period and the end of the normal workday.

SECTION 2. Employees will have five (5) minutes immediately prior to quitting time to put away their personal tools and wash up.

SECTION 3. Employees scheduled to work at least two (2) hours overtime shall be granted a net ten (10) minute break prior to the start of the ninth hour of work.

SECTION 4. Employees will be provided a thirty (30) minute unpaid meal period, to be taken no later than five (5) hours after the beginning of their normal shift. In the event an Employee works overtime commencing prior to the beginning of the normal shift, the employee's meal period must be taken no later than six (6) hours after the employee's start time.

SECTION 5. Employees scheduled to work more than two (2) hours of overtime will be provided a second thirty (30) minute unpaid meal period. Employees may waive the second meal period by mutual consent of the employee and the Employer if the first meal period has not been waived and the workday does not exceed twelve (12) hours. Employees who work more than twelve (12) hours will be provided a second thirty (30) minute unpaid meal period that cannot be waived.

SECTION 6. Employees scheduled to work more than five (5) hours, but no more than six (6) hours in a work day, may waive their meal period by mutual consent of the employee and the Employer.

## **ARTICLE XVI LEAVE OF ABSENCE**

SECTION 1. Upon written application made at least forty-eight (48) hours prior to the date the leave is to be effective and for good and sufficient cause, the Employer will grant unpaid leaves of absence to employees when production requirements permit. Seniority shall accumulate during the leave, but (except in cases of absence due to illness or injury disabling the employee from performing their job) not in excess of thirty (30) days during any one (1) calendar year. Any employee who accepts other employment while on a leave of absence may be terminated by the Employer.

SECTION 2. Female employees shall have the right to a leave of absence for pregnancy as required by applicable federal and state laws.

SECTION 3. One (1) member of the Bargaining Unit may be granted a leave of absence without pay and without loss of seniority of up to three (3) calendar years for purposes of assuming full-time employment with either the International or Local Union.

## **ARTICLE XVII SENIORITY**

SECTION 1. Seniority shall be the relative status of employees with respect to length of service with the Employer. Sixty (60) calendar days after an employee starts to work, they shall acquire seniority rights and their seniority shall be retroactive to their last starting date of hire. If the Employer needs any additional time to evaluate the employee, the parties may mutually agree to extend the probationary period. The Employer shall have the right to terminate, suspend, or deny a promotion to any employee on probationary status for any reason, and such action shall not be subject to the grievance procedure. There shall be no responsibility for reemployment of probationary employees.

An employee shall lose their seniority upon the happening of any one of the following events:

- (a) A voluntary quit (unreported absence on three (3) consecutive scheduled workdays shall be considered a voluntary quit except in cases of injury or illness preventing the employee from reporting.)
- (b) Discharge for just cause.

- (c) Failure to notify the Employer of the intention to return to work after a layoff within forty-eight (48) hours of such notice and or failure to return to work within three (3) days after being notified to report to work. A certified letter, "return receipt requested," delivered to the employee's last known address filed by their Employer, shall be deemed receipt of notice.
- (d) Layoff without recall for a continuous period of 12 months or a period of time equal to their seniority, whichever is sooner.
- (e) Any leave of absence for a period of eighteen (18) months or a period of time equal to their seniority whichever is sooner. In the event an employee returns to work prior to 18 months on leave, the employee must be on the active payroll for a minimum of 30 consecutive calendar days to establish a new 18 month leave of absence period.

SECTION 2. In the event of a reduction in force, employees shall be laid off from the affected classification(s) as follows:

- (a) Probationary employees will be laid off first, provided there are qualified senior employees in the same classification
- (b) Thereafter, other employees on the basis of the following factors:
  - (1) If two or more employees are equally qualified, then seniority will govern.
  - (2) Documented experience and qualifications related to the job.
- (c) When the qualifications and abilities of two or more employees are relatively equal, the less senior employee shall be laid off provided that the remaining employees are fully qualified to perform the remaining work.
- (d) A surplus employee shall be reassigned in accordance with their seniority to the next or equal or lower rated job they are fully qualified to perform. A surplus employee shall have the right to accept layoff in lieu of such reassignment. Recalls from layoff shall be made in seniority order provided that the employee recalled is qualified to perform the work for which recalled.

SECTION 3. When displacing a lower rated employee, or when recalled to a lower classification, under the provisions of this Article, an employee shall receive the top rate of the new classification, or their current rate, whichever is lower.

SECTION 4. The Employer shall give forty-eight (48) hours notice to the affected employees and the Chairperson of any layoff (provided however, that this section will be void in those instances of any emergency, or termination of a significant government contract.) Should Employer fail to give forty-eight (48) hours notice, affected employee(s) will be paid for hours they would have worked otherwise, had timely notice been given.

SECTION 5. A committee person shall be notified of any discharge or suspension



and a copy of any disciplinary action will be given to the committee person at the time of the occurrence (except when a committee person is not on duty at the time of such disciplinary action, notification shall be within twenty-four (24) hours thereafter.) In cases of discharge or suspension, the affected employee shall be provided an opportunity to consult with a committee person or steward for a reasonable period of time prior to their being required to leave the premises, except in cases involving violence or being under the influence of drugs or alcohol.

SECTION 6. A seniority list shall be provided to the Chairperson and a copy furnished to the Local Union office once every month.

SECTION 7. A.

(1) When a new job or vacancy occurs, it shall be posted on the plant bulletin board for three (3) working days, and any seniority employee desiring the job may sign the posting. In the event that there are no bids for a vacancy or new job, the Employer shall have the right to fill the job by hiring from outside the plant. If this procedure fails, the job shall be re-posted within thirty (30) days thereafter. These steps shall continue until the job is filled. The following factors will be used in selecting an employee for the job posting:

- (a) If two or more employees are equally qualified as specified above, then seniority will govern.
- (b) Documented experience and qualifications related to the job.
- (c) The ability to pass qualification test if required by the Employer.

Such employee will then be given a trial period up to thirty (30) days to determine their fitness for the job. If additional time is required to evaluate the employee's ability, the parties may mutually agree to extend the trial period. They will retain their prevailing rate until the trial period ends and they are accepted for the new job. Employees who are prevented from bidding for jobs by reason of vacation, sickness, accident or any other absence from the plant, may submit a bid slip to the Human Resources Department, within five (5) working days of their returning to work, for the purpose of being considered along with the other job bidders in the event the job is not successfully filled within the trial period.

(2) On lateral bids on a job in a classification in an equally or lower rated labor grade, the employee shall receive the top of the rate for that job or their current rate, whichever is lower.

(3) Employees promoted to a higher Grade will receive a 5% increase to current pay or minimum pay of the Grade, whichever is higher.

(4) Whenever a job vacancy is posted, the "job posting" shall indicate the shift on which the vacancy exists.

(5) When employees are to be assigned to perform work out of their regular job classification, junior employees in the affected job classification in the department will be assigned if such assignment will not interrupt the production process and if the

Union employee is qualified to perform the work involved.

(6) When an employee voluntarily accepts a new position or classification resulting from an internal job posting and the provisions of the CBA have been adhered to, that employee shall be excluded from bidding on any subsequent openings for a period of three (3) months from the first day of the job.

#### SECTION 7.B. (Group Leader)

In the selection of a group leader, consideration shall be given to sound judgment, tact, and leadership ability. Employees assigned as a group leader shall receive a premium of one dollar, fifty cent (\$1.50) per hour in addition to the regular hourly rate for all hours worked. Group leader duties shall include but are not limited to coaching, training, collecting data for plant metrics, opening and shutdown activities of the plant, and addressing concerns related to safety, production and quality issues. Group leaders are not expected to engage in disciplinary action against other employees. Management has the sole discretion as to the number of group leaders it will assign.

SECTION 8. An employee who has been transferred or promoted to a non-bargaining unit position and who is terminated from that position within one (1) year from the date of such transfer or promotion shall have the right to return to their former job classification, with their former seniority, in the bargaining unit, provided that the Employer and Union mutually consent to the employee's return, and provided that their former seniority would entitle them to their former classification.

SECTION 9. The Shop Committee, while they occupy such post, shall have top seniority for work which they are able to perform provided that the members of the committee shall have been in the employ of the Employer for a minimum of one (1) year.

### **ARTICLE XVIII DISCIPLINE AND DISCHARGE**

SECTION 1. In all cases of reprimand, warning, discipline and discharge for just cause, the length of service of the employee, the totality of their records and the seriousness of the offense shall be considered. In cases where discharge is contemplated, the Employer may suspend the involved employee(s) for up to three (3) working days for the purpose of investigating the matter.

SECTION 2. Disciplinary warnings will remain in the employee's personnel file for a period of twelve (12) months from the date of issue for the purpose of determining and administering progressive disciplinary action and or discharge for just cause. After the twelve (12) month period, the warning will be removed from the employee's personnel file and placed in a common file. Although the warnings contained in this common file will not be utilized for the purpose of determining and administering disciplinary action, these records will remain a part of the employee's permanent personnel file in compliance with "personnel record retention requirements" in accordance with all applicable federal and state laws.

**ARTICLE XIX  
SECURITY REGULATIONS**

SECTION 1. The Union recognizes that the Employer has certain obligations to the Government pertaining to security, and agrees that nothing contained in the Agreement is intended to place the Employer in violation of its security agreements with the Governments. Therefore, in the event that the United States Air Force, United States Navy or other Government agency duly concerned with the Employer's security regulations advises the employer in writing that any employee in the bargaining unit is restricted from work or access to classified information and material, the Union will not contest such action as the Employer may take pursuant to such advice to comply with its security obligations to the Government. An employee so restricted may exercise their seniority rights, as provided in Article XVIII, to such unrestricted job as they may then otherwise be fully qualified to perform.

**ARTICLE XX  
SABOTAGE**

SECTION 1. The Union does not condone any acts of sabotage, theft, damage to, or taking of any employee's and/or Employer's property; and the Union, upon request by the Employer to its representative, agrees, if such acts occur or are threatened, to assist the Employer in apprehending the guilty party or parties.

**ARTICLE XXI  
SAFETY AND HEALTH**

SECTION 1. The Employer is committed to maintaining sanitary, safe, and healthful conditions throughout the plant in accordance with all federal, state, county, and city regulations. Employees will be provided and required to wear personal protective equipment (eye glasses, safety shoes) throughout all designated work areas within the plant. In addition, special equipment such as earplugs, face shields, respirators, aprons, gloves, coveralls, etc., will be provided and required to be worn if determined necessary for the protection and health of the employee. The company will pay 100% of the cost of one pair of safety shoes per year, up to \$125.00 reimbursement. In addition, the Employer will pay up to a maximum of one hundred sixty-five (\$165) for one safety glass prescription per year.

SECTION 2.A. If an employee is injured in the plant and if the doctor advises the employee not to continue work, they will be paid for the remainder of that workday at their hourly rate.

SECTION 2.B. The doctor shall determine what time of day an injured employee should visit their office for further treatments and the Employer shall pay if during working hours.

SECTION 3. Disputes concerning the interpretation or application of Section 1 above may be submitted directly to Step 3 of the grievance procedure set forth in Article IX of this Agreement, and the Step 3 meeting shall be held as soon is reasonably practicable. However, prior to the dispute being submitted to the formal grievance procedure, the involved employee shall have the opportunity to consult with a Union

Committee person or steward and to discuss the matter with a member of management who has responsibility for safety matters in the plant at that time. That representative will submit a written report to the safety committee, which report shall be made available to the Union in the event the grievance procedure is invoked.

SECTION 4. The Employer and the Union agree to establish and maintain a joint safety committee. Permanent committee members will include the plant manager and one (1) member of the bargaining unit to be selected by the Union. The bargaining unit member will serve on a one (1) year rotating basis. The purpose of the safety committee will be to administer the safety/accident prevention program, make and or evaluate safety suggestions, reduce accident/incident rates as well as compensation costs, and increase operating profits through promoting a safe work environment.

## **ARTICLE XXII WAGE RATES**

SECTION 1. All eligible employees shall receive the following wage increases on the dates indicated.

	<u>11/5/18</u>	<u>11/4/19</u>	<u>11/2/20</u>	<u>11/1/21</u>
Wage Increase	3.0%	2.75%	2.75%	2.75%

SECTION 2. The Union and The Employer have agreed to establish a new schedule of minimum and maximum rates for each job. Said rates shall be a part of this Agreement by reference and known as "Schedule A."

SECTION 3. The Employer retains the completed right to hire new employees at its sole discretion at the minimum job rate as set forth in Schedule A

SECTION 4. Progression increases will be twenty cents (\$.20) per hour, effective every ninety (90) days following the date of hire, until the employee reaches the maximum of the rate as set forth in Schedule A.

SECTION 5. All current full-time employees as of ratification will receive a ratification bonus of \$1000, less appropriate withholdings for taxes, payable in the first pay of December 2018.

## **ARTICLE XXIII SUPERVISORS**

SECTION 1. It is the intent and policy of the Employer that supervisors and other managerial personnel are to perform supervisory duties and are not to substitute for bargaining unit employees in the performance of production and maintenance work, "except" that a supervisor or other non-bargaining unit employees may, from time to time, perform portions of work normally done by bargaining unit personnel if it is for the purpose of demonstrating procedure or satisfying special or emergency requirements. Said special or emergency requirements must then be reassigned to regular bargaining unit personnel qualified to perform the job, provided that such personnel are available.

## ARTICLE XXIV MISCELLANEOUS

SECTION 1. Any employee who is disabled from the performance of their regularly assigned work, due to a proven injury or disease incurred in the course of their employment with the Employer, may be offered such other work, at the appropriate rate, therefore, as they are qualified for and able to do and for which there is a requirement. The employee, however, shall not be entitled to displace a more senior employee.

SECTION 2. The Employer agrees to distribute paychecks to all employees each Thursday prior to the end of their shift. In the event such day falls on a contract holiday, then the preceding day shall be payday. It is understood that one week's earnings shall accrue in order for the Employer to conform to this Section. Pay shortages due to Employer error brought to the Employer's attention by 8:00 a.m. on Friday will be corrected by mailing a pay advance to the Santa Fe Springs Plant within twenty-four (24) hours of being so notified.

SECTION 3. A temporary transfer is defined as the transfer of an employee from his regular labor grade to another labor grade on a day-to-day basis not to exceed thirty (30) days. The transferred employee will receive the employee's current rate, the minimum rate of the labor grade to which the employee is transferred, or a 5% increase over their current rate, whichever is highest, for the hours the employee works in that different labor grade, rounded up the next hour. Hours spent doing routine machine upkeep, including cleaning, checking fluids and similar tasks will not count as a transfer to maintenance. Should a temporary vacancy occur due to production requirements, planned vacations, medical or personal leaves of absence for five (5) consecutive working days or longer, primary consideration will be given to the most senior qualified employee to fill the temporary vacancy.

SECTION 4. Within three (3) working days after having been hired, each employee shall be introduced to the Union Chairperson and shall be allowed a ten (10) minute orientation session.

SECTION 5. On an as-needed basis, the shop committee and appropriate members from management shall meet to discuss issues and make recommendations regarding working conditions, profit/loss position, cost reduction, productivity improvements, quality improvements, and progress toward achieving financial, marketing, engineering, and production goals. Grievances which are currently being timely processed through the grievance and arbitration provisions set forth in Article IX of the Agreement shall not be the subject of discussion unless by mutual consent of the parties. The meetings shall be held during working hours and the Employer shall not pay more than one (1) hour straight-time pay to each of the committee members participating in the meeting.

SECTION 6. Should new or additional machinery be introduced that replaces current machinery, the Employer will, in order of seniority, attempt to provide affected employees with necessary training opportunities to qualify for available positions.

**ARTICLE XXV  
JURY DUTY PAY**

SECTION 1. When an employee is absent from work in order to serve as a petit or grand juror or to report to the court in person in response to a jury duty summons, or to report for jury examination, they shall be granted pay for those hours for which they are absent from work during their regular five (5) day workweek less the fee or other compensation paid them with respect to such jury duty.

SECTION 2. If an employee assigned to the second or third shift is absent from their work on such a shift on the calendar day that they serve as a petit or grand juror, such absence shall be deemed to be an absence from work in order to serve as juror.

SECTION 3. In order to recover jury pay, the employee must furnish to the Employer a certificate of the Clerk of the Court in which the employee serves as a juror, certifying the date or dates of attendance and the compensation paid exclusive of transportation and/or meal allowance.

**ARTICLE XXVI  
BEREAVEMENT PAY**

SECTION 1. If a member of an employee's immediate family dies, said employee shall be granted up to three (3) days' leave of absence for the purpose of attending the funeral or making other necessary arrangements. If any such three (3) days are the employee's regularly scheduled days of work, they shall be paid for each such regular workday lost from work in an amount equal to eight (8) hours of their regular base pay hourly rate. The term "immediate family" shall be defined as the mother, father, husband, wife, sister, brother, daughter, son, grandchild, grandparent, grandparent-in-law, stepparent, stepchild, daughter-in-law, son-in-law, mother-in-law or father-in-law of the employee. Two (2) additional days of leave shall be granted with pay for a regularly scheduled day of work, if the spouse or child of an employee dies.

**ARTICLE XXVII  
PARKER RETIREMENT SAVINGS PLAN**

SECTION 1. For the duration of the Agreement, the Employer agrees to merge the Money Purchase Pension Plan and Trust, also known as, "Parker-Hannifin Santa Fe Springs (Greer) Money Purchase Pension Plan and Trust", into the Parker Retirement Savings Plan. Employees may contribute to the Parker Retirement Savings Plan in accordance with its terms. The Employer further agrees, during the term of this Agreement, to contribute the following amounts up to a maximum of forty (40) hours per week for bargaining unit employees:

November 5, 2018 One dollar, twenty cents (\$1.20) per straight time hour worked.  
November 4, 2019 One dollar, twenty-three cents (\$1.23) per straight time hour worked.  
November 2, 2020 One dollar, twenty-six cents (\$1.26) per straight time hour worked.  
November 1, 2021 One dollar, twenty-nine cents (\$1.29) per straight time hour worked.

SECTION 2. For the duration of the Agreement, the Employer agrees to provide auto-enrollment in the Parker Retirement Savings Plan at a default contribution rate of

3% of income on a pre-tax basis.

## **ARTICLE XXVIII OUT OF TOWN ASSIGNMENT**

SECTION 1. Employees who are assigned to work out of the Los Angeles area will be paid their regular hourly rate, actual out-of-pocket living and travel expenses and will be assigned on the basis of their ability to do the available work and by their seniority. Employees selected for such an assignment shall not refuse the assignment unless they have a reasonable excuse. The Chairperson of the Union bargaining committee will be given notice of any such assignment. In the event that such assignment requires unusual hazards, the Union and Management shall review the assignment and determine whether a temporary rate shall be established

## **ARTICLE XXIX WAIVER**

SECTION 1. The waiver of any breach or condition of this Agreement by either party shall not constitute a precedent for any further waiver of such breach or condition.

SECTION 2. Separability: In the event any provision(s) of this Agreement is found to be in conflict with any state or federal laws now existing or hereafter enacted, it is agreed that such law(s) shall supersede the conflicting provision without affecting the remainder of these provisions.

## **ARTICLE XXX ASSIGNABILITY**

SECTION 1. This Agreement shall be binding upon the successors and the assignees of the parties hereto, and no provisions, terms or obligations herein contained shall be affected, modified, or altered or changed in any respect whatsoever by any change in the legal status, ownership or management of either party hereto. In the event the Employer shall sell or assign the plant, or sell its interest in the business, the Employer shall be relieved of any liability whatsoever under this Agreement thereafter. The Employer further agrees that in the event the plant shall relocate from its current location to another location within a fifty mile radius of the current location, the Employer agrees to give the current employees the opportunity to transfer to the new relocation site with credited years of service. The Employer will not be obligated to incur any costs by adhering to this provision such as moving, transportation, living expenses, etc.

## **ARTICLE XXXI STRIKES AND LOCKOUTS**

SECTION 1. The Employer shall not cause or sanction a lockout. The Union agrees that it will not cause, engage stoppage, including strikes in sympathy with or support of employees who are not members of the bargaining unit, during the term of the Agreement. In the event of a breach of this Article, either party hereto shall have the right to pursue any remedies hereunder, or otherwise legal or equitable.

SECTION 2. In the event of a strike or other economic action prohibited hereunder, not caused, authorized or called by the Union, the Employer agrees that there shall be no financial liability on the part of the Union, its officers, representatives or members (other than those members who have engaged in the aforesaid prohibited action), provided that the Union within twenty-four (24) hours after notice from the Employer of the occurrence of any unauthorized action, orders its members in writing to return to work or cease engaging in any other prohibited action, and in good faith uses every reasonable effort to terminate such unauthorized action. In case of such unauthorized action, any employees engaged in such action shall be subject to discipline or discharge. The Union shall have the right to file a grievance on behalf of any employee so disciplined or discharged, however, the only issue in any subsequent arbitration of that grievance shall be whether the employee in fact engaged in such a work stoppage, slow down or strike. The degree of discipline imposed upon the employee shall not be a proper issue for the arbiter to decide.

## **ARTICLE XXXII SOLE AGREEMENT**

SECTION 1. This Agreement concludes all collective bargaining between the parties hereto during the term hereof and constitutes the sole, entire and existing agreement between the Employer and the Union or its employees and expresses all obligations and restrictions imposed on each or the respective parties during its term.

SECTION 2. The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject matter not removed by laws from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right an opportunity are set forth in this Agreement. Each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both parties at the time they negotiated or signed this Agreement.



ARTICLE XXXIII  
DURATION

SECTION 1. This Agreement becomes effective as of November 5, 2018 and shall continue in full force and effect until 11:59 p.m. on the sixth day of November 2022 (11/6/22), and shall automatically be renewed from year to year thereafter, unless either party shall give to the other party written notice of an intention to amend modify or terminate said Agreement at least sixty (60) days prior to the expiration of the term or any extended term of the Agreement. Negotiations for such amendment or modification shall commence within thirty (30) days after receipt of the notice of the intention to amend or modify unless mutually agreed upon by the parties.


IN WITNESS WHEREOF, the parties hereto have set their hands at Santa Fe Springs, California on \_\_\_\_\_.

International Union, United Automobile  
Aerospace Agriculture Implement Workers  
of America, and Local 509, UAW

Parker Hannifin Corporation  
Accumulator and Cooler Division  
Santa Fe Springs Facility

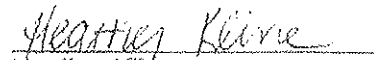
FOR THE UNION


FOR PARKER HANNIFIN

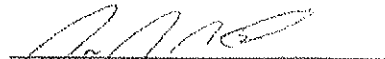
  
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Joseph Galvan


  
\_\_\_\_\_  
Patty Bollheimer


  
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Gene Hurd

  
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Heather Klite

  
\_\_\_\_\_  
Chris Perez

  
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Jeremy Northrup

  
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Alex Santana

  
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Sergio Oliva

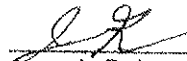
**MEMORANDUM OF UNDERSTANDING**

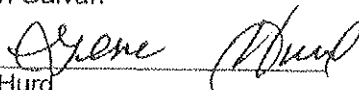
Effective November 5, 2018

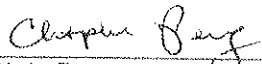
The following understandings have been agreed to by the Employer, Parker Hannifin Corporation for the purpose of defining the Employers' support for the following provisions for the employees of the facility located at 14087 Borate Street, Santa Fe Springs, California, 90670.

1. Employees will have a choice between receiving a twenty-five (\$25.00) dollar gift certificate or a turkey at Thanksgiving time.
2. One week prior to taking their Christmas Holiday, each employee will receive a one hundred (\$100.00) dollar gift certificate
3. The Employer will pay one hundred (100%) percent of the cost of furnishing twelve (12) sets of uniforms to all employees. This will be a total of twelve (12) shirts and pants which will be provided every two weeks.

FOR THE UNION

  
\_\_\_\_\_  
Joseph Galvan

  
\_\_\_\_\_  
Gene Hurd

  
\_\_\_\_\_  
Chris Perez

  
\_\_\_\_\_  
Alex Santana

FOR PARKER HANNIFIN

  
\_\_\_\_\_  
Patty Bollheimer

  
\_\_\_\_\_  
Heather Kline

  
\_\_\_\_\_  
Jeremy Northrup

  
\_\_\_\_\_  
Sergio Olive

MEMORANDUM OF UNDERSTANDING

Effective November 5, 2018

Parker and the UAW local 509 have agreed to the use of temporary/contingent workers at the Santa Fe Springs, CA plant as follows:

1. Temporary employees will be used due to peak/seasonal demand,
2. Temporary employees will cover the work of those employees on either work-related or non work-related medical leave (where seniority is maintained),
3. Temporary workers will only be allowed if there are no employees on lay off with recall rights,
4. Each temporary worker will work no more than 60 days worked in a calendar year unless the parties agree to mutually extend an additional 30 days for a total of 90 days and as a group all temporary employees will not work more than 240 days during a calendar year and will be employed "at will" and shall have no right to grieve. The union agrees not to grieve the termination of any temporary employee.
5. Temporary worker will only work overtime after all other qualified employees have been offered the opportunity to work

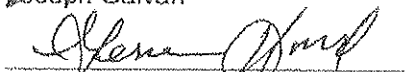
Temporary employees will be considered for direct regular employment if there are openings available. Temporary employees will be paid in accordance with the new hire wage scale, but will not be entitled to benefits. If legal, temporary employees will pay weekly union dues.

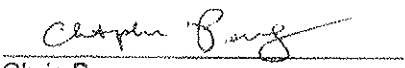
Any extensions to the time limits of this memorandum must be mutually agreed on by Parker and the UAW local 509.


The temporary employee will be responsible for paying dues to local 509 while working in the plant.

FOR THE UNION

  
Joseph Galvan

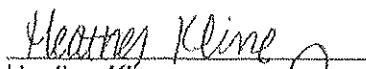
  
Gene Hurd

  
Chris Perez

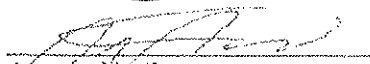
  
Alex Santana

FOR PARKER HANNIFIN

  
Patty Bollheimer

  
Heather Kline

  
Sergio Oliva

  
Jeremy Northrup

## MEMORANDUM OF UNDERSTANDING

Effective November 5, 2018

### Parker Incentive Program

Effective December 1<sup>st</sup> 2018, full-time Parker hourly employees will be eligible for an incentive bonus based on controllable operational performance in quality, customer service, HPT participation, and being a team member in good standing. The period that these four categories will be evaluated is between December 1<sup>st</sup> and November 30<sup>th</sup> of each year. Each category will pay out \$250 if the 12-month performance meets the predefined target in the table below. The maximum annual payout is \$1000 per team member.

Quality (Ops RPPM) performance will be measured as a standard Parker RPPM calculation excluding the non-controllable defects. For example, RPPM hits caused by order entry would be excluded.

Delivery (Ops LISC) performance will be measured from the Parker standard LISC measurement excluding the non-controllable late deliveries. For example, LISC hits caused by late supplier delivery will be excluded.

HPT participation will be measured by attendance to scheduled meetings. The attendance is tracked as part of the HPT meeting notes. Excused absences will be excluded from calculation.

Team members in good standing means that the employee has not had a disciplinary action during the prior 12 months. This would include the attendance policy.

Categories	2019	2020	2021	2022
Ops RPPM (Year 1 JOP 300)	250	225	200	175
Ops LISC (Year 1 JOP 93%)	95%	96%	97%	98%
HPT Participation	80%	80%	80%	80%
Good Standing	No discipline	No discipline	No discipline	No discipline

This bonus will be pro-rated based on the number of full months of employment during the performance period according to the following schedule

- 10-12 months = 100%
- 7-9 months = 75%
- 4-6 months = 50%
- 1-3 months = 25%


MEMORANDUM OF UNDERSTANDING


Effective November 5, 2018


Parker Incentive Program

FOR THE UNION

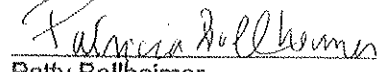
  
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Joseph Galvan


  
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Chris Perez

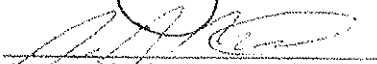
  
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Alex Santana

FOR PARKER HANNIFIN

  
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Patty Bollheimer

  
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Heather Kline

  
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Sergio Oliva

  
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Jeremy Northrup

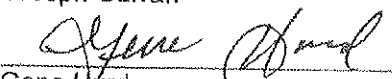
MEMORANDUM OF UNDERSTANDING


Effective November 5, 2018


Parker has agreed to provide the Union access to a computer and a printer, access to a private area as needed, access to a land phone line, and a locked filing cabinet.

FOR THE UNION

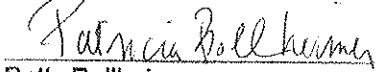
  
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Joseph Galvan

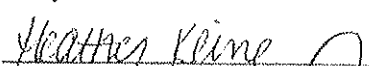
  
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Gene Hurd

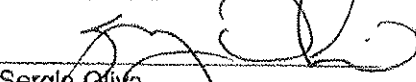
  
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Chris Perez

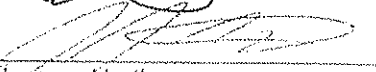
  
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Alex Santana

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Heather Kline

  
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Sergio Oliva

  
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Jeremy Northrup

Schedule A  
 Schedule of Minimum and Maximum Rates of Jobs  
 Santa Fe Springs Facility  
 Reference: Article XXII-Section 2  
 Effective Dates

Labor Grade	11/05/18	11/04/19	11/02/20	11/01/21
6*	20.05-23.63	20.61-24.28	21.18-24.95	21.76-25.64
7	23.40-24.71	24.04-25.39	24.70-26.09	25.38-27.00
9	26.41-31.69	27.14-32.56	27.89-33.46	28.66-34.38
11	30.20-35.62	31.03-36.60	31.88-37.60	32.76-38.64

\*Team members are categorized by grade not job title which allows the Employer flexibility to move team members to any job title within the grade where they are adequately trained to meet business needs. Job titles included in Grade 6 are Press Operator, Bag/Bladder Assembly, Accumulator/Shell Assembly and Shipping/Receiving.

\*Current Milling Operator incumbent will be transferred from labor grade 6 to labor grade 7 and will not receive general wage increases; will only receive 90 day accelerated progression increases to maximum by contract end.