



Office and Professional Employees International Union
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COLLECTIVE BARGAINING AGREEMENT

BETWEEN

MATSON NAVIGATION COMPANY OF ALASKA, LLC

AND

**OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL
UNION LOCAL NO. 8, AFL-CIO**

FOR THE PERIOD OF

NOVEMBER 9, 2017 THROUGH NOVEMBER 9, 2020

COLLECTIVE BARGAINING AGREEMENT
OPEIU Local 8 – Matson Navigation Company of Alaska, LLC

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COLLECTIVE BARGAINING AGREEMENT

MATSON NAVIGATION COMPANY OF ALASKA, LLC

Agreement entered into this 9th day of November, 2017 between the OFFICE AND PROFESSIONAL EMPLOYEES INTERNATIONAL UNION, AFL-CIO Local 8, hereinafter referred to as the "Union", and MATSON NAVIGATION COMPANY OF ALASKA, LLC and their successors and assigns, hereinafter referred to as the "Employer".

NOW, THEREFORE, be it mutually agrees as follows:

PREAMBLE

With both the letter and spirit of this Agreement as a basis, we seek to establish an equitable and harmonious relationship that will enable the Employer to prosper and operate efficiently under competitive conditions, while providing its employees with good wages and decent working conditions. To this end, the Union and Employer agree that the workplace should be free from the illegal use, possession or distribution of controlled substances and alcohol.

The spirit of the Agreement is one whereby the Employer will deal with its employees honestly, fairly, and with humanity consistent with sound business principles. The employees will reciprocate by performing their duties with diligence and competence rendering a full day's work for a full day's pay. The Employer agrees to treat the Union employees with equal respect as they would their management employees. This includes sharing information about the Employer and how it may affect everyone's future as an employee in a timely manner.

The Union recognizes the Employer's right to manage its business. The Employer recognizes its responsibility to give consideration to the job stability of OPEIU represented employees as a factor in making decisions with respect to the operation of the business. Decisions respecting the operation of the business will not be made for the purpose of laying off bargaining unit employees.

The Union and the Employer reaffirm their EEO (Equal Employment Opportunity) policy, practice and commitment that we will not discriminate against the employees in any way because of race, color, religion, age, national origin, ancestry, disability, marital status, veteran status, sex, and/or sexual orientation.

Every effort will be made, as always, to hire, place, promote and train individuals on the basis of qualifications related to job classifications regardless of race, color, religion, age, national origin, ancestry, disability, marital status, veteran status, sex, and/or sexual orientation.

The EEO policy, therefore, includes, but is not limited to compensation, benefits, recruiting, and advertising for employment, hiring, job assignment, promotion, transfer, training or selection for training, Union sponsored or Employer sponsored social or recreational functions, educational and tuition assistance.

ARTICLE 1

RECOGNITION

The Employer recognizes the Union as the sole and exclusive bargaining agent for all office and clerical employees working at the Employer's Tacoma Washington location with respect to rates of pay, hours and all other terms and conditions of employment for all such employees referred to whenever the term "employee" is used in this Agreement. Executives, secretaries to executives, professional administrative employees functioning at least at the level of supervisors and not performing bargaining unit work, confidential employees, salespersons and supervisory employees with authority to hire, transfer, suspend, lay off, recall, promote, discharge or discipline other employees, or effectively to recommend such action, if in connection with the foregoing, the exercise of such authority is not of merely routine nature but requires the use of independent judgment, are excluded. The terms in this Recognition Article are used as defined by the NLRB.

ARTICLE 2

UNION SECURITY

1. The Employer agrees that all employees covered under this Agreement shall, as a condition of employment, thirty one (31) days from the date of signing of this Agreement become and remain members of the Union in good standing.
2. Work assignments for part time employees should be restricted to scheduling problems. In order to maintain operational efficiency, a manager or supervisor may use part timers, for example, on a regular or standby basis during peak workflow periods.

Part timer schedules should not be established when qualified bargaining unit employees can regularly make themselves available for the assignments on a straight time or premium time basis without interfering with their own work schedule.

The Employer further agrees that all new employees hired subsequent to the date of signing of this Agreement shall, as a condition of employment, thirty-one (31) days from the date of employment become and remain members of the Union in good standing.

ARTICLE 3

CHECK OFF OF DUES

1. The Employer agrees to deduct Union dues from the wages of each employee on a weekly basis and transmit to the Union on a monthly basis. The Employer further agrees to deduct initiation fees from the wages of each employee and agrees to forward such initiation fees and dues to the office of the Union no later than the last day of the month in which they were deducted.

2. The Union agrees to file an initiation fee and dues deduction assignment form with the Employer for each employee prior to such deductions.
3. The Employer agrees to deduct voluntary contributions to the OPEIU's "Voice of the Electorate" Fund and/or other Union's political action fund from the wages of each employee on the second payday of each month.
4. The Union agrees to file a voluntary, signed VOTE and/or other political action fund deduction assignment form, with the Employer for each employee who elects to contribute prior to such deductions.

ARTICLE 4

WORK SCHEDULE

In recognition of the need to meet the requirements of our customers and operational demands, which includes all activities performed at a port location, and to utilize the workforce in a more efficient and effective manner, the following changes will be implemented in Article IV – Work Schedule.

1. The work week shall consist of five (5) consecutive days of eight (8) hours each, inclusive of Saturday and Sunday. Saturday work shall be compensated for at 1.15X of the basic straight time rate. Sunday work shall be compensated at 1.5X of the basic straight time rate.
2. All authorized work performed in excess of eight (8) hours per day, Monday through Friday, Tuesday through Saturday, Wednesday through Sunday, and/or Sunday through Thursday inclusive shall be paid at the rate of one and one half times the basic straight time rate of pay, except Sunday shall be paid at the rate of 1.5X of the basic straight time rate.
3. For employees working a five (5) day work week, all authorized work performed on the 6th day in excess of forty (40) hours shall be compensated at the rate of one and one half times the basic straight time rate. The seventh day shall be compensated at the rate of double the basic straight time rate. All work performed on Saturday during the employee's regular work week schedule will be paid 1.15X of the basic straight time rate. All work performed on Sunday shall be compensated at 1.5X of the basic straight time rate.
4. All authorized overtime shall be computed to the minute through the electronic time system in place. All monies due for overtime shall be paid at the same time regular salaries are paid, and no more than one week's accrual of overtime monies shall be permitted at any time.

No temporary employee will be offered overtime until all regular full time employees qualified to perform the work have been offered such overtime work.

5. a) The regularly scheduled work day shall be eight (8) hours of work between the hours of 7:00 a.m. and 7:00 p.m.

- b) Flexible work week shall consist of a work schedule of Monday through Friday, Tuesday through Saturday, Wednesday through Sunday, or Sunday through Thursday which, once established, shall remain constant from week to week.
- c) Compressed work week is defined as four (4) days of ten (10) hours each which remains constant from week to week. The four (4) day work schedule shall provide the employee with at least two (2) consecutive days off. Hours in excess of ten (10) hours in a day or forty (40) shall be paid at one and one half times the employee's basic straight time rate. Start times for employees on a compressed work week will be at the same time each day.
- d) Flexible start times shall mean variable start times within the week. Once the variable times are established, the start times will remain constant until such time as the hours set no longer meet the job requirements and/or workflow. Only two start times within the work week will be allowed. Start times may only be varied within five (5) hours forward and a fifteen percent (15%) differential will be paid for all straight time hours worked after 6:00 pm. Changes to flexible start times are limited to three (3) times a year due to operational needs. Unlimited changes may be made with mutual agreement.
- e) A personal accommodation will be employee requested and require agreement by the local Union, Employer and the Employee. If the flexible shift requested by the employee is vacated, the position shall revert back to the regularly scheduled hours and work week for that position.
- f) The parties agree that when a vacancy occurs in any existing classification or when new classifications are established, the Employer may set the regular hours for such position as it deems necessary.
- g) Should the Employer establish work hours outside the specific location's normal work day (7:00 a.m. to 7:00 p.m.), Monday through Friday, Tuesday through Saturday, Wednesday through Sunday, and/or Sunday through Thursday, employees presently working, hired to fill, or promoted to such positions shall be entitled to a premium pay at the rate of fifteen percent (15%) of the basic straight time rate for all hours worked outside of the specific location's general or normal work day. The premium pay provided herein shall not be considered part of the basic straight time rate for the computation of overtime.
- h) In the event of a change in shift assignments, the Employer will give two (2) weeks notice to the employee.
- i) The employee may request a review of their shift assignment with the Employer at any time.
- j) If there is a requirement for the Employer to change the hours on an employee's shift due to operational needs, they will ask the incumbent if they will assume the hours on the new shift. If the incumbent refuses, the Employer will solicit volunteers in the department, in the same classification who are qualified to do the work. If there are no

volunteers, then the least senior employee in the classification who is qualified to perform the work will be assigned to the shift.

6. Employees who are required to work overtime more than three (3) hours beyond their regular eight (8) hours will be allowed meal time off without pay of a minimum of one half (1/2) hour and a maximum of one (1) hour. A \$12.00 dollars meal payment will be made to any employee working three (3) or more hours overtime beyond the regular eight (8) hour shift. Meal time will be scheduled as near the middle of the work period as possible depending on the work load.
7. Each employee shall receive two (2) relief periods of fifteen (15) minutes in each day's work schedule. The first such relief period shall occur during the tour of duty prior to the lunch hour, and the second relief period shall occur in the tour of duty prior to the quitting hour.
8. Lunch periods shall start as near the middle of the shift as possible, unless otherwise agreed by the employee and the supervisor.
9. There shall be no duplication or pyramiding of overtime pay.
10. It is understood that the nature of certain phases of the employer's operations may require overtime work. The Union and the Employer agree that the employees shall work a reasonable amount of overtime when requested by the Employer as well as days other than their regular work days. It shall not be considered a refusal to work overtime (1) when an employee is scheduled to attend an accredited college or business school, provided the supervisor has been advised of his or her school schedule in advance, or (2) when, because of an overtime schedule, an employee would be left without reasonable practicable transportation to his or her home.
11. Should an employee be called into work on a scheduled day off, they shall receive not less than four (4) hours work or four (4) hours pay at the applicable rate. If they are required to work five (5) hours on their scheduled day off, they shall be paid a \$12.00 meal allowance.
12. Any employee scheduled for jury duty shall be automatically rescheduled as a day shift employee and receive his/her regular straight time rate of pay. Any employee who is called or summoned or reports or serves for jury duty shall receive the difference between jury pay and his/her regular straight time rate of pay for which he/she reported for jury duty and on which he/she would normally have worked.

ARTICLE 5

HOLIDAYS

1. All employees shall observe the following holidays listed and shall not be required to report to work and will receive the straight time hourly rate for such holidays:

New Year's Day	Day after Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	New Year's Eve
Thanksgiving Day	Five (5) Floating Holidays

- a) The floating holidays will be prorated over the period of one (1) year, i.e., a floating holiday every two and one-half (2 ½) months. In the event any employee takes his or her floating holidays during a calendar year and terminates his or her employment prior to the end of that year, any excess floating holidays that have been used shall be repaid to the Employer by deducting such amount from the employee's last paycheck. These days can be used at any time during the calendar year.
2. Holidays falling on Sunday will be observed on Monday by employees on a Monday-Friday workweek schedule. For employees on Tuesday-Saturday workweek schedule, holidays falling on Sunday or on Monday will be observed on Tuesday.
 3. Employees on a Monday-Friday workweek schedule will receive for each holiday falling on Saturday, at the discretion of the Employer, either one day of compensatory time off either on the Friday preceding the Saturday holiday or on the Monday following the Saturday holiday or, in accordance with the treatment of regular work holidays Paragraph 5, one and one half day's pay. This paragraph (Paragraph 3) does not affect employees on a Tuesday-Saturday workweek schedule since Saturday is a regular work day for them.
 4. At least thirty calendar days preceding the Saturday holiday, the Employer shall determine how many employees may take the holiday either on the Friday preceding the Saturday holiday or on the Monday following the Saturday holiday, the election of the day to be taken off will then be at the employees' option by seniority.
 5. All work performed on any of the above enumerated holidays shall be compensated for at one and one half times the regular rate of pay in addition to the regular daily pay.
 6. In the event that any of the above enumerated holidays fall on a regular work day, Monday through Friday, and employees are not required to work, such a holiday shall be considered as a day worked for purposes of computing overtime.
 7. In the event authorized holidays fall concurrently, they should be treated as one holiday. When, however, Christmas Eve and Christmas Day are to be observed on the same day because of stipulations in this Article (Paragraphs 2, 3 and 4) the Employer will schedule an employee's Christmas Eve holiday between the Thursday of the holiday weekend and the following Thursday, unless the employee requests to schedule by mutual agreement an alternative day off. The same will apply to New Year's Eve and New Year's Day.

ARTICLE 6

VACATIONS

1. Employees hired after the beginning of any calendar year shall receive 1 1/12 days vacation for each month or a major fraction thereof worked during that year. If they have not been allowed vacation time off probationary employees, for example, they will receive the vacation pay in lieu of vacation time at least by the second pay week of the following year.
2. On January 1st of each calendar year employees shall receive vacation according to the following:
 - a) Employees who have been on the payroll three (3) years or less shall be entitled to thirteen (13) days vacation during that calendar year.
 - b) Employees who have been on the payroll more than three (3) years, but not more than six (6) years, shall be entitled to fifteen (15) days vacation during that calendar year.
 - c) Employees who have been on the payroll more than six (6) years, but not more than nine (9) years, shall be entitled to seventeen (17) days vacation during that calendar year.
 - d) Employees who have been on the payroll nine (9) or more years, shall be entitled to twenty (20) days vacation during that calendar year.
3. In the event any employee takes his or her vacation during a calendar year and terminates his or her employment prior to the end of that year, any vacation that has been used and unearned shall be repaid to the Employer by deducting such amount from the employee's last paycheck. Vacations are intended to be taken in daily increments. They cannot be taken less than one full day at a time.
4. In the event a holiday named in this contract falls during an employee's vacation period, such employee shall receive an additional day's vacation.
5. Through March 1st of each year, senior employees shall be given preference in the selection of vacation periods and floating holidays to be taken that year. After March 1st, vacation shall be approved on a first come, first served basis. Employees who bid into a new work area after March 1st of each year shall, if vacations are already approved within said work area, go to the bottom of the work area's vacation schedule for that year only.

An employee bumped into a new work area during the month of December and having approved vacation from their previous work area for that month will be afforded every opportunity to take the approved vacation. If the vacation cannot be granted due to compelling business reasons, the employee shall have the following options:

- a) Receive pay for the approved vacation on the second pay week of the following year.

- b) Take the vacation days by the end of February of the following year.
- 6. No employee shall be recalled from their vacation once it is started except by agreement between employee and supervisor.
- 7. An employee shall have the option to transfer the value of a minimum of three (3) and up to a maximum of ten (10) vacation days to only one of the accounts listed below:

Matson Navigation Company of Alaska, LLC 401(k) Plan or
Personal IRA or Horizon Lines Capitol Savings Plan; or
Annual lump sum buyout (separate pay check)

Within the first week of November each calendar year, election forms must be completed by employees choosing one of the above options.

In the event an employee takes the vacation days buyout option and leaves the Employer prior to vacation time being fully earned, provisions of Article VI, Section 3 will apply.

- 8. Employees will be allowed to carry over ten (10) days of earned vacation time to be taken no later than December 31 of the following year.

ARTICLE 7

SICK LEAVE – LEAVES OF ABSENCE

- 1. In cases of bona fide illness, sick leave with pay, less allowances paid under State Disability laws shall be given as herein provided. All employees covered by the collective bargaining agreement shall be included in the Employer's Long Term Sick Leave and Long Term Disability Benefit Plans at no cost to the employee.
- 2. Employees shall be entitled to one day of paid sick leave for each month of employment or major fraction thereof. However, employees may not use their sick leave during the ninety (90) working day probationary period. During the third month of employment an employee will have accumulated to his or her credit three (3) days of sick leave and will continue to accumulate sick leave at the rate of one day per month with a maximum accumulation of one hundred twenty five (125) days.
- 3. When an employee is ill and unable to report to work, they must notify their supervisor as early as possible but will call in at least fifteen (15) minutes prior to the start of an employee's shift on the first day of any such illness. Each location will establish a method to insure calls can be received on a twenty four (24) hour basis. No medical documentation will be required for any absences of three (3) or fewer work days unless management suspects abuse of this benefit. An employee using paid sick leave and/or disability for reasons other than legitimate illness will be disciplined accordingly, up to and including discharge.
- 4. Employees shall be allowed a maximum of three (3) days personal leave to be prorated on the basis of their starting or reinstatement date and to be charged in fifteen (15) minute

increments (subject to payroll technology). Probationary employees shall be entitled to a maximum of five (5) hours of personal leave during their probationary period.

Employees that request personal leave in advance will be granted such leave so long as it does not create work schedule problems. Should an employee's request for personal leave be denied by his or her supervisor, he or she may refer the problem for resolution to the Manager responsible for the administration of this Agreement.

5. In case of death in the immediate family, the employee shall receive time off without loss of pay from the time of death through the day of burial. This provision does not permit an unreasonable length of time off in the event burial is unduly delayed. (The immediate family is defined as the spouse, parent, child, sister, brother, stepmother, stepfather, stepchild, grandchild, grandparent and spouse's parents). If religious requirements dictate immediate burial, such employee shall be granted up to three (3) days leave, if he or she so requests. In the event of death of a member of the employee's family other than the immediate family, the employee will receive one day off without loss of pay to attend the funeral.
6. All earned sick leave must be exhausted prior to commencement of disability benefits.
7. In the case of a serious protracted illness or disabling condition, the Employer will protect the ill employee's right to his or her position for a period of twenty six (26) weeks and any open position for which he or she qualifies for an additional fifty two (52) weeks as follows:
 - a) The first sixty (60) calendar days may be filled with a temporary employee.
 - b) On the sixty first (61) calendar day, the position will be filled on an interim basis.
 - c) On the hundred and eighty second (182) calendar day, the employee successful on the interim posting will be awarded the position on a permanent basis.
 - d) If at the beginning of the protracted illness or disabling condition the employee provides written documentation substantiating the term of absence, the Employer will post the position interim on the first day of absence when the known time of absence will exceed sixty (60) days.

In the case of the second protracted illness or disabling condition, the Employer will protect the ill employee's right to his or her position for a period of thirteen (13) weeks and any open position for which he or she qualifies for an additional twenty six (26) weeks. Should there be a third serious protracted illness or disabling condition, the Employer at its option may or may not protect the employer right to any position, should the third illness occur within a five (5) year period of the first.

Should there be a third serious protracted illness or disabling condition, the Employer at its option may or may not protect the employer right to any position, should the third illness occur within a five (5) year period of the first.

A protracted illness or disabling condition is defined as an illness lasting for thirty (30) calendar days or more.

- e) The Employer will comply with Americans with Disabilities Act (ADA) and any other appropriate legislation in application of the protracted illness or disabling condition provisions of this Article.
 - f) The Employer shall comply with the provisions of the Federal Family and Medical Leave Act (FMLA) and will abide by all other local, state and federal leave laws.
8. With the exception of personal leave and funeral leave, no leave shall be granted during the probationary period.
9. The Employer reserves the right to maintain an Attendance Program. (See Exhibit "A")
10. For armed forces pre induction physical examinations, the Employer shall grant a maximum of one day's time off with pay to an employee.
11. Leave of Absence: Employees shall be granted, with documented support, an unpaid Leave of Absence for up to a maximum of thirty (30) days for the following reasons: maternity, paternity, adoption and health and welfare of their immediate family as defined in Article VII (the immediate family is defined as the spouse, parents, child, sister, brother, stepmother, stepfather, stepchild, or grandparents and spouse's parents), without exhausting time on the books. The Employer will continue to pay benefits for this period.

The employee may request an additional 30 days unpaid leave for above reasons only in which the Employer will continue to pay benefits. However, the employee will be required to use paid vacation leave available on the books in order to be granted this extension.

The employee may request such unpaid leave of absence once every two (2) years.

12. An employee receiving Worker's Compensation Benefit shall have their health and pension contributions continued to be paid for by the Employer for up to a maximum of twelve (12) months.

Upon returning to work the employee will be excused from work with pay if additional therapy is required by certified documentation.

ARTICLE 8

SENIORITY

1. A new employee shall be entitled to all rights and privileges of this Agreement, except as affected by Section 2 of this Article, and shall take his or her place on the seniority list as of the original date of employment within the unit and shall be given a letter certifying the date of his or her hiring and the position for which he or she was engaged.

2. A new employee, also known as a probationary employee in this Agreement, may be discharged with or without cause during the ninety (90) working days following their hiring and such discharge shall not be subject to review or arbitration.
3. Seniority shall mean length of service with the Employer and shall be cumulative on a unit wide basis.
4. An Employee shall lose all seniority rights for any of the following reasons:
 - a) Voluntary resignation
 - b) Discharge for just cause
 - c) Failure of a laid off employee to return to work within ten (10) working days or failure to notify Employer of intent to return within five (5) working days after being recalled by registered mail, receipted telegram, or personal contact to the last known address of such laid off employee, return receipt requested, unless prevented from returning by illness or disability, notice and proof of which shall be supplied to the Employer, within the said period of five (5) days.
 - d) Failure to return to work immediately following recovery from illness or injury, or following the end of a leave of absence or vacation, or absence for three (3) or more working days without notifying the Employer, provided that such failure to report was not beyond the control of the employee.
 - e) Layoff for a continuous period of more than one (1) year.
5. A seniority roster showing the name, location, classification, shift schedule, hours of work and adjusted service date of each employee in the bargaining unit will be sent via email to local union representative and shop steward and a copy will be posted on the Union bulletin board without the shift schedule and hours of work. Said roster will be posted January and July of each year.

In addition to posting for a period of thirty (30) days, the Union will be furnished with a copy of the roster. Revisions which are made for any case, including layoffs, shall be furnished at the time of revision to the Union.

6. To the extent necessary to defer them from layoff or displacement from their jobs, stewards shall be deemed to have greater seniority among the employees they represent, the Chief Steward's scope of representation being the bargaining unit of which he or she is a member, provided they are qualified to perform the duties of a job. The preferential seniority for stewards described in this paragraph shall apply also to recall from layoff. During a general layoff, stewards assigned or recalled to a job will perform the duties assigned to them.
7. The Employer will grant leave without pay of up to five (5) days to one (1) union member of each local for the purposes of attending union conferences and conventions.

ARTICLE 9

ASSIGNMENTS AND TRANSFERS

1. Vacancies within the bargaining unit shall be filled whenever possible by employees on the seniority list.
2. In case of a new position that is not temporary in nature or job vacancy, the Employer will advertise for bids by placing on the bulletin board and by the Employer's email thus giving interested employees three (3) working days to apply for such position. Such notice will show job title, labor grade, rate of pay, location, work schedule – week days and hours, a brief description of job duties including qualifications and necessary skills. The Employer shall consider all applicants and shall fill such positions on the basis of seniority. A bulletin of assignment listing the names of all applicants and designating the successful applicant shall immediately be posted for a period of five (5) working days at all places where the position was advertised. Unsuccessful applicants will be permitted to file a grievance against the final selection during this five day (5) period.

To be eligible to bid on a job posting, an employee must have completed the probationary period.

A temporary position shall mean a new position which is specifically created to exist for not more than sixty (60) calendar days, and such position need not be advertised in accordance with the job posting procedure. Prior to filling the position, the Employer shall provide the Union a written job description for such temporary position.

In the event a permanent position becomes vacant for a period of sixty (60) calendar days or less, upon fulfilling the requirements to have such work performed by existing bargaining unit employees either on straight time or overtime, the Employer may fill the vacant position with a temporary employee. Such temporary employee shall be exempt of the provisions of Article II, Union Security, for up to sixty (60) calendar days. The Employer shall furnish the union, in writing, the name of the employee being replaced, reason for absence and name of temporary employee.

A temporary employee employed by the Employer for more than sixty (60) calendar days upon completion of sixty (60) calendar days of employment, shall be subject to the full terms and conditions of Article 2, Union Security. The Employer shall notify the union, in writing, of the name of a temporary employee retained beyond sixty (60) calendar days. Temporary employees shall not be used to eliminate or forestall the filling of permanent positions.

3. When more than one vacancy exists at the same time, employees shall have the right to bid on any or all, stating preference.
4. An employee awarded an advertised position will be transferred to such assignment as soon as practical after issuance of assignment bulletin. If his or her former position has not been abolished, it will be declared vacant and advertised.

5. Mandatory cross training of employees may be required by the Employer. Temporary employees may be used when an employee is cross training. If overtime becomes available during periods of cross training, it will be offered to the employee who normally performs the job.

ARTICLE 10

LAYOFFS AND RECALL

1. In the event of a layoff or a reduction in staff, the Employer shall notify the Union of the nature and extent thereof. The Employer will discuss the matter with the Union to explain the situation, and the Employer, after considering the Union's attitude, may then make such layoff or reduction in staff in the manner provided below.

Prior to implementation of the layoff, the Employer will notify affected employees of the proposed layoff and/or bump. An employee electing not to bump shall receive severance pay in accordance with Article 10, Section 4. Employees making such an election shall have no rights of recall and will have terminated their employment with the Employer.

Whenever a position is to be eliminated, employees will be offered the opportunity to volunteer by seniority to have their particular position eliminated. The employee making such an election shall be laid off and receive severance pay in accordance with Section 4 of this Article. Such employee shall have no right of recall.

2. Employees with the least amount of unit-wide seniority will be the first laid off. Employees laid off or displaced from their jobs will displace the least senior employee.
3. Notice of such layoff shall be given two (2) weeks before the scheduled layoff.
4. In the event of a layoff, the laid off employees shall receive the following severance pay based on service with the Employer:
 - a) Employees shall receive two (2) week's severance pay for each full year of service for a maximum of fifty-two (52) weeks.
 - b) An employee who has been laid off and then recalled who is subsequently laid off again shall receive severance pay based on the service with the Employer from the date of his or her recall.
 - c) Upon separation of employment except for just cause, employees may elect to receive severance in a lump sum or in weekly payments. If an employee opts for weekly payments, the Employer will provide health benefits for the duration of the severance payment period. The Employer will allow conversion of up to fifty (50) banked sick leave days to extend health coverage. Severance will be paid on the basis of two (2) weeks per full year of service completed as of the sever date, with a maximum payout of fifty two (52) weeks.

5. An employee laid off shall be first in line for recall for a period of one (1) year.
6. Subject to Paragraph 7, the Employer, upon rehiring, shall do so in the inverse order of seniority. The Employer shall rehire the last employee laid off. The Employer will provide any training necessary to the employee for the performance of such work. The Employer will consider utilizing employees on layoff for any temporary work subject to the provisions of Article 9. Under no circumstances shall the Employer hire from the open market while employees on the recall list are ready, willing and able to be re employed. The last employee laid off from a job will be the first recalled to that job.
7. An employee recalled and reinstated to the former position held shall receive his or her former rate of pay in addition to any wage increases which were applied during the period he or she was on the recall list.
8. Any notice of reemployment to an employee who has been laid off shall be made by registered mail, receipted telegram, or personal contact to the last known address of such laid off employee.

ARTICLE 11

DISCIPLINE AND DISCHARGE

1. The Employer has the right to discipline or discharge for just cause.
2. If, upon joint investigation by the Union and the Employer or by decision of an arbitrator appointed pursuant to the terms of this Agreement, it shall be found that an employee has been unjustly discharged, such employee shall be reinstated to his or her former position without any loss of seniority or rank and may or may not be compensated for time lost.
3. Records of disciplinary actions will be considered a part of the employee's personnel file. With the exception of disciplines for EEOC violations, threats or physical violence, a warning notice will be deemed too old for purposes of progressive disciplinary actions after twelve (12) months from the date that such notice is issued.

ARTICLE 12

HEALTH, WELFARE AND PENSION

1. Welfare and Pension:

The Employer shall pay weekly contributions for each employee covered by this Agreement, including those hired subsequent thereto, into the Local 153 Pension Fund. This Fund is administered by a Board of Trustees composed of an equal number of Union Trustees and Employer Trustees designated by each respective group pursuant to a Trust Agreement and a Pension Plan which conforms to all applicable laws and which has been approved by the Treasury Department as an exempt plan. The Employer accepts the Trustees designated and is bound by the provisions of the Agreement and Declaration of Trust.

- A. For all members of the bargaining unit on whose behalf the Employer was contributing two hundred and ninety-nine dollars and ninety-seven cents (\$299.97) per week to the Local 153 Pension Fund on November 1, 2017, the Employer agrees to increase those contributions as follows:

Effective 01/01/18 – increase the contribution by an additional \$30.00 per week for a total of \$329.97.

Effective 01/01/19 – increase the contribution by an additional \$29.70 per week for a total of \$359.67.

Effective 01/01/20 – increase the contribution by an additional \$32.37 per week for a total of \$392.04.

- B. For all members of the bargaining unit on whose behalf the Employer was contributing one hundred and nineteen dollars and sixty-one cents (\$119.61) per week to the Local 153 Pension Fund on November 1, 2017, the Employer agrees to increase those contributions as follows:

Effective 01/01/18 – increase the contribution by an additional \$11.96 per week for a total of \$131.57.

Effective 01/01/19 – increase the contribution by an additional \$11.84 per week for a total of \$143.41.

Effective 01/01/20 – increase the contribution by an additional \$12.91 per week for a total of \$156.32.

The Employer agrees to allow any member of the bargaining unit the option to divert a portion of the Employer's six percent (6%) contribution to the 401(k) towards the cost of the employee's portion of the health care premium. Employees may elect to divert a portion of the Employer's contribution within four (4) weeks of hire into a regular position or at the time of "open enrollment."

2. The Employer shall provide health and welfare coverage to all employees in the bargaining unit and their eligible dependents through the Matson Alaska Benefits Plan. The program of benefits and cost of the plan shall be the same as that applied to all other employees in the Matson Alaska Benefits Plan. An employee is required to provide evidence of alternate health insurance to opt out of benefit coverage.

With respect to the above, the Union waives its right to bargain about the Plan and the specific benefits within the Plan. The administration of the Plan is the exclusive right of the Employer, and disputes which might arise with respect to the interpretation of the Plan shall not be subject to the grievance and arbitration provisions of the current contract. The benefits provided under the terms of this Agreement and the Matson Alaska Benefits plans are subject to modification and amendment by Matson Navigation Company of Alaska, LLC in its

sole discretion. The Employer agrees to notify the Union of changes to the Plan at the time of such modification or amendment.

The Employer shall provide life insurance in the amount of two (2) times the annual base salary for active employees at no cost to the employee.

All employees covered by the Collective Bargaining Agreement shall have the right to purchase Supplemental Life Insurance through the Employer at group rates at the employee's expense.

The Employer's Long Term Sick Leave benefits shall apply to all employees at no cost in accordance with applicable state law and in accordance with the Plan's features except that the maximum benefit amount a bargaining unit employee can receive is two-thirds of their base wages.

3. All employees covered by the Collective Bargaining Agreement shall be included in the Employer's Long Term Disability benefit plan at no cost to the employee.
4. Health care benefit packages available to OPEIU associates will not differ from the benefit packages offered to other Matson Navigation Company of Alaska, LLC employees.
5. An employee's premium share shall not exceed fifteen percent (15%) of the total cost of the health care premium.

ARTICLE 13

MAINTENANCE OF STANDARDS

1. The Employer will continue to provide benefits which have not been superseded by this Agreement and which were enjoyed generally by all employees. Any questions relating to these benefits shall be referred immediately to Step 3 of the Grievance Procedure.
2. The Employer shall pay the full cost of educational or specialized training courses that have been requested in writing by the Employer.
3. The Employer may give on-the-job training to trainees for management positions by having them perform work covered by this Agreement for temporary period of time. It is not the intention, nor will it be allowed, that the work these trainees do in any way jeopardize bargaining unit jobs or bargaining unit employee overtime. During an emergency layoff, trainees may not perform bargaining unit work.

ARTICLE 14

TECHNOLOGICAL CHANGES

1. When the Employer makes such technological changes as it deems necessary, such as, but not limited to, the introduction of automated office machinery, it will notify the Union and explain the nature and effect of such changes.
2. The Employer agrees to offer the new position created by the introduction of such technological changes to present employees before hiring from the outside market.
3. The Employer agrees to institute a training program for those employees who are displaced by the introduction of such technological changes and who wish to accept employment in these automated positions or be laid off.
4. Employees permanently assigned under the provisions of this paragraph shall have the immediate right to bid on open positions posted. The Union shall cooperate fully with the Employer in order to make the job changes smoothly and promptly.

ARTICLE 15

GRIEVANCE MACHINERY – ARBITRATION

1. Any complaint or dispute arising between the parties to this Agreement involving the interpretation, application, or claimed breach of this Agreement may be considered a grievance. Any employee having a grievance which has not been settled by him or her with their supervisor shall waive the same unless he or she pursues the following procedure:
 - Step 1: The matter shall be taken up by the employee affected and his Steward with the employee's supervisor. This step shall be taken within five (5) working days from the date when the grievance arose. If not satisfactorily settled, the grievance shall be reduced to writing and submitted to the Employer, then
 - Step 2: The matter of the grievance shall be taken up by a representative of the Union and Steward with a representative of the Employer within ten (10) working days after Step 1 has failed to settle the matter. If not here satisfactorily settled; then
 - Step 3: The matter shall be taken up between a representative of the Union and an executive of the Employer within ten (10) working days after Step 2 has failed to settle the matter. If not here satisfactorily settled, then the matter may be taken to arbitration by either party as hereinafter provided in Section 3.

If the Employer or the Union has a grievance hereunder, it shall be presented within ten (10) working days from the time when it arose to a representative of the other party of this contract. Should the grievance not be settled by the parties, then either party may invoke the procedure provided for in Section 3 hereof in accordance with the time limits therein stated.

Any grievance as herein defined, which is not settled under the grievance procedure above outlined, may be submitted, upon notice to the other party, to arbitration within two (2) weeks after the last applicable step of the grievance procedure has failed to produce a settlement thereof, before an arbitrator appointed pursuant to the rules of, and from the panel of arbitrators from the Federal Mediation and Conciliation Service (FMCS) offices, unless the parties agree upon a mutually acceptable arbitrator within five (5) working days after delivery of the notice of intention to arbitrate. The parties will then choose the arbitrator by alternately striking a name from the list until one name remains, with the moving party striking the first name. Once an arbitrator is selected, the moving party must within ten (10) working days contact the arbitrator to arrange for a mutually convenient hearing date. By mutual agreement the matter may be referred to Expedited Arbitration. Where arbitration is not demanded within the time limit herein fixed, the grievance in question is deemed waived.

2. The cost of any arbitration hereunder shall be borne equally by the parties, and the arbitrator's decision shall be final and binding on all parties and shall be fully enforceable in any appropriate court of law. It is understood that the arbitrator shall not have the power to amend, modify, alter or subtract from this Agreement or any provision thereof.
3. Any timeline referenced in this Article may be extended by mutual agreement between the parties.

ARTICLE 16

STRIKES AND LOCKOUTS

1. The Union agrees that there will be no strikes or slowdown during the life of this Agreement.
2. The Employer agrees that it will not lock out its employees. In the case of workers' picket lines established by another union, in lawful strike, the Employer will not require members of the bargaining union to perform work normally performed by dock workers.
3. In the event any other employees engage in any strike or refusal to work, place or maintain pickets at or on the Employer's premises, then any refusal to work or failure to cross such picket line by members of the Office and Professional Employees International Union shall not be construed to be a violation of this Agreement, any other language of this Agreement notwithstanding.

ARTICLE 17

SEPARABILITY

In the event that any provision of this Agreement shall at any time be declared invalid by any court of competent jurisdiction or through government regulations or decree, such decision shall not invalidate the entire Agreement, it being the express intention of the parties hereto that all other provisions not declared invalid shall remain in full force and effect.

ARTICLE 18

401(k) PLAN

1. The Employer will make a six percent (6%) contribution on behalf of all employees on a monthly basis into the 401(k) Plan. The 401(k) contributions will not start until after an employee has completed his/her ninety (90) day probation period. Upon successful completion of the ninety (90) day probationary period, employees will receive contributions retroactive to their hire date.
2. All bargaining unit employees with one or more years of service shall receive the amount of seven hundred and fifty dollars (\$750) to be paid before December 10th of each year. Employees may elect before November 30th of each year to receive this payment in a lump sum amount minus taxes or divert some or all of it into the 401(k) Plan.

ARTICLE 19

WAGES AND COST OF LIVING ADJUSTMENTS

1. It is expressly understood and agreed that the employees covered hereunder shall, except as otherwise provided in this Agreement, be paid only for time actually worked.

General Wage Increase (GWI) – The Employer agrees to pay wage increases to all employees covered by this Agreement according to the following:

Effective 11/9/17:

- 1) Every bargaining unit employee earning less than twenty three dollars (\$23) per hour shall receive an increase to earn a total wage rate of twenty four dollars (\$24) per hour.
- 2) Every bargaining unit employee earning between twenty three dollars (\$23) per hour and twenty four dollars (\$24) per hour shall receive a two and one-half percent (2.5%) wage increase.
- 3) All bargaining unit employees earning more than twenty four dollars (\$24) per hour shall receive a two percent (2%) wage increase.
- 4) The new hire rate shall be increased to twenty dollars (\$20) per hour.

Effective 11/9/18:

All bargaining unit employees shall receive a fifty cents (\$0.50) per hour wage increase.

Effective 11/9/19:

All bargaining unit employees shall receive a seventy-five cents (\$0.75) per hour wage increase.

2. If any employee is hired at a higher rate of pay than above, the Employer will be required to increase all other employees pay to that higher rate.

ARTICLE 20

VAN POOLING

The Employer will contribute 10% of the cost to the individual employee participating in an Employer approved van pool for transportation to and from work, subject to state and local regulations. Each individual must produce appropriate documentation in order to receive payment.

ARTICLE 21

COMPELLING FAMILY NEEDS

The Employer recognizes that employees may face serious family or personal emotional situation. The Employer agrees to review such cases in consultation with the employee and the Union, in an effort to assist the employee in dealing with the problem.

ARTICLE 22

JOB SECURITY

1. Subject to the terms and conditions of the collective bargaining Agreement, the Employer and the Union agree that it is in their mutual interest to provide guaranteed job security to senior employees.
2. The parties hereto recognize the need for continual refinement of certain skills which enhance productivity and serve customer needs.

ARTICLE 23

TRAINING

The parties agree that the employees will maintain skills and abilities to meet the changing needs of our business. In order to achieve this, we believe that it is necessary to provide on going training. This training can be done through several resources, i.e. cross training in other classifications, multi media training within Matson Navigation Company of Alaska, LLC sponsored courses, and external, training such as vocational/business schools, colleges and universities.

ARTICLE 24

JOB PRESERVATION

The Employer and Union agree that prior to implementation of any reduction in force of employees, the Employer shall notify the Union so that the parties can bargain over the impact of any such reduction.

ARTICLE 25

RIGHTS OF MANAGEMENT

All the usual inherent and fundamental rights of Management that the Employer had prior to the execution of this Agreement shall continue to be vested in the Employer except those specifically abridged herein.

ARTICLE 26

SUCCESSORS

This Agreement shall be binding upon the successors and assigns of the parties hereto, and no provisions, terms or obligations herein contained shall be affected, modified, altered or changed in any respect whatsoever by the consolidation, merger, sale, sale of assets, transfer or assignment of either party hereto, or affected, modified, altered or changed in any respect whatsoever hereto.

ARTICLE 27

TERMINATION AND RENEWAL

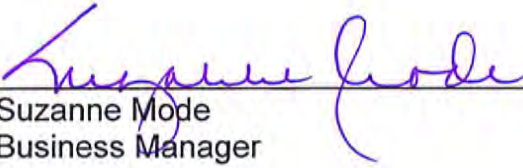
This Agreement shall be and remain in full force and effective until 12:00 p.m., the 9th day of November, 2020, and shall continue in full force and effect from year to year thereafter unless either party gives notice in writing to the other at least sixty (60) days prior to the expiration date, or of any extension thereof, of its desire to terminate or modify this Agreement; and if modification is desired, such notice shall summarize such modification.

Should one of the parties terminate the Agreement by giving notice in writing to the other at least sixty (60) days prior to the expiration date of November 9, 2020, or any extension thereof, the Employer has the option to submit its final offer to the Union ten (10) days or more prior to the November 9 expiration date. If the Employer has exercised its option, the Union will, at least ten (10) days prior to the November 9th expiration date, mail the Employer's offer to all employees covered by the Master Agreement for ratification.

IN WITNESS WHEREOF, the parties have caused these presents to be signed by their duly authorized representatives.

COLLECTIVE BARGAINING AGREEMENT
OPEIU Local 8 – Matson Navigation Company of Alaska, LLC

OFFICE AND PROFESSIONAL EMPLOYEES
INTERNATIONAL UNION LOCAL NO. 8,
AFL-CIO

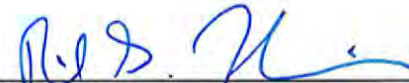
By 
Suzanne Mode
Business Manager

Date: 2/7/18

By 
Tionna Piper
Bargaining Team Member

Date: 2/27/2018


MATSON NAVIGATION COMPANY OF
ALASKA, LLC

By 
Rich Kinney
Vice President, West Coast Terminals
and Vehicle Operations

Date: 2/22/2018

By 
Kevin Dietsch
Vice President, Matson Terminals Inc.

Date: 2/26/2018

By 
Roy Fulwiler
Admin Manager

Date: 2/27/2018

EXHIBIT “A”

ATTENDANCE POLICY

I. POLICY

Matson Navigation Company of Alaska, LLC has established a formal attendance program for non-exempt employees, described in the procedure below. The Labor Relations Department, Matson Navigation Company of Alaska, LLC, is accountable for disseminating, as required, information or revisions to the program. Designated contract administrators in area, regional and local offices administer the program. In some of the larger offices, the personnel managers that administer the master labor agreement also administer the attendance program.

II. PROCEDURE

A. Necessity for a Formal Program

By any standard of measurement, an absent employee is an economic loss to a company. A successful company must have a stable work force. Whether an absence has been excused or not, management has the problem of filling the gap. The time lost in finding and assigning a replacement and the possible deterioration in productivity are hazards to the successful operation of an organization. Absence and lateness are an index of an organization's stability and are most disturbing to group efficiency and morale. It makes individuals unacceptable for a work team, no matter how much they can offer when they come to work.

B. Applicability of the Program

The attendance program is in effect for all Matson Navigation offices where neither union agreements nor inviolable local practices take precedence. Although some exceptions to the attendance program are necessary, all offices must comply with the program and its overall approach wherever feasible.

C. Program Concepts and Standards

1. Concepts

The following definitions outline employee failure to comply with program standards. Specifications of the definitions is explained in Section E below.

- a. “Lateness” is the failure to report and/or be available for work at the employee's work station at the beginning of the workday and after approved breaks and lunch periods.
- b. “Absence” is the failure to report for work as scheduled or leaving work during a scheduled workday.

- c. “No Punch” is the failure of each employee to punch his/her card at the beginning of the workday and before and after lunch breaks.

2. Standards

- a. An employee who is late for work, absent from work or fails to punch his/her time card will be progressively disciplined and counseled at each step for violation of the attendance and no punch program. However, this program is not the sole or exclusive means of dealing with chronic absenteeism. Nothing contained in this program changes or affects the rights of the employer or the union under the provisions of the current agreement.
- b. All lates, absences, or no punches occurring within a one-year time frame are chargeable under the program.
- c. The program is intended to promote good attendance on the job and is to be administered by all supervisors and managers fairly, accurately and uniformly in all locations and departments. The local personnel office and Corporate Labor Relations will monitor the program, and the local personnel office will assist supervisors/managers in its implementation, record keeping and administration.

D. Exceptions to Program Provisions

In the following instances or circumstances, an employee will not be charged with lateness, absence, or no punch.

1. Approved personal leave (15 minute increments), requested in advance.
2. Approved vacation leave, requested in advance.
3. Approved funeral leave.
4. Approved jury duty.
5. Approved temporary military leave.
6. Approved absences due to worker's compensation injury.
7. Uncontrollable situations affecting the majority of the work force such as extreme weather conditions/emergencies. Late employee's pay will still be docked for late time.
8. Personal leave not requested in advance, for emergency situations affecting the health and welfare of the employee's immediate family.
9. No punch exception: time clock malfunction, time card missing, inadvertently punching another's time card (if brought to the supervisor's attention immediately).
10. An employee reporting to work on time or available for work on time but is instructed by his/her supervisor to perform some job duty which prohibits the employee from timely punching in.
11. Sick Leave – no occurrence will be charged if the absent employee provides:

- a. A signed statement from a qualified medical practitioner verifying the employee's illness at the time of their return to work.

When Sick Leave is Exhausted: any employee who is absent for illness who has exhausted their Company earned sick leave, i.e., 1 day per month with the maximum accrual of 125 days per Article 7, paragraph 2 is to be charged an occurrence for any period of time they are absent and are not paid earned sick leave.

Qualified Medical practitioner: for the purpose of this policy qualified medical practitioner means a person entitled to engage in the practice of medical care under the laws of the state in which they practice.

Occurrence: for the purpose of this policy an occurrence means for each illness regardless of the length of time away from the job.

A late occurrence will be recorded rather than a no punch occurrence in those cases where it is proved that a late employee also failed to punch in.

Any person who has exhausted all leave benefits may request unpaid leave. Such unpaid leave is to be counted as an occurrence.

In addition to the above, the Labor Relations Department, Matson Navigation, is accountable for disseminating on an ongoing basis information and revisions affecting the attendance program.

E. Progressive Discipline

The purpose of progressive discipline is to correct deficiencies, improve attendance, and promote better work attitudes. Failure to comply with the improvement plan results in termination of the employee.

1. First Step – Warning

Lateness – Formal meeting for three (3) separate late occurrences.

No Punch – Formal meeting for one (1) no punch.

Absence – Formal meeting for two (2) separate absence occurrences. (Minutes of such meeting to be provided to the employee and the Shop Steward.)

2. Second Step – Written Warning

Lateness – Warning letter for six (6) late occurrences.

No Punch – Warning letter for second no punch occurrence.

Absence – Warning letter for four (4) absence occurrences.

3. Third Step – Suspension

Lateness – Three-day suspension for eight (8) late occurrences.

No Punch – One occurrence under lateness program for third (3rd) no punch occurrence.

Absence – Three-day suspension for five (5) absence occurrences.

4. Fourth Step – Suspension

Lateness – Five-day suspension for ten (10) late occurrences.

No Punch – Second occurrence under lateness program for fourth (4th) no punch occurrence.

Absence – Five-day suspension for six (6) absence occurrences.

5. Fifth Step – Termination

Lateness – Termination for twelve (12) late occurrences.

No Punch – Third (3rd) occurrence under lateness for fifth (5th) no punch occurrence. Each additional no punch occurrence will count as an occurrence under the lateness program.

Absence – Termination for seven (7) absence occurrences.

The Personal Manager and Corporate Labor Relations Department must be notified prior to termination actions.

F. Reinstatement

1. Absence

If an employee's record is clear of any absence occurrences for a period of six (6) months from the last occurrence, the employee reverts to the beginning of the previous completed step in the program. Any absence occurrence older than one year will not be counted. If an employee's record is clear of any absence occurrence for a period of one year, the employee's absence record is wiped clean.

2. Lateness and No Punch

If an employee's record is clear of any lateness and no punch occurrences for a period of six (6) months from the last lateness or no punch occurrence, the employee reverts to the beginning of the previous completed step in the program. Any lateness or no punch occurrence older than one (1) year will not be counted. If an employee's record is clear of any lateness and no punch occurrences for a period of one year, the employee's lateness and no punch record is wiped clean.

3. Documenting the Employee's Progress

- a. Warning letters to the employees listing the occurrence will be issued by the supervisor and given to the employee. A copy to the employee's personnel file will be included in the distribution of each letter. The supervisor should counsel the employee on each step, and encourage the employee to improve. The supervisor should conduct formal meetings and distribute copies of the letters in accordance with the instructions of the attendance program.
- b. Supervisors should also advise in writing the shop steward at all steps.
- c. Union Representatives, shop stewards, the local Personnel office, and Corporate Labor Relations should be copied in on all disciplinary correspondence.

EXHIBIT “B”

SIDE AGREEMENTS

The Union and the Company agree that all existing side letters shall remain in full force and effect. The parties may meet and confer about such letters if necessary.

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