

AGREEMENT

Between



**Ozark Border
Electric Cooperative**

**OZARK BORDER ELECTRIC COOPERATIVE
(EMPLOYER)**

And



**IBEW - LOCAL 702
CLERICAL UNIT**

Effective

JULY 1, 2020 THROUGH JUNE 30, 2025

OZARK BORDER ELECTRIC COOPERATIVE

Clerical Union Contract

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THIS AGREEMENT made and entered into this 1st day of July, 2020, by and between OZARK BORDER ELECTRIC COOPERATIVE, and the Board of Directors of the Cooperative, who may be referred to hereinafter as the "Cooperative" and LOCAL UNION 702, of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, who may be referred to hereinafter as the "Local Union" or "Union".

THIS AGREEMENT, when approved by the Local Union 702 of the IBEW and the Board of Directors of the Cooperative shall be binding upon the Cooperative, its successors or assigns and shall take effect July 1, 2020, and shall remain in full force and effect until and including June 30, 2025, and shall continue in full force and effect from year to year thereafter until it has been canceled or amended by the giving of sixty (60) days written notice from either party to the other. If amendment is desired, the contents of amendment shall accompany the notice. Changes mutually agreed to may be made at any time.

It is the desire of the Cooperative and the Union that all parties to this Agreement will cooperate with each other to promote harmonious relations, mutual good will and efficiency, and it is not the intent or desire of either party to engage in any subterfuge, or to evade or circumvent the spirit and intent of this Agreement.

WITNESSETH:

ARTICLE I

SCOPE OF AGREEMENT AND UNION SECURITY

Section 1. Pursuant to certification by the NLRB (Case No. 14-RC-5262), the Cooperative recognizes Local Union 702 of the International Brotherhood of Electrical Workers as the exclusive bargaining agent and representative of its clerical department personnel consisting of all clerical and technical excluding all confidential employees, professional employees, guards and supervisors as defined in the Labor Relations Act and all other employees.

Section 2. This Agreement shall have effect only on the property of the Cooperative and shall cover all work thereon coming under the jurisdiction of the Brotherhood as usually performed by the employees of the Cooperative covered by this Agreement as set out in Section 1 above.

Section 3. It is agreed by the parties hereto that all present and new employees, except those transferred to supervisory positions outside the Union, also former employees returning to work, shall be and remain or required to become and remain, respectively, members of the Local Union as a condition of employment hereunder, provided that new employees shall be employed subject to a probationary period of one hundred eighty (180) days, during which time the Cooperative shall elect whether the work of the new employee is satisfactory and whether it wishes to continue the employment. The Cooperative shall refer all new or re-employed employees to the local representative of the Local Union for instructions and advise concerning the Union Shop requirements of this Agreement.

The Cooperative shall have the sole right to employ whomsoever it chooses without regard to membership or non-membership in the Local Union except that after said probationary period all new employees shall become members of the Local Union. All new employees shall be informed in writing of their definite classification within one hundred eighty (180) calendar days of their employment.

Substitute employees who replace permanent employees who are absent from work on authorized leave are not subject to the terms of this Section unless the Cooperative retains such substitute employees as a permanent employee and in this event, his or her seniority shall begin with the date of employment.

Section 4. It is understood and agreed that no member of the Union shall be discriminated against or denied employment because of his activities in legitimate matters affecting the Union, however, the Cooperative will not be required to compensate an employee absent from his regularly assigned duties for the purpose of conducting business for the Union.

Section 5. The Cooperative agrees that it shall not contract out any work normally done by the bargaining unit if such contracting would result in lay off of permanent employees covered by this Agreement. However, the use of automated office equipment shall not be considered as work being contracted out.

Section 6. Except as otherwise specifically provided herein, the Cooperative shall:

1. Have the right to manage its business and its properties and to direct its working forces.
2. Have the right to employ, transfer, lay off, promote, demote, discipline, and discharge its employees subject, however, to the terms of this Agreement.
3. Be the sole judge of the qualifications, ability, and classifications of its employees.
4. All employees who are hired, or re-hired, after July 1, 2020, will be required, as conditions of continued employment, to reside within a twenty (20) mile driving distance of their assigned service area headquarters. All employees who, after July 1, 2024, bid to a different job within the Cooperative, located at a different service area headquarters, will be required to relocate their residence to reside within a twenty (20) mile driving distance of their assigned service area headquarters by June 30, 2025. All employees shall be given six (6) months to comply with the residency requirement, as applicable.

Section 7. In the event that any of the provisions of this Agreement shall conflict with any State or Federal law or presidential regulations, such provisions shall be deemed to be modified sufficiently in respect to either or both parties to the extent necessary to comply with such laws or regulations and the remaining portion of this Agreement shall remain in full force and effect.

Section 8. The Union agrees there shall be no strike, lockout, slow down or suspension of work nor shall any item of the Cooperative's property be knowingly changed in a manner that it will not function in the way most economical to the Cooperative during the term of this Agreement because of the interpretation or application of the provisions of this Agreement. All such questions or disputes shall be handled in the manner provided for herein. The Cooperative agrees that there shall be no lockouts or actions knowingly to provoke a strike. The Union further agrees that in the event of picket lines being established, the crossing of picket lines will be at the sole discretion of the individual member of the Union.

ARTICLE II

SENIORITY

Section 1. Seniority for each regularly paid employee who has been employed as such for six (6) months within a period of twelve (12) consecutive months under this Agreement shall begin as of the first day of such employment unless his or her seniority has been broken as hereinafter in Section 3 provided. If his or her seniority has been broken and he or she is re-employed then and in that event his or her seniority after having been re-employed for a period of six (6) months within a period of twelve (12) consecutive months, shall begin on the first date of re-employment after his or her most recent loss of seniority hereunder.

The foregoing shall not alter or effect seniority rights such as vacation, sick leave, annuities, or other benefits and privileges to which such regular employee may be entitled for service with the Cooperative prior to being employed or re-employed hereunder. It being understood, however, that when an employee's seniority has been broken for reasons hereinafter provided in Article II, Section 3, and the employee is re-hired, he or she shall have forfeited all accumulated employees' benefits and privileges which he or she had accrued during his or her prior service with the Cooperative.

Section 2. When making a reduction in the number of employees due to the lack of work and when re-hiring, the following procedure shall govern:

- (a) Employees who have not established seniority with the Cooperative shall be laid off first.
- (b) Thereafter, employees shall be laid off in the inverse order of their established seniority.
- (c) The foregoing provisions of (a) and (b) need not apply when the application thereof would result in the Cooperative being required to lay off employees possessed of skill essential to properly perform the work available at the time of the layoff not possessed by employees having greater seniority.
- (d) When adding employees, those having established seniority most recently laid off on account of curtailment of work shall be the first among those holding seniority to be re-employed, if available, and physically able to return to work, providing they have the qualifications required.

Section 3. Seniority shall be deemed to have been broken for the following reasons:

- (a) If the employee resigns.
- (b) If the employee is discharged for just cause.
- (c) If the employee is absent from work without authorized leave except when satisfactory reasons for his or her absence are given.
- (d) If an employee who has been laid off fails to return to work within three (3) days after being properly notified by certified mail to report for work and does not give a satisfactory reason for failing to report within this three (3) day period.

- (e) If an employee is laid off for twelve (12) consecutive months, he or she shall, however, not lose his or her seniority if said seniority exceeds twelve (12) months. In all other cases where an employee is laid off for more than twelve (12) consecutive months, he or she shall not lose his or her seniority unless he or she is laid off for a continuous period equal to the seniority he or she had acquired prior thereto. In the event that an employee with five (5) or more years of service is laid off in excess of five (5) continuous years, then the seniority of such employee shall terminate.

Section 4. Promotions shall be made and vacancies shall be filled based on seniority, ability and qualifications. Ability and qualifications being reasonably equal, seniority shall prevail.

- (a) Should an employee deny a promotion, it shall have no effect on his or her future promotions. Should all employees in lower classification refuse such a promotion, the Cooperative may then hire an additional employee for this position. If the Cooperative feels that additional help is not required, they may release the employee with the least seniority in order to make room for such additional employees.
- (b) An employee promoted to a new position will be given a reasonable opportunity to demonstrate his or her qualifications and ability to management. If he or she does not qualify in a reasonable time, he or she shall be returned to the position he or she formerly held.
- (c) When vacancies occur or when new positions are created within the bargaining unit, the Cooperative will post a notice on bulletin boards for a period of five (5) days (Sundays and Holidays excluded) announcing the position open. Employees desiring to be considered shall make written application to the Manager. When necessary, temporary assignments will be made for the period the position is considered open. A copy of the notice of job vacancy posting and a copy of written application shall be forwarded to the Local Union.

This Section shall apply only to such positions as are specifically covered under the terms of this Agreement.

Section 5. An employee who has established seniority, if he or she can be separated from duty, may be granted a leave of absence upon approval from the Cooperative and while on such leave, he or she shall not forfeit any such seniority he or she may heretofore have established provided he or she does not overstay his or her leave or accept employment elsewhere while on such leave without the approval of the Cooperative. Female employees shall be granted up to four (4) months leave of absence due to pregnancy; leave of absence to begin not less than three (3) weeks prior to expected delivery date of the child in compliance with Missouri State Law. If based on a certificate of attending doctor, medical complications arise preventing return to work within the four (4) months pregnancy leave, and upon letter of intent from employee indicating a desire to return to work, pregnancy leave may be extended beyond the four (4) month period, but in no event shall exceed one (1) year in duration.

The foregoing shall apply to employees hired by the Cooperative after July 1, 1987, except the four (4) months pregnancy leave shall be reduced to three (3) months.

Notwithstanding any of the other terms hereof, an employee who has been laid off shall deem to have lost all accumulated seniority, and all rights to be re-employed unless he or she registers with the Cooperative either in person or by registered mail, at least once each year and within thirty (30) days prior to the following January 1 of the year under consideration.

ARTICLE III

NEGOTIATIONS AND ARBITRATION

Section 1. The parties agree that the operations of the Cooperative upon which the employees covered in this Agreement are to be engaged are essential to the welfare of the Community served by it and recognize their obligations to furnish continuous electric service.

Section 2. The Cooperative agrees to meet and treat with the duly accredited officers and committees of the Union in the following manner on differences that may arise between the Cooperative and the Union.

- (a) In case of any disagreement arising between the Cooperative and any employee and/or employees covered by this Agreement, it shall be handled in the following manner: Any dispute arising between the employee and/or employees and the Coop must be submitted in writing on an agreed form setting forth the nature of the dispute or the alleged violation of any provision of this Agreement within a five day period after the alleged violation or dispute arises. Three (3) copies of the written statement of grievance will be required. One (1) copy to be forwarded to the Coop office – One (1) copy to be forwarded to the Union office - Third copy retained by the employee and/or employees.
- (b) Upon receipt of the written statement of grievance by the Cooperative and the Union, a meeting will be held between two (2) representatives of the Cooperative and two (2) representatives of the Union and the aggrieved employee and/or employees within ten (10) days after receipt of the statement of grievance and together will endeavor to resolve the dispute at this meeting.
- (c) In the event that no satisfactory agreement is reached as set forth in subsection (b), the matter will be submitted immediately to arbitration for settlement.
- (d) Either or both parties shall notify Federal Mediation and Conciliation Service, Washington, D.C., for the purpose of obtaining fifth member who will serve as an impartial chairman of the grievance committee who will hear and consider the evidence submitted and render a decision on the grievance or grievances presented, and the decision rendered by such chairman will be final and binding on both parties.

(e) Each party shall bear the expense of its own committee members and the expenses of the fifth member or impartial chairman shall be borne equally between both parties.

Section 3. It is agreed that the procedure set forth in Section 2 above, may be initiated by either party to this Agreement. It is further agreed and understood that neither party to this Agreement will resort to other methods than those agreed in Section 2 to effect a settlement of differences.

ARTICLE IV

CLASSIFICATIONS AND RATES OF PAY

CLASSIFICATIONS:

STRAIGHT TIME HOURLY RATES PER HOUR

PERCENT INCREASE	3.0% EFFECTIVE 7/1/2020	3.0% EFFECTIVE 7/1/2021	3.0% EFFECTIVE 7/1/2022	3.0% EFFECTIVE 7/1/2023	3.0% EFFECTIVE 7/1/2024
Sr. Accounting Clerk	\$28.21	\$29.06	\$29.93	\$30.83	\$31.75
Accounting Clerk	\$26.81	\$27.61	\$28.44	\$29.29	\$30.17
Sr. Cashier Billing Clerk	\$29.00	\$29.87	\$30.77	\$31.69	\$32.64
Cashier Billing Clerk	\$26.22	\$27.01	\$27.82	\$28.65	\$29.51
Data Processing Clerk	\$26.22	\$27.01	\$27.82	\$28.65	\$29.51
*Sub-Office Clerk	\$28.27	\$29.12	\$29.99	\$30.89	\$31.82
Sr. Staking Technician	\$35.24	\$36.30	\$37.39	\$38.51	\$39.67
Staking Technician	\$33.70	\$34.71	\$35.75	\$36.82	\$37.92
*Member Relations Clerk	\$28.27	\$29.12	\$29.99	\$30.89	\$31.82

NOTE: The Sub-office clerk and member relations clerk rate of pay will apply to those who currently hold this classification. All future hires or anyone transferring into either of these classifications will be classified as a cashier billing clerk and will be paid the cashier billing clerk rate.

Employees hired or re-hired after June 30, 2020, will be paid seventy percent (70%) of their classification wage rate set forth in the Article IV. Employees will receive progression step increases of 5% each year for six (6) years on their anniversary in the classification provided they are making improvements. Ninety (90) days prior to receiving a progression step increase, the employee will be evaluated by their supervisor and the employee will be given areas to improve in and provided improvements are made progression step increases will be approved on the anniversary. Management has the sole right to grant a merit increase at any time.

ARTICLE V

GENERAL RULES AND WORKING CONDITIONS

Section 1. The normal work week shall consist of forty (40) hours of five (5) consecutive days, Monday through Friday or Tuesday through Saturday and the normal work day shall consist of eight (8) hours from 8:00 A.M. to 4:30 P.M. The normal work days as defined herein, may be altered at the request of any employee subject to the Cooperative's approval. Nothing shall prohibit the Cooperative from changing work hours in thirty-minute increments, with a start time not earlier than 6:00 A.M. or later than 9:00 A.M, not to exceed eight (8) days per month. Employees who are requested to change their work hours shall be given twenty-four (24) hours' notice.

All employees shall be entitled to thirty minutes for lunch between the hours of 11:00 A.M. and 2:00 P.M. Employees shall clock in and out for lunch.

Section 2. Employees shall be permitted to take a fifteen (15) minute break morning and afternoon.

Section 3. All employees covered by this Agreement shall receive full-time employment provided they are ready and in condition to perform their work.

Section 4. It is agreed that permanent employees of all sub-offices shall be permitted to work up to two (2) Saturdays during the billing period at the overtime rate of pay provided the Sub-offices are scheduled to be open on Saturdays. It is further agreed that substitute employees in all sub-offices may work such hours as the work load at the particular sub-office required subject to approval by the Cooperative.

Section 5. The following will be recognized as holidays and employees shall not be required to work on these holidays or the days celebrated therefore except in emergencies: New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve, Christmas Day, and Good Friday. All employees covered herein shall receive eight (8) straight time hours pay for each of the above holidays or the days celebrated therefore.

Section 6. When it is necessary for an employee to perform work outside of the regularly scheduled eight (8) hour day or forty (40) hours per week, the employee shall receive time and one-half for all hours worked, except if such work is performed on a calendar Sunday or holiday, the employee shall receive two (2) times his or her base rate of pay for all hours worked.

All the (overtime) will be paid to the nearest one-fourth (1/4) hour as follows:

<u>Minutes</u>	<u>Time Paid</u>
1-15	¼ Hour
16-30	½ Hour
31-45	¾ Hour
46-60	1 Hour

Section 7. The Cooperative will pay all employees each week by direct deposit. The Cooperative agrees to deduct union dues from the checks of each full-time employee who has signed a payroll authorization form for the deduction of union dues. The amount of union dues to be deducted will be provided to the Cooperative by the Union in a timely manner and prior to the time needed to prepare the weekly payroll checks. The Union will provide the Cooperative a notice of two weeks in advance of changes in union dues to be deducted. The amount deducted for union dues will be forwarded to the financial secretary of the IBEW Local 702 each week. Any disputes between the Union and the employee in the amount of dues owed will be resolved between the Union and the employee.

This section shall apply to all full-time employees who have elected to become part of the Union, regardless of whether they have completed their 180-day probationary period. Nothing in this section shall require the Cooperative to utilize the formal grievance procedure with regard to an employee who has not successfully completed the 180-day probationary period. The Cooperative and the Union mutually agree that employees who are still within the 180-day probationary period may be terminated at any time by the Cooperative without resort to the grievance procedure.

Section 8. Nothing in this Agreement shall be so construed as requiring the Cooperative to employ any person not required in the proper and efficient operation of its properties.

The Cooperative shall have the right to discharge any employee for physical inability to perform his or her work, violation of agreed safety practices or other just cause and the Cooperative agrees to give to such employee and the Union at least one (1) warning notice in writing before such discharge provided, however, it is agreed between the parties that just cause for discharge of an employee without notice shall include drunkenness, drinking while on duty, drinking during lunch and returning to work, gross incompetence, insubordination, and subversive activities.

Section 9. The Cooperative and the Union, by mutual agreement, may suspend or may alter the provisions of this Article in case of mutual desire to provide employment for an employee who has been partially disabled.

Section 10. No employee covered by this agreement shall absent himself or herself from duty without first securing permission from their supervisor, the designated substitute supervisor or General Manager. Every effort will be made to notify the supervisor in ample time before working hours. Employees who are absent from work for reasons other than illness, accident or death shall make every effort to give at least five (5) days' notice to the supervisor before doing so.

Section 11. Employees shall be entitled to the necessary time off for the purpose of voting in accordance with the provisions covered by the Missouri State Laws, providing they are eligible to vote and do actually vote.

Section 12. If an employee is required to serve on jury duty in the Circuit Court of the county of his or her residence (excluding Grand Jury) the Cooperative will pay such employee the difference between the amount actually received for Jury Duty and the employee's regular wages.

Section 13. Beginning on January 1, 2016, and continuing during the life of this Agreement, the employees covered by this Agreement have elected to have group medical and prescription drug insurance through Line Construction Benefit Fund (LINECO), with the Cooperative paying one hundred percent (100%) of the premiums for such insurance for the life of the Agreement, up to the following per employee monthly maximum caps:

Year:	2020	2021	2022	2023	2024	2025
Monthly Cap:	\$1,455.33	\$1,542.65	\$1,635.21	\$1,733.32	\$1,837.32	\$1,947.55

(This monthly cap applies regardless of the type of coverage needed/selected, i.e. employee only, employee and spouse, employee and children, or employee and family.)

Should the monthly premium for any employee exceed the monthly maximum cap outlined in this Agreement, the employee will authorize payroll withholding by the Cooperative for the balance of the payment.

The Union outlines, and the Cooperative acknowledges, that, Cooperative employees covered under this Agreement are described under the LINECO plan as “utility employees,” and the benefits provided to eligible utility employees and their dependents are the same benefits provided to “non-utility employees” and dependents under LINECO, except that the insurance benefits (life insurance and AD&D insurance) and the Weekly Loss of Time Benefit are not provided.

The Union hereby represents and agrees that the insurance through LINECO will not require any administration by the Cooperative other than to send the monthly group premium contribution and employer reporting form. Further, the Union and the Cooperative agree that any plan or benefit changes imposed by LINECO during the term of this Agreement, shall not increase the obligations of the Cooperative outlined in this section.

The Cooperative will pay one hundred percent (100%) of the premium for the NRECA life insurance plan equal to five (5) times base pay, as well as accidental death and dismemberment at the same rate.

Effective January 1, 2015, employees who have retired under previous collective bargaining agreements will no longer be entitled to purchase through the Cooperative post-retirement medical insurance benefits for himself, his spouse, and/or his dependents, in that LINECO does not allow employees who retired prior to the effective date of this Agreement to obtain coverage with the employees covered by this Agreement, and, since the employees covered by this agreement are moving

their health and prescription drug insurance from NRECA on January 1, 2016, NRECA will no longer have a plan for bargaining unit employees or retirees.

Section 14. When it becomes necessary for the employees to continue on the job one (1) hour past their regular quitting time, the Cooperative shall furnish a meal and shall furnish an additional meal every five (5) hours thereafter.

Employees called to work at least one (1) hour before their normal starting time shall be entitled to a morning meal at 8:00 A.M. and (1) meal at 12:00 noon and an additional meal every five (5) hours thereafter. All meals will be paid for at the rate of \$14.00 per meal starting July 1, 2020 and will increase to \$14.50 per meal on July 1, 2022.

Employees qualifying for meals will be paid for the meal whether it is eaten or not; however, the Cooperative will have the option of providing a meal at the office rather than paying for a meal. Normal allotted time for eating the meal will not be paid unless actually eaten.

Section 15. Nothing in this Agreement shall prohibit the Cooperative from temporarily assigning employees to perform work on any job in the department provided, however, that when such assignment requires the employee to work in a higher classification, the employee so assigned shall receive the rate of pay of that classification. In the event an employee is assigned to a lower classified job, such employee shall receive his or her regular rate of pay.

Section 16. When an Employee is promoted to a higher classified job as a result of the provisions set forth in Article II, Section 4 of this Agreement, such employee shall receive the classification rate of pay provided they are not in progression steps. In this event, where employees are in progression, their rate of pay shall be determined by their years of service with the Cooperative.

Section 17. The Cooperative agrees to continue the NRECA's Retirement and Security Defined Benefit Pension Plan, which shall provide for a normal retirement age of 65, a 2.0 benefit multiplier for all qualified years of service in the plan, a 50% death benefit, non-COLA, with the quasi-retirement and lump sum features available, with the funding outlined as follows:

- For the duration of the Agreement, the employee shall contribute the first four percent (4.0%) of the required contribution, to be deducted from base earnings, with the Cooperative paying the remaining portion.
- Should there be a moratorium on required contributions for this plan during the term of this Agreement, or should the funding level fall below the four percent (4.0%) of the required employee contribution (all or any part thereof), the employee shall be notified of such, have the deductions halted and the amount placed on his paycheck.

Furthermore, the Cooperative agrees, beginning January 1, 2021, to match the first one percent (1%) contributed by the employee into the current 401k Plan. Should an employee not contribute to the Plan, there will be no matching funds deposited into that employee's account.

Section 18. No staking technician or Senior staking technician shall solicit, engage in or render any electrical service (paid compensation) for a Member. The private provision of electrical services by a staking technician or Senior staking technician for a Member creates a conflict of interest with his/her official duties on behalf of the Cooperative.

Upon any first offense, a staking technician or Senior staking technician may cure the violation by ceasing from any private provision of electrical services for Members. Any staking technician or Senior staking technician found to have violated this provision a second time is subject to discipline, including dismissal.

Section 19. Employees will not use their personal electronic devices during working hours, for non-essential activities, including, but not limited to, activities like surfing social media and viewing online videos, except during break, lunches, and unpaid Cooperative time. Further, excessive use of personal electronic devices for non-essential activities may be grounds for discipline. The Cooperative shall give notice to the Union of any impending investigation.

ARTICLE VI

VACATIONS

Section 1. An employee will be granted an annual vacation with full pay of ten (10) working days per vacation year after he has completed his first year of service. Employees who have completed ten (10) years of service shall be granted an annual vacation with full pay of fifteen (15) working days per vacation year. After completion of twenty (20) years service, employees will be granted an annual vacation of twenty (20) working days with full pay. Employees who have completed twenty-five (25) years of service with the Cooperative will be entitled to five (5) weeks (25 working days) vacation per year.

Section 2. Vacation schedules shall be arranged as near to the wishes of the employees as efficient operation of the property will permit. Vacations are to be taken in one or more work periods of not less than one calendar week in duration. This provision may be altered providing the Cooperative will agree to a different division of vacation time for special reasons. Vacations may be taken at any time during the vacation year.

ARTICLE VII

PERSONAL LEAVE, WORKERS COMPENSATION AND RHRA BENEFITS

Section 1. The Cooperative and Union mutually agree that employees have diverse needs for time off from work due to illness. The Cooperative has established this personal leave policy to meet those needs. The personal leave policy replaces the prior sick leave and family sick leave provisions. The personal leave policy does not take the place of vacations as described in Article VI herein. The benefits of personal leave are that it promotes a flexible approach to time off, with paid time away from work that can be used for personal illness, illness of dependents, illness of other family members or for bereavement. The employee's family, for the purpose of this section, shall be considered as including the employee's spouse, son, daughter, son-in-law, daughter-in-law, brother, sister, father, mother, father-in-law, mother-in-law, grandparent, grandchild, step-children living in the home or on employee insurance or any other related person living in the employee's household. Employees are accountable and responsible for managing their own personal leave hours to allow for adequate reserves if there is a need to cover illness, disability, appointments, emergencies or other situations that require time off from work. Personal leave must be scheduled in advance through the employee's supervisor.

Employees shall accrue personal leave at the rate of 12 hours per month with a cap of 1,000 hours.

Section 2. Personal leave with pay may be reduced or entirely eliminated if, upon investigation, it is found that the employee in question is abusing this privilege. Further, unauthorized use of personal leave without pay may be grounds for discipline. The Cooperative shall give notice to the Union of any impending investigation.

Section 3. In the event any employee is absent from work because of occupational accident, the employee will be paid 100% of this regular rate for the first three (3) days and 80% of his regular rate of pay for the remainder of the time lost, less the amount of compensation payments paid the employee by the Cooperative under the Missouri Workers' Compensation Act for his regularly scheduled hours, as determined by his normal work schedule for all time lost not to exceed 52 weeks regardless of his length of service with the Cooperative. The employee will be compensated on the above basis for each occupational accident; however, such payment shall cease no later than when the employee is physically fit to return to his regular job and his workman's compensation payments under the Missouri Workers' Compensation Act are terminated or the employee is awarded a sum settlement or granted an award for either total or partial impairment.

Section 4. When any employee who has been in continuous service of the Cooperative for 20 years or more retires, he shall receive a lump sum cash settlement, the equivalent to 50% of all accrued personal leave due but not taken at the time of his retirement. Continuous service provision shall apply only to those employees hired after September 16, 1974.

Section 5. The Cooperative has established a retiree health reimbursement arrangement (RHRA) for medical reimbursements for purposes of Section 105 and 106 of the Internal Revenue Code of 1986, as amended as well as health reimbursement arrangements as defined in IRS Notice 2002-45, the contents of which will be funded at the time of eligible retirement/termination as defined by the RHRA plan.

Employees may choose to “bank” the approved dollar value of unused personal leave and vacation into the prepaid medical reimbursement account. Funds in the employee’s prepaid medical reimbursement account may only be used after an RHRA has been established at the time an employee reaches retiree eligibility as defined by the RHRA plan. No withdrawals from the prepaid medical reimbursement account may be made prior to the employee attaining eligible retiree status as defined by the RHRA plan. Should an employee retire or terminate employment with the Cooperative or die prior to reaching retiree eligibility as defined by the RHRA plan, then the amount of the prepaid medical reimbursement account will be forfeited.

At the end of each calendar year, an employee may choose to transfer the unused personal leave earned in that year for 50% of its book value to that employee’s prepaid medical reimbursement account.

At the end of each calendar year or at the employee’s anniversary date, an employee may choose to transfer any or all unused vacation for 100% of its book value to that employee’s prepaid medical reimbursement account. All employees shall be required to use at least one week (5 days) of earned vacation per year. Upon termination, payment will be made for any unused vacation leave, and for any vacations earned during the year of termination that would have been available for use the next year. Such earned vacation shall be pro-rated for the time actually worked during that year.

At RHRA eligible retirement the amount accumulated in the prepaid medical reimbursement account shall be applied to the employee’s RHRA account for use on eligible IRS 213D expenses until all such funds have been exhausted. In the event of the death of the retired employee prior to the exhaustion of those funds, the employee’s spouse and/or dependent children will continue to have these funds available until all remaining funds have been exhausted. Should no eligible spouse or dependents remain, the remaining funds will at that time be forfeited.

IN WITNESS WHEREOF, the parties hereto by their duly authorized officers have executed this Agreement.

OZARK BORDER ELECTRIC COOPERATIVE

LOCAL UNION 702, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

BY: *Darrell Atchison*
Darrell Atchison, President

BY: *Steve Hughart*
Steve Hughart, Business Manager

DATE: 3/30/20

DATE: 4/1/2020

BY: *Mark Yarbro*
Mark Yarbro, Secretary

BY: *Mark Baker*
Mark Baker, Business Representative

DATE: 3/30/20

DATE: 3/31/2020

APPROVED
INTERNATIONAL OFFICE - I.B.E.W.

5/8/2020

Lonnie R. Stephenson, Int'l President
This approval does not make the
International a party to this agreement