

COLLECTIVE BARGAINING AGREEMENT

CRFT Manufacturing

And

UFCW Local 5

October 29, 2024 through October 29, 2026

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COLLECTIVE BARGAINING AGREEMENT

CRFT Manufacturing and UFCW Local 5 - October 29, 2024 through October 29, 2026

1 SECTION 1- RECOGNITION

1.1 RECOGNITION

The Employer hereby recognizes the Union as the sole collective bargaining agent for all full-time and regular part-time employees excluding managers, supervisors and confidential employees as defined by the National Labor Relations Act working at CRFT Manufacturing Inc., presently located at 2330 Circadian Way, Santa Rosa, CA 95407. The parties will bargain over the wages of any newly created classification in the bargaining unit not covered by this Agreement.

1.2 NEW HIRE

When new or additional employees are needed to fill a bargaining unit position, the Employer shall notify the Union, as one of its sources for new and additional employees. The Union shall have the opportunity to refer applicants for vacancies to be filled. It shall be the sole determination of the Employer as to which applicant(s) shall be offered employment. The Employer is under no obligation to delay placement of an applicant or extending an offer of employment pending referrals from the Union.

The Employer will notify the Union of all new bargaining unit employees hired within fourteen days of their employment.

1.3 INDEMNIFICATION

The Union agrees to indemnify and hold the Employer harmless from and against any and all claims, demands, losses, damages, costs, liability, or expenses, including, but not limited to, reasonable attorney's fees and expenses, arising from or growing out of the application of this Agreement that it incurs, by act or omission, pursuant to the Union Security Provisions of this Agreement.

1.4 UNION SECURITY

It shall be a condition of employment that all employees covered by this Agreement and hired on or after its effective date shall, on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union. "In good standing" for the purposes of this Agreement is defined to mean the payment of a standard initiation fee or a standard reinstatement fee, if applicable, and standard monthly dues as applies uniformly to all employees covered by this Agreement.

2 SECTION 2 - BARGAINING UNIT WORK

The work covered by this Agreement shall be performed only by members of the Bargaining Unit

and such work shall consist of all work and services connected with or incidental to the Employers manufacturing process. The Employer is not prohibited from engaging non-bargaining unit consultants or allowing managers to perform training of bargaining unit employees. In these instances, the consultant or manager may be demonstrating or performing work with the trainee. Employees in exempt positions shall only perform bargaining unit work in cases of emergency or due to reasonable issues out of the control of the Employer.

Below are the current jobs covered under the Collective Bargaining Agreement:

Extraction Tech I	Production Tech I
Extraction Tech II	Production Tech II
Janitorial Tech I	Production Tech III
Maintenance Tech I	Production Lead
Maintenance Tech II	QC Tech I
Procurement Specialist	QC Lead
Solventless Production Tech I	Warehouse Tech I
Solventless Production Tech II	Solventless Extraction Tech I
Solventless Production Tech III	

If the Employer deems it necessary to create new and additional job classifications, the Employer will notify the union and bargain over the effects of the newly created job position prior to creation of any new Bargaining Unit position.

3 SECTION 3 - DUES CHECKOFF

3.1 DUES DEDUCTION

The Employer agrees to deduct uniform monthly dues, initiation fees, voluntary political contributions and assessments as determined by the Union and agreed to by the employees, on a regular basis from the wages of employees in the bargaining unit who provide the Employer with a voluntary written authorization for such deductions. Such deductions, when authorized, will be transmitted to the office of the Union no later than the fifteenth (15th) day of the month following the month in which deductions are made. No deduction will be made from the wages of any employee until the Employer has received a signed copy of voluntary written authorization for such deductions.

3.2 VOLUNTARY AUTHORIZATION

Authorizations for deductions are to be entirely voluntary upon the part of each such individual employee. Authorizations shall be irrevocable for a period of one (1) year or until the termination of this Agreement, whichever occurs sooner. The authorization shall be automatically renewed or be irrevocable for successive periods of one (1) year each or for the period of each succeeding applicable Collective Bargaining Agreement, whichever shall be shorter, unless written notice is given by the employee to the Employer and the Union not more than twenty (20) days and not less than ten (10) days prior to the expiration of

each period of one (1) year or of each applicable Collective Bargaining Agreement.

3.3 INDEMNIFICATION

The Union shall indemnify and hold the Employer harmless from all actions resulting from the implementation of this provision. However, mistakes by the Employer shall be promptly corrected by the Employer upon notification from the Union and receipt of appropriate documentation, as applicable.

4 SECTION 4 - UNION REPRESENTATION

4.1 JOB SITE VISIT

A Union Representative employed by the Union shall be allowed to visit the worksite for the purpose of ascertaining whether or not this Agreement is being observed. This right shall be exercised reasonably and compliantly. The Union Representative shall follow all rules and procedures related to non-employee visits to the facility and utilize best efforts to minimize disruption to Employer's business and operations. The Union Representative shall advise Human Resources of such visits before entering the facility. The Employer may accompany the Representative in sensitive areas. The Employer will provide space wherever possible, for employees to meet alone with their Union Representative if requested.

4.2 BULLETIN BOARD

The Employer shall provide space for a bulletin board conveniently located for the posting of notices of official business of the Union.

4.3 TIME-OFF FOR UNION BUSINESS

Employees shall be allowed time off without pay for the purpose of attending Agreement negotiations, mediation, or arbitration board hearings, or for other bona fide Union business. In all instances, the Employer shall be notified not less than two (2) weeks in advance of such absence and the number of employees requesting such absences shall be so limited by the Union that it will not interfere unreasonably with the operation of the Employer's business except with consent of the Employer; such consent shall not be unreasonably withheld.

4.4 WORKING COLLABORATIVELY

The Union and the Employer acknowledge and understand the unique nature of the cannabis industry. Both parties commit to continue to work collaboratively in advancing the rights of workers and the cannabis industry.

4.5 JOINT LABOR/MANAGEMENT COMMITTEES

The Employer and the Union agree to establish a Joint Labor and Management Committee (JLMC) consisting of one (1) bargaining unit employee, up to two (2) management

representatives, and one (1) Union Representative.

- (a) The JLMC shall meet quarterly to discuss workplace issues, including safety concerns, impacting the bargaining unit and the Cannabis Industry
- (b) The Employer will pay bargaining unit members for their time spent serving on the JLMC. Employees shall be released to attend the meetings, up to a maximum of eight (8) hours per quarter.

4.6 Special Purpose Union Representative ("S.P.U.R.")

An unpaid Union leave of absence may be granted to one bargaining unit employee selected for a position with the union as a full-time union representative. Such Union business leave requests shall be made by the Union and directed solely to the Employer's Labor Relations Department at least 14 fourteen calendar days in advance of the requested leave and such request shall include a time frame and consideration of confidentiality issues. The Employer may withhold approval based upon the Employer's judgment of business needs. The period of service of the SPUR may be renewed by mutual agreement for additional periods of three (3) months up to an aggregate service period of twelve (12) months.

5 SECTION 5 - SHOP STEWARD

The Employer recognizes the right of the Union to appoint Union Stewards. The Employer agrees to schedule up to two representatives, a day off, at the employees' daily straight-time rate based on the average daily hours worked in the pay period preceding, not to exceed eight (8) hours, and agrees to schedule up to one (1) additional representative without pay to attend an annual education meeting. The scheduling of up to one (1) additional representative without pay will be granted if it does not unreasonably interfere with the Employer's business. The parties agree that such time shall not be considered time worked for purposes of overtime, benefit contributions or other incidents of "time worked." In all such instances the Employer shall be notified not less than two (2) weeks in advance of such absence and the number of employees requesting such absences shall be so limited by the Union that it will not interfere unreasonably with the Employer's business.

Employees shall be allowed time off without pay for the purposes of attending collective bargaining agreement negotiations, adjustment, or arbitration board hearings or for Union Executive Board meetings. In all such instances, the Employer shall be notified not less than seven (7) days in advance of such absence and the number of employees requesting such absences shall be so limited by the Union that it will not interfere unreasonably with the Employer's business.

Should an employee be notified, by a representative of management, that s/he will be subject to an investigative interview by the Employer, the employee shall be given an opportunity to speak briefly with the Shop Steward if requested by the employee, if the

Shop Steward is on duty. The Shop Steward shall be given the opportunity of a brief, private meeting, with the employee to be interviewed, so that he may be informed of his right to request a Union Representative to be present during the interview.

6 SECTION 6 – SENIORITY

6.1 PROBATION

Employees who have not attained seniority with the Employer shall be deemed probationary and subject to discharge without recourse or notice. Once probation is completed, the employee's seniority date shall be retroactive as of the first (1st) day of hire. New employees shall serve a probation period of ninety (90) calendar days. Probation may be extended upon mutual agreement of the Employer and the Union for up to an additional thirty (30) days.

6.2 TEMPORARY LAY OFF

In the reduction of forces, the last employee hired shall be the first employee laid off within the classification. Laid-off employee(s) shall be recalled in the reverse order of layoff within the classification. Seniority shall not apply to any employee until he or she has completed the probationary period.

- (a) **Recall:** For a period of six (6) consecutive months, employees who are laid off due to lack of work shall have seniority rights in recall for jobs subsequently available with the Employer prior to the hiring of new employees. Such employee shall concurrently be notified by telephone, or electronic mail using the contact information last available to Employer, a copy of which shall be sent to the Union, and the employee shall have three (3) business days to report after such notice of recall is sent by the Employer.
- (b) **Notice:** Non-probationary employees are entitled to receive two (2) weeks' notice of layoff or one (1) week's pay at the employee's regular rate in lieu thereof. Laid off employees will have preference over new hires for openings in other classifications within the bargaining unit so long as they possess the skills and ability to do the job or learn the job in a reasonable period of time. This provision is subject to the six (6) consecutive month period referenced in Section 15.2(a) Recall above.

6.3 LOSS OF SENIORITY

Seniority shall terminate for the following reasons:

- (a) Discharge for just cause.
- (b) Resignation.
- (c) Absent from work for six (6) consecutive months due to layoff.
- (d) Failure to report to work within three (3) business days after recall from layoff.
- (e) Employee fails to return to work from a leave of absence;
- (f) Employee is absent from work for three (3) consecutive workdays without reporting

to management unless such failure to report is due to extenuating circumstances satisfactory to the Employer. Such three (3) days with no report shall be deemed a voluntary quit

6.4 JOB BIDS

When a vacancy or new job opening occurs, the Employer will post the opening on the agreed bulletin board and webpage. The job shall remain open for a period of seventy-two (72) hours. The posting shall indicate the job, location, shift (if applicable), and rate of pay. All job bids will be determined on whether the bidder has the qualifications to perform the job or learn the job in a reasonable period. If more than one candidate qualifies for the job, seniority will prevail where skills and abilities are substantially equal.

6.5 LIST

The Employer will forward the seniority list to the Union upon request.

6.6 PAY TREATMENT ON JOB MOVEMENT

- a. If a union employee is promoted to a union position with a higher wage schedule, the employee's pay rate will increase by 5% or to the minimum pay rate for that position, whichever is higher. Employees' seniority will remain unchanged. For the subsequent annual pay increases, union wage scale will apply, prorated based on the amount of time spent in the new role for the first year. Following the initial prorated increase, union wage scale will apply.
- b. If a non-union employee is promoted to a union position with a higher wage schedule, the employee's rate of pay will increase by 5% or to the minimum pay rate for that position, whichever is higher. Employee's seniority will be based on original hire date, not date employee joined the union. For the subsequent annual pay increases, union wage scale will apply prorated based on the amount of time spent in the new role for the first year. Following the initial prorated increase, the union wage scale will be followed each subsequent year of service in the same role.
- c. There will be no change in the rate of pay for employee movement between job titles within the same wage schedule.

7 SECTION 7 - HOURS OF WORK

7.1 WORKDAY

Each workday an employee is required to report to work, but is not put to work or is furnished with less than half of his or her usual or scheduled day's work, the employee must be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at their regular rate of pay.

7.2 WORKWEEK

Full time employees are any employees regularly scheduled to work forty (40) hours per week for each workweek. The full-time workweek will generally consist of five (5) eight (8) hour shifts, subject to the additional overtime provisions in the Agreement. This section, however, does not impede the right of the Employer to use part-time help as needed.

7.3 OVERTIME

For hourly employees, all time worked more than eight (8) hours per workday or six (6) days in one (1) week shall be paid as follows:

- (a) One and one-half times (1.5x) regular rate of pay for all hours worked in excess of eight hours up to and including 12 hours in any workday, and for the first eight hours worked on the seventh consecutive day of work in a workweek.
- (b) Two times (2x) regular rate for all hours worked in excess of 12 hours in a workday or in excess of eight hours on the seventh consecutive day of work in a workweek.

All overtime must be approved in advance, in writing, by a manager. The parties agree overtime work may be necessary to fulfill the needs of the Employer. The Employer will use its best efforts to provide as much advance notice of overtime as possible. Overtime opportunities will be offered to all qualified employees and scheduled on the basis of seniority within the classification. In the event no employees avail themselves of the opportunity the extra hours will be offered to employees in other classifications who meet the required qualifications to perform the work. In the event it is necessary to mandate overtime it will be assigned in reverse seniority order within the classification. Daily and weekly extra work shall be offered based upon seniority. The Employer may refuse extra work to those who have had a discipline issue in the past three (3) months, prior to extra hours being offered.

Alternative workweek may be arranged by mutual consent so long as they comply with state and federal laws. If alternative work week is desired by the Employer, the Employer shall notify the Union two (2) weeks prior to implementation of the "alternative work week" schedule. There shall be no "pyramiding" of overtime. Holidays, vacation days, and sick leave days do not count as time worked for computing overtime.

7.4 MEAL PERIOD and BREAKS

Each employee that works more than five hours in a workday will be provided an unpaid, uninterrupted 30-minute meal period no later than the end of the fifth hour of work. Each employee that works more than 10 hours in a workday will be provided a second unpaid, uninterrupted 30-minute meal period no later than the end of the tenth hour of work. Additionally, each employee will be provided a paid, 10-minute uninterrupted rest period for every four hours of work, or major portion of each four hours worked as follows: less than three and a half hours, no rest period; three and a half to six hours, one 10-minute rest period; six to ten hours, two 10-minute rest periods; ten to fourteen hours, three 10-minute rest periods. Rest periods should be taken in the middle of the four-hour work period when possible. Rest periods should not be combined or added to meal periods or used to start work later or end work early.

7.5 TRAVEL TIME PAY

Some nonexempt positions will require travel. In the event an employee is required to travel for work, the following provisions will apply:

- (a) If required to report to the workplace and then required to travel to another site to work for the day, travel time to the assigned workplace will be paid.
- (b) If required to report to a site other than the employee's regular work site without first reporting to the regular workplace, the Employer will pay travel time for any time more than the employee's normal commute time to the regular site. The Employer will also pay the IRS mileage rate, for any miles driven for work, more than employee's typical commute miles to and from the employee's regular workplace
- (c) Travel hours will count as hours worked for the purposes of calculating overtime.

8 SECTION 8 - PAY PERIOD AND WAGE STATEMENT

All employees shall be paid on at least a bi-weekly basis. Paychecks shall include an itemized statement of hours worked, wages paid, including overtime pay, premiums and vacation.

9 SECTION 9 - SICK LEAVE

9.1 ACCURAL RATE AND ELIGIBILITY

Effective January 1, 2025, at the time of hire, employees will begin earning .0334 hours of paid sick leave for every hour worked up to a maximum of 60 hours earned per calendar year of paid sick leave. On January first of each subsequent year, existing employees will again begin earning .0334 hours for every hour worked, up to earning a maximum of 60 hours of paid sick leave per year. Sick leave may be carried over and accumulated from year to year, up to a maximum Sick Leave Bank Cap of eighty (80) hours. Employees may use paid sick leave for the purposes outlined in the Company's Employee Handbook in the existing California State Sick Leave Law or any provisions that exist within the local jurisdiction.

Employees will be entitled to use accrued sick leave beginning the day after the 90th day of continuous employment. Any time taken off work for illness or injury before completing this period of continuous employment may be without pay. Paid sick leave may be used in as little as one-hour increments.

9.2 PARTIAL USE

If an employee cannot work some or all of a scheduled shift due to injury or illness, their accrued paid sick leave may be automatically applied to their timesheet to cover the

corresponding missed time. If the employee has a Legacy PTO Bank, the Legacy PTO Bank time will be used prior to using the new sick leave bank.

9.3 SICK LEAVE UPON TERMINATION

At the time of termination of employment, any unused sick leave balance will not be paid. However, if the employee returns within 12 months, their sick leave balance carried on termination will be restored.

9.4 ADDITIONAL REQUIREMENTS

If an employee is absent for more than three days due to illness or injury, said employee may be required to provide their supervisor and Human Resources with a release to return to work from their doctor.

9.5 PAID SICK LEAVE AND MEDICAL LEAVE

Approved leave of absence for illness will require the use of all sick leave available beginning from the time in which said leave starts. In the event of an illness or injury which is covered by workers' compensation insurance, this Sick Leave Policy will apply during the waiting period only or until the time at which Workers' Comp benefits begin payment. Paid sick leave will be integrated with California State Disability Insurance (SDI) benefits and/or workers compensation insurance benefits in such a way that the total sick leave benefits paid by the Company, and those the employee receives from SDI or workers compensation insurance, will not exceed 100 percent of their regular weekly wage based on their regular straight-time hourly rate of pay.

10 SECTION 10 – VACATION

Vacation leave accrues from the date of hire, it does not become earned, and therefore is usable, until after 90 days of employment. Employees may use Vacation only after it is accrued.

10.1 ACCRUAL

Beginning January 1, 2025, vacation leave is accrued as they work. Employees will not accrue vacation leave while they are taking time off for any reason.

Length of Service	Total Annual Benefit in Hours for Full Time Employees*	Accrual Rate Hourly Per Hour Worked	Vacation Cap
0 to 2 years	80	.0385	120
3 to 5 years	120	.0577	180
6 + years	160	.0769	240

10.2 MAXIMUM ACCRUAL

An employee's accrued vacation balance will be carried over from year to year, although there is a Maximum Accrual amount (a Cap) on the amount of vacation leave they can accrue. Once an employee reaches the Maximum Accrual Cap, they will not accrue any more vacation leave until they use some of their accrued balance and drop below the Maximum Accrual Cap. After their balance goes below the Maximum Accrual Cap, they will begin accruing vacation leave again. However, they will not receive retroactive credit for time worked while they were at the Maximum Accrual Cap. The vacation leave Maximum Accrual Cap is dependent upon the total hours of vacation leave that they are eligible to accrue per year, as shown above.

10.3 SCHEDULING OF VACATION

An employee must give their manager reasonable advance notice of two weeks for vacation requests of three or more days and advance notice of three business days for vacation requests of less than three days. Management shall respond with a decision on the request within 3 business days of receiving a request for vacations of more than 3 days and within 1 business day for requests of less than 3 days. Vacation requests shall not be arbitrarily denied.

If any conflicts arising in requests for vacation leave within the same approval window within a job classification or department, preference will be given to the most senior employee first, unless a legal requirement to accommodate a request supersedes seniority, such as for a disability.

If an employee unexpectedly misses work for reasons not covered by the Company's Sick Leave Policy, accrued vacation leave may be automatically applied to their timesheet to cover the corresponding missed time. If said employee has a Legacy PTO Bank, the Legacy PTO Bank time will be used prior to using the new vacation leave bank.

Only accrued vacation leave may be taken. If a holiday falls during a scheduled vacation leave, the employee's vacation time will not be charged.

10.4 VACATION AND TERMINATION OF EMPLOYMENT

If employee employment with the Company terminates, they will be paid 100% of any accrued and unused Vacation.

10.5 UNPAID TIME OFF

All absences must be covered by paid sick leave or paid vacation leave before any unpaid leave will be considered. It is recognized that from time-to-time, an employee will be faced with situations

that may require them to be absent from their work after exhaustion of all available paid sick leave and/or vacation leave and in circumstances for which there does not exist legal or statutory requirements to unpaid time off. Such time without pay will be granted where, in the supervisor/manager and/or Human Resource's judgment, such time off is warranted by specific circumstances. It is further recognized that it is the employee's responsibility to balance their need for unpaid time off with the work requirements of their unit. Where the granting of the absence is discretionary, considerations would include factors beyond an employee's control that prevent them from attending work; severity or nature of circumstance; and workload of the unit. The exact amount of time off is at the discretion of Management.

10.6 PTO BANK TRANSITION AND USE

On January 1, 2025, an employee's previously earned and unused PTO will be put into two separate banks. Depending on the employee's length of service, a percentage of the employee's Maximum Vacation Cap amount will be placed into the newly created vacation bank. Any remaining PTO will be placed into a separate "Legacy PTO Bank" for employees to use for any missed time prior to using the new vacation or sick leave banks accrued after January 1, 2025. Percentages are outlined in the below table. If by January 1, 2026, an employee has unused PTO in their Legacy PTO Bank, the employee may request that some or all of that bank be paid out. The Employer shall pay out the requested PTO amount within forty-five (45) days.

Length of Service	% Placed in Newly Created Vacation Bank	% Placed in Legacy PTO Bank
0 to 2 years	40%	60%
3 to 5 years	30%	70%
6 + years	20%	80%

From the ratification date to January 1, 2025, when the Legacy PTO Bank is created, the employees will continue to accrue PTO per the Amendment agreed to effective 3/6/23. If an employee leaves the company for any reason prior to the establishment of the Legacy PTO bank, the company will pay out all earned and unused PTO. After the establishment of the Legacy PTO bank section 10.4 applies.

Length of service	PTO hours Full-time Employees accrue per pay period	Total annual benefit in hours (weeks) Full-Time Employees earn per year	Total limit on hours that may be accrued ("Maximum Accrual")
0-3 years	3.69 hours	96 hours (2.4 weeks)	168 hours (4.2 weeks)
4-5 years	4.62 hours	120 hours (3 weeks)	192 hours (4.8 weeks)

6+ years	6.15 hours	160 hours (4 weeks)	240 hours (6 weeks)
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11 SECTION 11- CIVIC DUTY OR LEAVES OF ABSENCES

11.1 PAID CIVIC DUTY

The Union and the Employer encourage civic participation. As an incentive to participate in the election process, employees scheduled to work on election day shall be offered up to three (3) hours paid leave at the beginning or end of the employee's shift, for the purpose of voting only. Employees must notify management in writing within two (2) weeks of election or early voting date that they intend to participate. Employee must show some formal proof of attendance to receive pay. Employees may also request time off, with pay, for participating in Company approved volunteer opportunities. To receive time off for volunteer hours, an employee must get advanced approval from management regarding the opportunity and all volunteer time off is capped at 24 hours per year. This benefit is not guaranteed and does not accrue or carry over and is not paid upon termination.

11.2 PERSONAL

Personal Leaves of absence without pay may be granted upon written request by the employee for a period not longer than thirty (30) cumulative days in any one (1) calendar year with mutual agreement by the Employer. Such leave requests will be for bona fide reasons. All personal leaves must be granted in writing. Personal leaves may be extended for up to fifteen (15) additional days upon extenuating circumstances and with mutual agreement. Denial of request for a personal leave of absence will not be subject to the grievance procedure.

11.3 MEDICAL (Including FMLA and Parental)

The Employer shall provide leaves of absence in accordance with applicable law.

11.4 FUNERAL LEAVE

An employee is eligible for paid funeral leave upon completion of the employee's first (1st) year.

Leave days are for the purpose of arranging for and attending the funeral of a covered family member. Employees will receive funeral pay as follows: Three (3) days paid leave in the event of the death of the employee's immediate family member (as defined below) and an additional two (2) days' leave with pay for out of area deaths (300) miles or more one way). Immediate family member shall be defined as the employee's or the employee's

Spouse's (defined herein): spouse, domestic partner, or cohabitating significant other ("Spouse"); parent, stepparent, legal guardian, parent-in-law, in loco parentis parent; child, stepchild, son- or daughter-in law, in loco parentis child, legal ward, foster child, adopted child; sibling, stepsibling, or sibling-in-law; grandparent; grandchild; other relative living in the same household.

11.5 MILITARY SERVICE

The Employer agrees to comply with the terms of the Universal Military Training and Service Act, with reference to all provisions providing for the reemployment of persons entering military service. These provisions shall be deemed a contractual obligation under the terms of this Agreement.

11.6 JURY DUTY

An employee shall immediately notify the Employer upon receiving a call for jury duty and in all events within at least twenty-four hours of receiving such notice. When a full-time employee is required to serve on a petit jury, the Employer agrees to pay the difference between the employee's regular straight-time daily rate and the amount received by the employee for jury service for up to fifteen (15) days of such service during the term of this Agreement, provided the employee has completed six (6) months service with the Employer, is required to report by the jury commissioner, and does serve on any jury (any service in excess of 15 days during the term by an employee shall be unpaid, unless otherwise agreed by the Employer in its sole discretion). Such an employee must report for work whenever their presence is not required on jury duty. Hours spent on jury duty will be counted as time worked for the purposes of this Agreement. Upon completion of service on the jury, the employee must immediately notify the Employer for further scheduling. On any day of jury service in which an employee is excused entirely or in enough time to permit the employee to return to work for a minimum of one-half of such employee's regular scheduled shift, the employee shall report for work. Proof of call to jury duty must be submitted to the Employer promptly upon receipt. Proof of daily jury service is required for payment of this benefit.

12 SECTION 12– HOLIDAYS (New Section)

All employees, regardless of work status who have completed sixty (60) days of continuous employment are eligible for holiday pay on the following holidays:

New Year's Day	Labor Day
Cesar Chavez Day	Thanksgiving Day
Memorial Day	Friday after Thanksgiving
Juneteenth	Christmas Day
Independence Day	Floating Holiday

In the event the Employer elects to close on any of the recognized holidays in this Agreement, employees shall be paid as follows. All full-time employees shall be paid at the hours that they normally work at their straight time rate of pay. Part-time employees shall be paid based on twenty (20%) percent of the employee's average hours paid per week in the past six (6) weeks. Probationary employees are not entitled to any paid holidays.

12.1 HOLIDAY WORK

Eligible employees who are scheduled to work on the above-mentioned holidays will receive the following rate of pay: (a) one and one-half (1 ½) times straight time. Employees working less than eight (8) hours on the holiday for full-time or less than their prorated hours on the holiday for part-time will receive the balance of the daily pay at their regular straight time rate.

The facility shall be staffed for holiday work first with volunteers. If more employees than are needed volunteer, holiday work will be offered in order of seniority. If an insufficient number of employees volunteer, assignment shall be by inverse seniority.

12.2 HOLIDAY WEEK

Any employee who has reported for work on his/her scheduled working day immediately preceding or immediately following a recognized holiday, except when permission to be absent has been granted by the Employer or when the absence is due to a bona fide illness of the employee, shall receive holiday pay at his/her regular rate of pay. An employee must work their last scheduled day before and day after a holiday to receive holiday pay, unless excused by a physician's off work order or on pre-approved time off.

13 SECTION 13 - HEALTH AND WELFARE

Benefit Eligibility: All full-time employees who work an average of thirty (30) or more hours per week, are eligible to participate in the Company healthcare plans and other benefits on the first of the month following sixty (60) continuous days of employment.

13.1 HEALTHCARE

The Employer will contribute the following to Employee's Health care selections:
CannaCraft pays 75% EE and 25% DEP of the Base Plan (Aetna AWH or comparable plan that provides the same or better coverage level).

13.2 CANNACRAFT EMPLOYEE VEBA FUND

In addition to the wages and other benefits set forth herein, the Employer shall, annually, pay an amount equal to thirty thousand dollars (\$30,000.00) into a Voluntary Employee Beneficiary Association fund that will be jointly trustee'd and co-managed by trustees

appointed in equal numbers by Employer and the Union (the "CannaCraft Employee Childcare VEBA Fund"). Employer's annual contribution to the CannaCraft Employee Childcare VEBA Fund may be funded upfront at the start of each calendar year, or monthly during the applicable year, at each Employer's election based on financial ability and the needs of the activities carried out by the fund. The funds of the CannaCraft Employee Childcare VEBA Fund shall be exclusively utilized as provided for in the Fund documents to provide financial support for childcare opportunities for the employees of the Employer.

14 SECTION 14 - DISCHARGE OR SUSPENSION

14.1 JUST CAUSE:

The Employer may discharge or suspend any employee for "just cause". A letter or notice will be given to the employee setting forth the reason for his/her discharge or suspension. A copy shall be sent to the Union.

In a case where an employee is warned for misconduct, but not discharged or suspended, the Employer will make a written record of such warning and provide a copy for the employee, with a copy sent to the union.

14.2 INTERVIEWS

The Employer will accommodate employee requests for Union representation in interviews or questioning that can lead to disciplinary action. Employees have a right to object to warnings they believe are unjust, following the procedures outlined in Section 15 (Grievance Procedure) of this Agreement.

14.3 PROGRESSIVE DISCIPLINE

The principle of progressive discipline shall apply. An employee will receive written warning for the first offense, a three (3) day unpaid suspension for the second offense and discharge for the third offense. Written warnings are null and void after six (6) months.

14.4 NO CALL/NO SHOW

An employee absent from work for three (3) consecutive workdays without reporting to management shall be deemed to have abandoned their position and voluntary quit without eligibility to be rehired, unless such a failure to report is due to extenuating circumstances found satisfactory to employer.

14.5 SERIOUS INFRACTION

No warning notice will be necessary if the cause of discharge or suspension is for serious infractions. Examples of serious infractions include, but are not limited to, dishonesty, theft, recklessness, use of unauthorized drugs, or gross misconduct.

14.6 WARNING NOTICE

Prior to any suspension related to progressive discipline, a written warning will be issued with a copy sent to the Union. Written warnings need not be processed beyond the Union filing a grievance in order to preserve the Union's right to challenge the warning if it is used as progressive discipline in the future.

14.7 DISCIPLINE & DISCHARGE

Any employee may request an investigation of his/her discharge or suspension and the Union may have the right to protest the discharge or suspension. Any such protest must be presented to the Employer in writing within ten (10) business days after the discharge or suspension and if not presented within such period, the right of protest will expire.

14.8 WAGE AND HOUR CLAIMS

This Agreement hereby incorporates all provisions of the California Labor Code which are subject to redress under the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Any violations of such provisions will be subject to redress solely through the Arbitration and Grievance procedure set forth in Section 10 (Grievance Procedure). The arbitrator may award any and all remedies otherwise available under the California Labor Code, except penalties payable to the Labor and Workforce Development Agency.

14.9 BUSINESS LICENSE

Notwithstanding any of the prior sections, noncompliant activity putting the Employer's cannabis business license at risk, including any pertinent permits and licenses, will result in an immediate termination.

15 SECTION 15 - GRIEVANCE PROCEDURE

15.1 DEFINITION AND PROCESS

The grievance procedure is designed to encourage resolution of grievances promptly at the lower steps and the parties recognize that this objective can best be accomplished when there is full and complete disclosure by both parties of all information relevant to the discussion and resolution of a particular grievance. Therefore, it is the intent of the parties that all facts, evidence, and witnesses pertinent to a grievance, and known to exist by either party, shall be disclosed prior to initiation of any arbitration proceeding.

If a dispute arises during the term of this Agreement regarding the interpretation or enforcement of any of the sections of this Agreement, the matters in dispute, in all their particulars, shall be set forth in writing by the complaining party and served upon the other within thirty (30) days after the occurrence of the event out of which the grievance arises. Retroactivity on any grievance shall be as follows:

- (a) Retroactivity on grievances will be limited to thirty {30} days prior to the date the

grievance was first called to the attention of the Company.

- (b) In the case of wage discrepancies retroactivity will be limited to six (6) months prior to the date the grievance was first called to the attention of the Company.

15.2 ADJUSTMENT BOARD

If a dispute is not settled by the parties within ten (10) working days following the receipt of such written notice, or within such extended time as may be agreed upon, the dispute shall be referred to an adjustment board. No change in this Agreement, or interpretations thereof, except interpretations resulting from Adjustment Board or arbitration proceedings thereunder, will be recognized unless agreed to by the Company and the Union.

15.3 COMPOSITION OF ADJUSTMENT BOARD

An adjustment board, consisting of two (2) members appointed by the Company and two (2) members appointed by the Union, shall be established for the purpose of hearing and deciding disputes which arise and are presented during the term of this Agreement and which are limited to the interpretation or enforcement of any of the Sections of this Agreement.

15.4 APPEAL TO ARBITRATION

In the event the majority of the members of the Adjustment Board cannot agree to a settlement of a grievance arising during the terms of this Agreement, a written demand for arbitration may be given by either party within ten (10) days after the indecision of the Adjustment Board. Such written demand must state the nature of the dispute and the specific provision of the Agreement involved. The parties shall attempt to select a mutually agreed upon arbitrator. In the event the parties cannot agree, the party asking for arbitration shall simultaneously request the Judicial Arbitration and Mediation Services, Inc (JAMS) or the American Arbitration Association (AAA) to submit a panel of nine (9) arbitrators from which an arbitrator shall be chosen within ten (10) days after receipt of said list.

15.5 DUTIES OF ARBITRATOR

The arbitrator so selected shall hear the dispute within thirty (30) days unless otherwise agreed, at a mutually agreeable time and place and shall render an award in writing which shall be final and binding on the Employer, the Union and the employee or employees involved. The arbitrator shall have no power to add to, or subtract from, or alter, amend or modify any of the terms and provisions of this Agreement or any written Agreement made supplementary hereto.

15.6 SHARED EXPENSES

The Employer and the Union shall divide equally and pay the fee and expense of the arbitrator, the cost of a hearing room, and the cost of a shorthand or court reporter where such service is utilized. All other expenses shall be paid by the party incurring them.

15.7 PROHIBITION OF DISRUPTIVE ACTIVITIES

Neither the Company nor the Union will take any action or make any attempt whatsoever to interrupt work during the settlement of a controversy subject to a grievance, adjustment

or arbitration in this article.

15.8 TIME LIMITS

The time limits set forth above shall be absolutely mandatory and failure to comply will mean the grievance is void and no consideration will be given to it. The time limits may be extended by written, mutual agreement.

16 SECTION 16 - GENERAL PROVISIONS

16.1 NO DISCRIMINATION

The Employer shall not discriminate against any person in regard to hire, tenure of employment, recruitment, selection, compensation, benefits, training, promotion, disciplinary actions or job status because of race, color, creed, religion, gender identity, sexual orientation, genetic information, marital status, union membership or national origin, nor shall age, disability unrelated to the job duties, veteran status or sex under any circumstances be a basis for rejection or termination of an otherwise qualified employee or applicant for employment.

16.2 SUCCESSORSHIP

This Agreement shall be binding upon the successors and assigns of the parties hereto. Except as set forth in Section 9 and 10 (sick leave and vacation), during the life of this Agreement, employee benefits provided for herein shall not be affected by the sale or transfer of the business for those employees who choose to be employed by such new owner. It shall be the Owner's and/or the Employer's obligation to advise the successor of the existence of this Agreement and such successor shall be bound fully by the terms of this Agreement in effect at the time of the sale.

16.3 LEGISLATIVE CHANGES

Should any of the provisions in this Agreement be rendered or declared invalid by reason on any existing or subsequently enacted legislation, such invalidation of a portion of this Agreement shall not invalidate the remaining portions and they shall remain in effect. As soon as practicable after any such enacted legislation the parties will meet to discuss the impact and in the event the consideration received by either party has been materially altered so as to frustrate the purpose of the Agreement, the parties will negotiate in good faith to amend the agreement so as to reflect the balance of consideration originally contemplated herein.

16.4 COVID MANDATES

The Employer maintains the right to implement government mandates without prior negotiation with the Union.

16.5 MEET AND CONFER

This agreement shall supersede any written rules, regulations, or policies of the Employer which are contrary to its express terms and conditions in the Employee handbook. However, if the Employer makes a new policy that is a mandatory subject to bargaining, the Employer must notify the union in writing at least one (1) calendar month prior to implementation of the policy in order to meet and confer with the union to bargain effects of the policy change on the CBA. The union must request a meeting and confer in writing within a reasonable timeframe not to exceed ten business (10) days from date of notification. If the union fails to request a meet and confer timely, the right to meet and confer is waived and the Employer may proceed with implementation. All other rules and regulations as outlined in the employee handbook and departmental SOPs shall govern the work of the employees.

16.6 APPRENTICESHIP PROGRAM

Employer and Union agree that if the Union develops a Cannabis Industry Apprenticeship Program, the Parties will negotiate in good faith over the implementation of the program in appropriate classifications upon its certification. No employee's wage rate shall be reduced as a result of the implementation of an apprenticeship program. The Parties intend that any such apprenticeship program may be implemented by, though, or with the support of a joint labor management committee pursued by them. Upon ratification of any such apprenticeship program, the Employers and the Union will negotiate in good faith to establish an appropriate amount per hour (e.g., (X) cents per hour) of all regular hours paid to or worked by bargaining unit employees.

17 SECTION 17- NO STRIKE, NO LOCKOUT

During the term of this Agreement, the employees will not engage in any strikes, concerted slow- downs or work stoppages. During the term of this Agreement the Employer will not engage in a lockout.

18 SECTION 18 – HOURLY WAGE RATES

The tables below set out the baseline wages (hourly rate) for employees in the positions indicated. The baseline rates set forth in the tables below are applied at the start of employment.

Dept.	Positions in CBA	Starting Pay*	1 Yr	2Yr	3Yr	4+ Yr**
Production	Production Tech I	\$19.00	\$19.38	\$19.77	\$20.16	\$20.57
Production	Production Tech II	\$20.50	\$20.91	\$21.33	\$21.75	\$22.19
Production	Production Tech III	\$22.00	\$22.44	\$22.89	\$23.35	\$23.81
Production	Production Lead	\$24.00	\$24.48	\$24.97	\$25.47	\$25.98
Production	Extraction Tech I	\$22.00	\$22.44	\$22.89	\$23.35	\$23.81
Production	Extraction Tech II	\$24.00	\$24.48	\$24.97	\$25.47	\$25.98

Production	Solventless Prod Tech I	\$20.00	\$20.40	\$20.81	\$21.22	\$21.65
Production	Solventless Prod Tech II	\$22.00	\$22.44	\$22.89	\$23.35	\$23.81
Production	Solventless Prod Tech III	\$24.00	\$24.48	\$24.97	\$25.47	\$25.98
Production	Solventless Ext. Tech I	\$23.00	\$23.46	\$23.93	\$24.41	\$24.90
QC	QC Technician I	\$20.00	\$20.40	\$20.81	\$21.22	\$21.65
QC	QC Lead	\$24.00	\$24.48	\$24.97	\$25.47	\$25.98
Facilities	Janitorial Tech I	\$18.00	\$18.36	\$18.73	\$19.10	\$19.48
Facilities	Maintenance Tech I	\$26.00	\$26.52	\$27.05	\$27.59	\$28.14
Facilities	Maintenance Tech II	\$30.00	\$30.60	\$31.21	\$31.84	\$32.47
Procurement	Procurement Specialist	\$24.00	\$24.48	\$24.97	\$25.47	\$25.98
Warehouse	Warehouse Tech I	\$19.00	\$19.38	\$19.77	\$20.16	\$20.57

*The Employer may hire people at different starting rate using the employee's prior industry experience.

** All employees receive a minimum two percent (2%) wage increase for each year of service to the Employer.

ANNUAL INCREASES

All employees who have worked continuously with an Employer shall receive an annual wage increase (12 months from his or her date of hire) of two percent (2%). For example, if an employee starts at a wage of \$19.00/hr, on the date that is 365 days from his or her hire date his or her wage shall be increased by two percent (2%) to \$19.38/hr. The same employee, so long as he or she has remained employed by an Employer within the enterprise, shall receive an additional increase of two percent (2%) to \$19.77/hr on the date that is two years after his or her hire date.

MERIT INCREASES

In addition to the annual increases above, Employer may award merit increases above and beyond contract scales. Merit increases shall be awarded based on annual reviews (or such shorter period as the Employer may determine). Any merit increase shall be added to the employee's base hourly rate. Factors for merit increases can include performance training, education, disciplinary history, and other factors, at the Employer's discretion.

If at any point the percentage of new employees is greater than the percentage of tenured employees, Employer and Union agree to sit down and renegotiate the Wage Schedule.

19 SECTION 19 - DURATION

This Agreement shall become effective upon ratification (October 29, 2024) and shall continue in effect for two (2) years (October 29, 2026), and thereafter from year to year unless notice in writing shall be given by either party to the other of its desire to modify

and/or terminate this Agreement at least sixty (60) days prior to the end of the current term. After receipt of such written notice, negotiations shall commence at a mutually agreeable time. In the event negotiations do not result in a new Agreement on or before the expiration date, this agreement shall terminate unless both parties mutually agree to extend the Agreement.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed by its proper officers or duly designated representatives.

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UNION

UFCW LOCAL 5

By Kevin Lennox

Name Kevin Lennox

Its UFCW L5

EMPLOYER

CRFT MANUFACTURING, INC.

By Breton Peace

Name BRETON PEACE

Its General Counsel, CEO