COLLECTIVE BARGAINING AGREEMENT Between

Paragon Systems, INC &

PROTECTIVE SERVICE OFFICERS UNITED

(PSOs United) LOCATED AT

Veterans Appeal Court in Washington, DC

625 Indiana Ave N.W. Washington, D.C.

Effective: February 1, 2024 through February 1, 2027

TABLE OF CONTENTS

| PREAMBLE | 1 |
|---|----|
| Definitions | 1 |
| ARTICLE 1 - RECOGNITION | 3 |
| Section 1.1 - Bargaining Unit | 3 |
| Section 1.2 - Bargaining Unit Work | 3 |
| Section 1.3– Supervisory Status | 3 |
| ARTICLE 2 - MANAGEMENT RIGHTS | 3 |
| Section 2.1 - Retained Rights | 3 |
| Section 2.2 - Just Cause | 4 |
| ARTICLE 3 - UNION SECURITY & MEMBERSHIP | 5 |
| Section 3.1 - Dues Requirement and Dues Check-off | 5 |
| Section 3.2 - Revocation of Dues Check-off | 5 |
| Section 3.3 - Effective Date of Check-off | 5 |
| Section 3.4 - Payroll Deduction of Dues | 5 |
| Section 3.5 - Revocation upon Separation | 6 |
| Section 3.6 - Final Paycheck | 6 |
| ARTICLE 4 - SENIORITY | 6 |
| Section 4.1 - Seniority Defined | 6 |
| Section 4.2 - Probationary Period | 6 |
| Section 4.3 - Seniority Lists | 7 |
| Section 4.4 - Termination of Seniority | 7 |
| Section 4.5 - Transfers to/from management | 7 |
| ARTICLE 5 - TRANSFERS, LAYOFF, & RECALL | 7 |
| Section 5.1 - Order of Layoff | 7 |
| Section 5.2 - Reduction to Part-time | 8 |
| Section 5.3 - Fringe Benefits during Layoff | 8 |
| Section 5.4 - Transfer in Lieu of Layoff | 8 |
| Section 5.5 - Order of Recall | 8 |
| ARTICLE 6 - GRIEVANCE PROCEDURE | 9 |
| Section 6.1 - Timeliness | 9 |
| Section 6.2 - Procedure | 9 |
| Section 6.3 - Appeal to Arbitration | 10 |
| Section 6.4 - Arbitrator Selection & Hearing Timeline | 10 |
| Section 6.5 - Arbitration Expenses | 10 |

| Section 6.6 - Arbitrator Authority | 11 |
|--|----|
| Section 6.7 - Suspension and Termination Grievances | 11 |
| Section 6.8 - Class Action Grievances | 11 |
| Section 6.9 - Information Exchange | 11 |
| Section 6.10 - Steward Pay | 12 |
| ARTICLE 7- DISCIPLINE | 12 |
| Section 7.1 - Discipline in General | 12 |
| Section 7.2 - Serious Misconduct | 13 |
| Section 7.3 - Non-Disciplinary Discharge | 13 |
| Section 7.4 - Union Representation during Discipline | 13 |
| Section 7.5 - Disciplinary History | 14 |
| Section 7.6 - Serving Suspension | 14 |
| ARTICLE 8 - JOB OPPORTUNITIES | 14 |
| Section 8.1 - Filling Vacancies | 14 |
| Section 8.2 - Temporary Assignments | 14 |
| Section 8.3 – Schedule Acknowledgements | 14 |
| ARTICLE 9 - HOURS OF WORK, OVERTIME, & PAYROLL DISCREPANCIES | 15 |
| Section 9.1 - Scheduling in General | 15 |
| Section 9.2 - Overtime | 15 |
| Section 9.3 - Holdover | 16 |
| Section 9.4 - Overtime Sign-up | 16 |
| Section 9.5 - Guardmount | 16 |
| Section 9.6 - Call-in Pay | 17 |
| ARTICLE 10 - WAGES | 17 |
| ARTICLE 11 - HOLIDAYS | 17 |
| Section 11.1 - Holidays Defined | |
| Section 11.2 - Holiday Worked | 18 |
| Section 11.3 - Holiday Not Worked | 18 |
| Section 11.4 - Building Closures | 18 |
| ARTICLE 12 - VACATIONS | 19 |
| Section 12.1 - Vacation Accrual Rates | 19 |
| Section 12.2 - Vacation Scheduling | |
| Section 12.3 - Vacation Cash-out | 19 |
| Section 12.4 - Effect of Leave of Absence | 19 |
| ARTICLE 13 - HEALTH AND WELFARE ALLOWANCE | 20 |
| Section 13.1 - H&W Allowance | 20 |

| Section 13.2 - Health & Welfare Benefit Program | 20 |
|---|----|
| Section 13.3 - Miscellaneous | 21 |
| ARTICLE 14 – RETIREMENT/PENSION (401(k) SAVINGS PLAN) | 22 |
| ARTICLE 15 - UNIFORMS | 22 |
| Section 15.1 - Uniforms in General | 22 |
| Section 15.2 - Maintenance | 22 |
| Section 15.3 - Alterations | 22 |
| Section 15.4 - Termination of Employment | 22 |
| ARTICLE 16 - SICK LEAVE & PERSONAL TIME OFF | 23 |
| Section 16.1 – D.C. Sick & Safe Leave Act | 23 |
| Section 16.2 - Accruals | 23 |
| Section 16.3 - Approval Required | 23 |
| Section 16.4 - Minimum Notice Required | 24 |
| Section 16.5 - Sick/Personal Leave in General | 24 |
| Section 16.6 - Doctor's Note | 24 |
| Section 16.7 - Personal Time-off | 24 |
| ARTICLE 17 - LEAVES OF ABSENCE | 25 |
| Section 17.1 - Limitation | 25 |
| Section 17.2 - Union Leave | 25 |
| Section 17.3 - FMLA Leave | 25 |
| Section 17.4 - Military Leave | 25 |
| Section 17.5 - Procedure | 26 |
| Section 17.6 - Leave of Absence in General | 26 |
| ARTICLE 18 - BEREAVEMENT LEAVE & JURY DUTY | 26 |
| Section 18.1 - Bereavement Leave | 26 |
| Section 18.2 - Jury Duty | 27 |
| ARTICLE 19 - TRAINING | 27 |
| Section 19.1 - General | 27 |
| Section 19.2 - Payment | 28 |
| Section 19.3 - Weapons Training | 28 |
| Section 19.4 - Failure to Successfully Complete Training or Recertification | 29 |
| ARTICLE 20 - STRIKES AND LOCKOUTS | 29 |
| Section 20.1 - No Strike | 29 |
| Section 20.2 - Violation of No-Strike Provision | 29 |
| Section 20.3 - No Lockout | 29 |
| ARTICLE 21 - GOVERNMENT/CLIENT SUPREMACY | 29 |

| ARTICLE 22 - BREAKS | 30 |
|--|----|
| Section 22.1 - Shifts of Less than 8 Hours | 30 |
| Section 22.2 - Shifts of 8 Hours or More | 30 |
| Section 22.3 - Shifts of 12 Hours | 30 |
| Section 22.4 - Shifts of Greater than 12 hours | 30 |
| Section 22.5 - Breakroom | 30 |
| Section 22.6 - Restroom Breaks | 30 |
| ARTICLE 23 - GENERAL PROVISIONS | 30 |
| Section 23.1 - Medical Examinations | 30 |
| Section 23.2 - Travel Expenses. | 31 |
| Section 23.3 - Telephones | 31 |
| Section 23.5 - Bulletin Board | 31 |
| Section 23.6 - Contact Information | 31 |
| Section 23.7 - Invalidation of a Provision | 31 |
| ARTICLE 24 - SUCCESSORS | 31 |
| ARTICLE 25 - ENTIRE AGREEMENT | 32 |
| ARTICLE 26 - EFFECTIVE DATES | 32 |

PREAMBLE

THIS COLLECTIVE BARGAINING AGREEMENT ("Agreement") is made and entered as of the January 30, 2024, by and between Paragon Systems Inc., hereinafter referred to as the "Employer" and the Protective Service Officers United ("PSOs United"), hereinafter referred to as the "Union."

Economic changes become effective March 1, 2024. Unless indicated otherwise, non-economic changes become effective with the effective date of this Agreement.

Definitions

Active Employee: An employee who is not on any type unpaid leave of absence.

Agreement: This Collective Bargaining Agreement between the Employer and the Union detailing the terms and conditions of employment and expectations of each party, one to another.

Business Days: Monday through Friday, excluding holidays. When any deadline set forth in this Agreement falls on a day that is not a Business Day, the deadline will be deemed to fall on the next Business Day. Where this Agreement references "days" it is a reference to all calendar days.

Base Wage Rate: The negotiated rates of pay as set forth in Article 10 of this Agreement.

Call-in: Anytime an employee is required to report to duty when he/she is not scheduled to work.

Client: Department of Homeland Security, Federal Protective Service.

Contract: Contract # 70RFP218DEC000002 between the U.S. Department of Homeland Security (Federal Protective Service) and the Employer, for the provision of security services at 625 Indiana Ave. N.W. Washington, D.C.

Contract Manager: Senior Employer representative responsible for the day-to-day management of the Employer's contract with its Client.

Disciplinary Action: Discipline administered as prescribed within the Employer disciplinary policy.

Employee: All full-time and regular part-time unarmed and armed Special Police Officers (SPO) and Protective Security Officers (PSO) employed by Paragon Systems performing guard duties as defined by Section 9(b)(3) of the National Labor Relations Act, assigned to federal facilities at the Veterans Appeals Court located at 625 Indiana Avenue, NW in Washington, D.C. under the Contract, excluding office clerical employees, managerial personnel, supervisors as defined by the National Labor Relations Act, and all other personnel. It is expressly agreed and understood between the parties that neither probationary employees as defined in this Agreement, nor persons enrolled in or

participating in pre-hire training programs offered by the Company shall be considered Employees under this section.

Full-time Employee: (for the purpose of benefits) An employee designated by the Employer as full-time and normally scheduled for a 36 hour workweek or more.

Grievance: An action filed by the Union or an employee concerning an alleged violation, misinterpretation, or misapplication of any provision of this Agreement, Company policy or the challenge of any disciplinary action taken against an employee, including but not limited to claims of unlawful employment discrimination as set forth in this Agreement. The right to file a grievance over claims of unlawful employment discrimination will not limit an employee's right to pursue such claims in courts or administrative agencies.

Overtime: Wages paid at the rate of one and one-half $(1\frac{1}{2})$ times the employee's base wage rate for all hours worked in excess of forty hours per workweek.

Part-time Employee: (for the purpose of benefits) An employee designated by the Employer as part-time and normally scheduled for less than 36 hours per workweek.

Probationary Employee: Any newly hired employee shall be deemed to be on probation for the first 90 calendar days on site.

Productive Post: Any post by which an employee is providing direct support to the Client. This includes temporary additional services, relief post, and normal staffing.

Shop Steward: An elected or appointed representative designated by the Union as responsible for handling grievances. Shop Stewards have no authority to take strike action or any other action interrupting the Employer's operations.

Straight-time Hours: Straight-time hours include regular hours worked and paid at the base wage rate, vacation taken, paid sick leave/personal taken, training hours. Straight-time hours do not include any other paid hours, or cash out of paid sick/personal time.

Seniority: The priority of, or precedence achieved by length of service since employee's date of hire by the Employer, or any predecessor Employer.

Workday: Any day, Sunday through Saturday, including holidays, which an employee may be required to work.

Worksite(s): Posts located at 625 Indiana Avenue, N.W., as required under the Company's SOW with the Federal Protective Service.

ARTICLE 1 – RECOGNITION

Section 1.1 - Bargaining Unit

The Employer recognizes the Union as the sole and exclusive bargaining agent for the purposes of collective bargaining with respect to rates of pay, wages, hours of employment, and other conditions of employment, for the Employees as defined above, in accordance with the National Labor Relations Act (as amended) for the following bargaining unit:

All full-time and part-time armed and unarmed Special Police Officers (SPO)/Protective Security Officers (PSO) employed by the Employer at the Veterans Appeals Court currently located at 625 Indiana Avenue N.W. Washington, D.C. (as certified by the NLRB on January 4, 2022, Case 05-RC-285988; but excluding office clerical employees, professional employees, managerial personnel supervisors as defined in the Act and all other personnel.

Section 1.2 - Bargaining Unit Work

Non-bargaining unit employees, including supervisory employees, shall not perform bargaining unit work except in the case of emergencies or for training employees. Payment of overtime is not considered an emergency.

Section 1.3– Supervisory Status

The employer will utilize the assigned supervisors on site and in some emergency situations utilize supervisors from different locations

ARTICLE 2 - MANAGEMENT RIGHTS

Section 2.1 - Retained Rights

The Union recognizes that any and all rights concerned with the management of the business and the direction of work force are exclusively those of the Company unless expressly restricted by other provisions of this Agreement. The Company retains all of its normal, inherent common law and statutory rights to manage the business, whether or not exercised, as such rights existed prior to the time any union became the bargaining representative of the employees covered by this Agreement, except as expressly limited by, and consistent with the rights of the Union and its represented employees as set forth in this Agreement or as established by law, statutes, and government regulations. The rights of management shall include the right to: hire, assign, schedule, lay off, recall, promote, demote, transfer, suspend, discharge, or otherwise discipline employees for just cause; determine, establish, and implement new operational methods; determine, establish, and implement new terms and conditions of employment during the term of this Agreement, in the manner that the Company deems necessary for the efficient operation of its business; determine, establish, or continue reasonable policies, practices, and procedures for the conduct of the business and, from time to time, to change or abolish such practices or procedures in order to prevent any redundancy or duplication of work or for any other reason provided such rights and policies are not

in conflict with any provision of this Agreement and do not abridge the rights and benefits of employees as conferred by this Agreement or otherwise; determine and select the uniform and equipment to be used in the Company's operations and, from time to time, to change or to discontinue the use of any uniform or equipment and to select new uniforms or equipment for its operations, including equipment for new operations; reassign or relocate employees; to set the levels of satisfactory work performance, including quality and quantity of work, institute security measure, security checks or searches designed to deter or detect theft or misuse of Company or client property, resources or assets; set and alter the frequency of pay periods; determine the number of hours per day or week that operations shall be carried on; establish night and day shifts, set the hours of work and the number of employees for such shifts, and from time to time, to change the shifts and hours of employees thereof; determine measures which are reasonable and necessary for the orderly, efficient, and profitable operation of its business.

Section 2.2 The Company shall have the right to require of any employee at any time a physical examination by a physician of its choosing to determine said employee's physical and mental ability to perform their job assignment in accordance with FPS requirements. The Company will bear all costs associated with all company mandated physical examinations. The Employee will bear the cost of follow-up treatment. The Company shall have the right to evaluate the ability of the employee to perform their job assignment in accordance with FPS requirements. The Company may promote, demote, lay off, transfer, or discharge said employee as a result of any negative evaluation under this Section. This Section shall be interpreted in accordance with applicable state and federal law.

Section 2.3 The Company shall have the right to evaluate the work performance of the employees by this Agreement, and shall have the right to issue discipline, to transfer to other assignment (within the same days and hours of work), or to discharge an employee for inefficiency, incompetence, or inability to perform work assigned to them, provided such performance deficiencies amount to just cause for the imposition of any of the above referenced actions. Nothing in this paragraph is intended to modify the disciplinary procedures outlined in Article 7. The Employer will provide documentation to substantiate the action upon request by the Union.

Section 2.4 The Company shall have the right to establish, administer, or change a drug and alcohol abuse prevention program in accordance with federal and state regulations. The Company shall have the right to test employees for drugs and alcohol upon reasonable suspicion, and to discipline employees based upon the results of such tests. Such discipline will be subject to the just cause standard set forth in this Agreement for all discipline imposed by the Employer.

An employee who uses prescription medication will be allowed to provide verification of that prescription if the presence of that drug in his system is of the type that causes a positive drug test.

Section 2.5 The Company's failure to exercise any right, prerogative, or function hereby reserved to it, or the Company's exercise of such right, prerogative, or function in a particular way, shall not be considered a waiver of the Company's right to exercise such right, prerogative, or function or preclude it from

exercising the same in some other way not in conflict with the express provisions of this agreement.

Section 2.6 The above rights of management are not inclusive of all manners or rights which belong to management. Any other rights, powers, or authority the Company had prior to signing this Agreement are retained by the Company, except those which violate express provisions of this Agreement.

Section 2.7 The Company agrees to notify the Union in writing prior to any change in policy or work rules affecting the terms and conditions of employment of the Bargaining Unit Employees, in order for the Union to register any suggestions or objections prior to the face of lack of work; make and enforce safety rules and rules governing the conduct of employees within the work site and for the maintenance of discipline; and take any other implementation. This applies to permanent or extended policy or rules and not immediate or temporary policy or rules required to handle imminent or emergency situations.

Section 2.8 - Just Cause

The Employer shall retain the sole right to suspend, discipline and discharge employees for just cause subject only to the express and specific terms of this Agreement.

ARTICLE 3 - UNION SECURITY & MEMBERSHIP

Section 3.1 - Dues Requirement and Dues Check-off

All security employees subject to this Agreement shall, within thirty days from their effective hire date or the effective date of this agreement, whichever is later, become members or agency fee payers, as a condition of continued employment. Employees meet this requirement within the meaning of this article, by tendering the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union, or, in the alternative, by tendering to the Union agency fees, as defined by the United States Supreme Court in NLRB v. General Motors Corporation, 373 U.S. 734 (1963); and Beck v. Communications Workers of America, 487 U.S. 735 (1988). Upon notice from the Union to the Employer, accompanied by proof of demand to the employee, the Employer shall give employees who fail to pay such dues or agency fees thirty days' notice of removal from the bargaining unit.

Employees shall execute a Check-Off Authorization Card authorizing deductions from each paycheck the amount of Union dues or agency fees. When the card has been executed in a manner suitable to the Union, the Union shall forward an original copy to the designated Employer accounting official. Any incomplete Check-Off Authorization Card will be returned to the Union for correction within five business days of the Employer's receipt of the card. Dues and/or agency fees will not be deducted until a legible, signed, and dated Union Check-Off card is received by the Employer.

An employee shall not be required, as a condition of employment, to pay money to the Union, or to

become a member of, or continue membership in the Union, if they are employed in any state, in any location other than an enclave wherein exclusive federal jurisdiction applies, which prohibits or otherwise makes unlawful payment to a labor organization or membership in a labor organization as a condition of employment.

Section 3.2 - Revocation of Dues Check-off

Any notice of revocation as provided for in the NLRA, as amended, must be in writing, signed by the employee and delivered via certified mail, addressed to the appropriate Employer point of contact, with a copy to the Union.

Section 3.3 – Effective Date of Check-off

Check-Off Authorization Cards and notices received by the Employer will be effective on the signature date.

Section 3.4 – Payroll Deduction of Dues

deductions will commence with the first regular paycheck following said payday, and will continue thereafter until revoked or canceled as provided in this Agreement. The Employer will remit to the Union, via check, payment of all dues, agency fees, and/or late fees due, no later than the 15th day of the month following the month in which such dues and/or agency fees are collected. The Employer remittances of Union membership dues and/or agency fees to the Union will be accompanied by a list of names of the employees for whom deductions have been made in that particular period and individual

When a Check-Off Authorization Card is received by the Employer on or before any given payday,

The Union shall promptly furnish to the Employer a written schedule of the Union dues, initiation fees, and (if applicable) any financial core fees. The Union agrees to promptly notify the Employer in writing of any changes to these amounts.

Section 3.5 – Revocation upon Separation

An employee who has executed a Check-Off Authorization Card and who resigns, or is otherwise terminated from the employ of the Employer, shall be deemed to have automatically revoked his/her assignment and if he/she is recalled or reemployed, further deductions of Union dues or agency fees will be made only upon execution and receipt of a new Check-Off Authorization Card.

Section 3.6 – Final Paycheck

amounts deducted.

Deduction of Union dues and/or agency fees shall be made in full provided there is a balance in the paycheck sufficient to cover the amount after all other deductions authorized by the employee, or required by law, have been satisfied. In the event of termination of employment, the obligation of the Employer to collect union dues, agency fees and/or late fees shall not extend beyond the pay period in which the employee's last day of work occurs.

Section 3.7 Upon timely demand received from the Employer, the Union agrees to indemnify the Employer against any loss or claim, which may arise as a result of the Employer's compliance with the Union membership or check off articles. In addition, the Union agrees to return to the Employer any erroneous or improper overpayment made to it. The Union accepts full responsibility for the authenticity of each dues authorization card submitted by it to the Company and any authorization that is incomplete or error shall be disregarded by the Company and shall be returned to the Union for correction. The Union agrees that, upon receipt of proper proof, it will refund to employees any deduction erroneously or illegally withheld from an employee's earnings by the Company which has been transmitted to the Union by the Company. The Union further agrees to indemnify and hold harmless the Company from any and all costs, suits, expenses (including but not limited to, reasonable attorney's fees), judgments, liabilities, damages, and penalties, that the Company may sustain, incur or be required to pay as a consequence of any claim by an employee for the wrongful withholding of wages under this Article.

ARTICLE 4 – SENIORITY

Section 4.1 – Seniority Defined

Seniority shall be the length of continuous service from the employee's last date of hire as an employee in the bargaining unit (for the Employer or for a predecessor federal contractor performing similar services at the localities annotated below). Seniority for purposes of scheduling shall be the employee's date of hire on the Veterans Appeals Court located at 625 Indiana Avenue N.W. Washington, D.C. No other variations or definitions of seniority shall be acceptable. Seniority shall be applicable in determining the order of layoff and recall and other situations as provided for in this Agreement. In the event that two (2) or more employees are hired on the same day, the most senior employee shall be determined by using the last four (4) digits of the employees' Social Security number, the most senior being the employee with the lowest number.

Section 4.2 – Probationary Period

All newly hired employees or those employees rehired after termination of their seniority, shall be regarded as probationary employees for the first 90 calendar days on site. Upon successful completion of probation, the employee's start date will be their seniority date.

The Employer shall have the sole right to discipline, layoff, suspend or terminate probationary employees without limitation by the provisions of this Agreement or without recourse to the grievance procedure contained herein. Employees shall be considered at-will during the probationary period.

During the probationary period, employees shall be paid at a rate that is \$1.50 per hour less than the straight time set forth in Article (XX).

Section 4.3 – Seniority Lists

Seniority lists for the bargaining unit shall be maintained by the Employer and shall be made available to

Union representatives by request. Seniority for this purpose is based on site seniority. An employee's standing on the posted seniority list will be final unless protested in writing to his or her Supervisor no later than thirty calendar days after the most current list has been posted. An employee who believes that the prior contractor furnished the Employer with an incorrect seniority date may have his or her seniority date corrected by providing the Contract Manager with documentary evidence (i.e. pay-stub, hiring letter, W-2 form, etc.) generated by the prior contractor showing the correct seniority date.

Section 4.4 – Termination of Seniority

The seniority of an employee shall be lost for any of the following reasons:

- a. The employee quits or retires;
- b. The employee is discharged under the terms of this Agreement, with just cause;
- c. The employee fails, within five working days after receipt of the employee's notice of recall, to report to work as required by the notice, without reasonable justification;
- d. A settlement with an employee has been made for total disability or for any other reason, if the settlement waives further employment rights with the Employer;
- e. The employee is laid off, off sick, off injured, or has an illness or injury (other than compensable under Workmen's Compensation), for a continuous period of one year;
- f. The employee is off on an injury compensable under Workmen's Compensation for a continuous period of 18 months;
- g. The employee is absent from work for three consecutive workdays without calling the Employer and providing a reason for the absence; or
- h. Fails to meet qualification or requalification requirements in accordance with the government contract beyond permissible attempts thereunder or within company guidelines. If permitted under the Government contract, this section shall not apply to initial requalification attempts, excluding suitability determinations, which shall be effectuated immediately.

Section 4.5 - Transfers to/from management

A unit member who has accepted a position in supervision or management will have his/her seniority date suspended from the date the unit member accepted the position. If the employee returns to the bargaining unit within a ninety (90) day period, the employee shall not lose his seniority rights in the bargaining unit, which he held at the time of transfer out of the bargaining unit. An employee may only use this provision to reclaim seniority one time.

ARTICLE 5 - TRANSFERS, LAYOFF, & RECALL

Section 5.1 - Order of Layoff

Whenever it is necessary to lay off employees, or in the event the contract for providing security services is terminated, not extended, or not renewed, the Employer may layoff regular part-time and/or full-time employees, as it deems necessary, in the following manner:

When full-time positions are being reduced: Probationary full-time employees shall be laid off first;

a. Should it be necessary to further reduce the full-time work force, the non-probationary employees shall

then be laid off in the inverse order of their seniority.

When part-time positions are being reduced:

- a. Probationary part-time employees shall be laid off first;
- b. Should it be necessary to further reduce the work force of regular part-time employees, the non-probationary part-time employees will be laid off in the inverse order of their seniority.

Section 5.2 - Reduction to Part-time

Full-time employees shall have the option of accepting a part-time position in lieu of a layoff. If there are no part-time positions available, then part-time employees shall be laid off in the inverse order of their seniority.

Section 5.3 - Fringe Benefits during Layoff

Laid-off employees are not eligible for any compensation or employer paid fringe benefits (other than unemployment compensation) during their periods of layoff.

Section 5.4 - Transfer in Lieu of Layoff

Should a unit employee be transferred to another position covered by this Agreement in lieu of layoff, said employee shall receive the rate of pay applicable to the position to which he/she is transferred.

Section 5.5 - Order of Recall

Employees who have been laid-off in accordance with this Article will be recalled to work in the reverse order in which they were laid off or transferred. A recalled employee keeps his original seniority date consistent with Article 4 of this Agreement.

Laid off employees shall be subject to recall for a period of 12 months from the date of layoff.

In the event an employee is recalled, it is understood that all qualifications, certifications, and other requirements to return to work must be current.

ARTICLE 6 - GRIEVANCE PROCEDURE

Section 6.1 - Timeliness

The number of days provided for in the presentation and processing of grievances in each step of the grievance procedure shall establish the maximum time allowed for the presentation and processing of a grievance. The time limits specified may be extended by written mutual agreement. Furthermore:

a. The failure of an employee or the Union to file a grievance or to proceed to the next step of the grievance procedure within the time limits specified shall be deemed an acceptance of the decision previously rendered and shall constitute a waiver of any future appeal concerning the grievance and the grievance shall be returned to the Union without comment or action and shall be considered null and void.

b. The failure of the Employer to answer a grievance within the time limits specified shall permit the grievance or the Union, whichever is applicable to a particular step, to proceed to the next step of the grievance procedure.

Section 6.2 - Procedure

Grievances shall be presented and processed in accordance with the following procedure:

Step One

Any non-probationary employee having a grievance, shall reduce the grievance to writing and present the grievance to the employee's direct supervisor within 15 business days from the date the event giving rise to the grievance occurs or from the date on which the affected employee(s) became aware or should reasonably have become aware of the event giving rise to the grievance. The Union may also make this submission on behalf of employees. The written grievance shall be signed by the grieving employee of the Union and shall set forth the nature of the grievance and the adjustment sought if known. The employee's direct supervisor shall give a written decision to the aggrieved employee and Union after the meeting and within 10 business days after receipt of the grievance.

Step Two

If the grievance is not resolved at Step One, the aggrieved employee or the Union may in turn appeal the decision to the Contract Manager or Deputy Contract Manager or his/her designee within 10 business days after the completion of Step One. The Contract Manager or Deputy Contract Manager or his/her designee will meet, at the Union's request, with the aggrieved employee, the Union representative and the aggrieved employee's supervisor to discuss the grievance. The Contract Manager or Deputy Contract Manager or his/her designee shall give a written decision to the aggrieved employee and to the Union within 10 business days after receipt of the Step Two grievance. The Contract Manager or Deputy contract manager shall, upon a request from the Union, arrange for a meeting to discuss the grievance within the timeframes prescribed above. If the meeting is not calendared within the timeframes prescribed above, and the parties do not mutually agree to extend the same in writing, the grievance shall be deemed denied, at which point the Union may escalate the grievance to Step Three by following the procedures outlined below, in the following paragraph.

Step Three

If the grievance is not resolved at Step Two, the Union may, within seven business days, refer the grievance to the Employer's Director of Labor Relations (or his/her designee who shall not have previously considered the grievance at Step One or Step Two) who will meet, at the Union's request, with the grievant and a Union representative and the aggrieved employee's supervisor to discuss the grievance. (That meeting can be held in person or by telephone/video.) The Employer's Director of Labor Relations (or his/her designee who shall not have previously considered the grievance at Step One or Step Two) shall give a written decision to the to the Union after the meeting and within 15 business days after receipt of Step Three the grievance. Grievances submitted at this step shall be sent via email to grievances@parasys.com. The Director of Labor Relations (or his/her designee) shall, upon a request from the Union, arrange a meeting to discuss the grievance within the timeframes prescribed above. The meeting may be conducted virtually or via telephone. If the meeting is not calendared within the

timeframes prescribed above, and the parties do not agree to mutually extend the same in writing, the grievance shall be deemed denied.

Section 6.3 - Appeal to Arbitration

If a grievance is not settled at Step Three, the Union may appeal the matter to arbitration. Notice of the appeal to arbitration must be served to the Director of Labor Relations no later than 10 business days after the Union receives the Step Three response. It is agreed that said notice may be made by email.

Section 6.4 - Arbitrator Selection & Hearing Timeline

No later than seven business days after any appeal to arbitration, the moving party shall be responsible for obtaining a panel of no less than seven Arbitrators from the Federal Mediation & Conciliation Service ("FMCS") from which the parties shall select an Arbitrator. Each party shall have a one-time right to reject a panel. The rejecting party shall have ten business days to obtain a new panel, and shall be responsible for all associated costs.

Within 10 business days after receipt of the list of Arbitrators, representatives of the Union and the Employer will alternately strike names from the list of available Arbitrators. The moving party shall be the first to strike from the list of Arbitrators. The last remaining name on the list shall be the Arbitrator to hear the case. It is agreed this meeting shall be held telephonically.

Once an Arbitrator has been selected, the parties shall agree on a date by which the arbitration shall commence. That date shall be no later than ninety days from the date the Arbitrator is selected, unless mutually agreed otherwise.

Section 6.5 - Arbitration Expenses

The Arbitrator's fee and expenses shall be shared equally by the parties. The cost of any hearing room and/or transcript shall be equally shared by the parties. The expenses and compensation of any witness shall be paid by the party calling such witness or requesting such participant. Any other expenses shall be borne by the party incurring such expenses.

Section 6.6 - Arbitrator Authority

The Arbitrator shall have jurisdiction and authority to only apply and interpret the provisions of this Agreement. It is understood and agreed to by the Union and the Employer that the Arbitrator shall have no power to add to, subtract from, or modify any of the terms of this Agreement. The Arbitrator is permitted to weigh evidence to determine if the action taken is supported by just cause pursuant to this CBA. The arbitrators shall not substitute their own judgment in making a decision, which would be contrary to this CBA.

The Arbitrator's award shall be made in writing and shall be rendered within ninety calendardays after the close of the proceedings.

Any award of back pay to an individual grieving a discharge, discipline or any other matter shall not

predate the date of the event by which the grievance was filed, and shall be offset by all earned income received during the applicable period (including all disability, worker's compensation, unemployment and other income received). The Arbitrator shall only have authority to award economic damages and shall have no authority to award non-economic damages such as punitive damages, emotional distress or pain and suffering damages.

Section 6.7 - Suspension and Termination Grievances

Where suspension or termination is the disciplinary action, the grievance procedure will start at Step Three.

Section 6.8 - Class Action Grievances

The Union shall have the right to file a grievance or grievances involving a class of one or more non-probationary employees beginning at Step One of the grievance procedure within 15 days of the latter of (i) the event giving rise to the grievance; or (ii) the date on which the Union knew, or with the exercise of reasonable care, should have known, of the facts giving rise to the grievance. The Union and the Company agree that there shall be no class action grievances escalated to arbitration except by joint written agreement by both parties.

Section 6.9 - Information Exchange

Upon written request, each party shall be entitled to copies of any and all documents and video within the possession or control of the other party relevant to a discipline, grievance, or arbitration, which it may legally release, such to be produced no later than 15 days before the arbitration. This provision does not serve to limit in any way duties to furnish information under the National Labor Relations Act.

Section 6.10 - Steward Pay

Union representatives shall be relieved of their posts to attend the meetings described in Section 6.2. They shall be paid for time spent meeting with management, when those meetings take place during the steward's work hours.

Section 6.11 Only grievances which involve an alleged violation by the Company of this provision in this Agreement and which are processed in the manner and within the time limits herein provided shall be subject to arbitration, no grievance shall be arbitrable with respect to:

- (a) Any matter involving the administration, interpretation, or application of any insurance plans;
- (b) A decision of the Company to discipline, discharge or otherwise not retain or hire an employee on the U.S. Government's or any of its Officials' request or recommendation or determinations that an employee is unacceptable to the Government to perform service on the contract irrespective of the reason or reasons the U.S. Government or any of its Officials find an employee unacceptable to perform services. Evidence of the Government's determination shall be given to the employee and the Union upon termination from the Company.

ARTICLE 7- DISCIPLINE

Section 7.1 - Discipline in General

No employee, after completion of his or her probationary period, shall be disciplined without just cause. It is agreed by the parties that in instances when an employee is removed from working under the Contract by the government, the employee's authority to work as a security guard under the contract is otherwise removed, suspended, denied or terminated by the government, or the employee no longer satisfies the government qualifications for his or her position, the employer will notify the Union in writing of such circumstance and provide supporting documentation in the Employer's possession, if any, and the employee may be terminated pursuant to the procedures under this Agreement, and the employee does not waive any claims that such removal violates any federal, state or local laws, rules and/or regulations. In such case, upon request of the Union, a copy of any written supporting documentation from the Government shall be provided to the Union, if available to the Employer and approved for release by the Government. The Employer will make reasonable efforts to secure the Government's approval. Should a non-probationary employee wish to contest a dismissal solely made by the Employer (i.e., not due to an action or request of the government or as otherwise provided herein), a written notice thereof shall be given to the Employer within 15 days of the dismissal (in which event the issue shall thereafter be submitted to, and determined under the Grievance Procedure commencing with Step Three, as provided in Article 6 of this Agreement).

The Company agrees that they will provide initial suspension and/or disciplinary documents if the discipline is not a suspension level offense to an employee within six days of when management became aware or should reasonably become aware of the event-giving rise to the Incident Report. The time limits specified may be extended by written agreement between the Union and the Company. The parties agree and understand that disciplinary investigations and adjudications may not be complete within a six-day period following management's awareness or reasonable awareness of the offense and nothing in this paragraph shall be construed as a time-bar to the Company's right to issue discipline after an investigation is conducted. This paragraph is intended to ensure an Employee receives reasonably timely notice of any infraction alleged against them. The parties agree that upon adjudication of the length of a disciplinary suspension, the suspension shall be served within thirty days of the date of the adjudication, or the suspension shall be forfeited by the Employer.

Any changes to the Employer's Progressive Disciplinary policy will only be made after advance notice to the Union and the Employer provides the Union a copy of any revised policies on implementation. The Union reserves the right to argue in the grievance procedure that any unilateral changes made to the Policy by the Employer are either not consistent with just cause and/or not being used in a particular situation in a manner consistent with just cause.

All employees are required to follow the policies and procedures in the Paragon Handbook, their post orders, and Government rules and policies applicable to the contract and duty location. No employee shall be discharged or disciplined without just cause, and discharge and discipline matters shall be subject to the grievance and arbitration procedures contained in this Agreement.

For the following alleged offenses, the parties agree that a proven violation shall constitute just cause for discipline up to and including discharge. For the following alleged offenses, the parties agree to limit the jurisdiction of any arbitrator hearing a grievance under this Agreement to a determination of whether or not the accused employee actually committed the offense. If the arbitrator finds in the Employer's favor on that question, an arbitrator shall not have the authority to reduce a discharge or otherwise modify the discipline imposed by the Company for a proven violation of any of the following:

- A Violation of Rules and Regulations of Government Public Building and Grounds, 41 CFR Sections 101-20.3.
- B. Neglect of Duty (including sleeping while on duty or action which causes the assessment of a penalty against the Company by the United States Government or OHS).
- C. Insubordination (including, without limitation, deliberate failure to carry out assigned tasks, refusal of a direct order, abusive language directed toward directed toward a regular supervisor or individual identified as a supervisor).
- D. Conducting personal affairs during official time without prior approval from the Employee's supervisor or Project Manager.
- E. Falsification or unlawful concealment, removal, mutilation or destruction of any official documents or records, and/or concealment of material facts by willful omissions from official documents or records.
- F. Fighting on Government property or while on duty. Participating in disruptive or disorderly conduct which interferes with the normal and efficient operations of the Government or Company.
- G. Theft, vandalism, or criminal acts.
- H. Drinking or drunkenness on the job; use or possession on the job or being impaired by unlawful drugs/stimulants or alcoholic beverages on the job, or violation of the Company's Alcohol and Drug Abuse Policy.
- I. Improper use of official authority or credentials.
- J. Unauthorized use of Government communications equipment or other Government property.
- K. Misuse of weapon(s), violation of the Company weapons policy, or possession of private firearm or other private weapon on the job.
- L. Violation of Government security procedures or regulations, including, without limitation, those set forth in the Security Guard Information Manual or SmartBook.
- M. Violation of state or federal laws regarding the possession or use of a firearm.
- N. Unauthorized postabandonment.
- O. Failure to cooperate with Government officials, local law enforcement authorities, or the Company during an official investigation.
- P. Falsification of time records.

- Q. Deliberate or negligent conduct causing monetary damages, penalties or invoice deductions to the Company.
- R. Sexual, racial or verbal harassment in violation of Company policy.
- S. Any violation for which the Company receives a 2820 from the Government.
- T. Failure to appear for work for an entire shift without notice for the entire shift ("no-call no-show") or good cause for lack of notice

Section 7.3 - Absenteeism

Employees are required to report and be ready for work at their required times. It shall constitute an offense for an employee to be absent from work or late reporting to work without prior authorization unless the employee uses available sick leave to account for the absence and has called in at least four (4) hours in advance. Sick leave may not be used to account for tardiness. Such authorization must be an express agreement from the employee's Supervisor that the employee has been removed from the schedule and is excused from work from the schedule and is excused from work. "Calling off' in advance, while required, is not sufficient to excuse an absence or tardiness.

Employees shall provide as much advance notice as possible of an absence or tardiness. In no case shall notice of an absence be given less than four (4) hours in advance. Failure to provide at least four (4) hours' notice to the Program Manager/Supervisor in advance will result in skipping of a one step in the progression of discipline described below.

Each unauthorized absence after exhaustion of sick leave or in the event of ineligibility due to late notice or late reporting for work will result in the following disciplinary progression, unless the Company determines that mitigating circumstances rendered the event beyond the employee's control.

With respect to the first unauthorized absence or tardiness within any consecutive 12 month period, a verbal counseling will be given.

With respect to the second unauthorized absence or tardiness, within any consecutive 12 month period, a written reprimand will be given.

With respect to the third unauthorized absence or tardiness within any consecutive 12 month period, a one-day suspension will be given.

With respect to a fourth unauthorized absence or tardiness, within any consecutive 12 month period, a five-day suspension will be given.

With respect to a fifth unauthorized absence or tardiness, within any consecutive 12 month period, the employee will be terminated.

It is expressly agreed and understood between the parties that this is a "strict liability" absentee policy.

Section 7.4 - Open Post

Notwithstanding the progression of discipline set forth in Section 12.2, if an employee's unexcused lateness reporting to work causes an Open Post, a three-day suspension will be given on the first offense. On the second such offense within any consecutive 12 month period, a five-day suspension

will be given. On the third such offense within a consecutive 12 month period, the employee will be terminated.

It is expressly understood and agreed that this Open Post policy is to be administered in a spirit of fairness, and that the Company retains the right to waive such suspension if it is determined that the lateness reporting to work was the result of circumstances entirely beyond the employee's control. It is further expressly understood and agreed that traffic delays and congestion, weather delays, childcare issues, and similar circumstances are part of every employee's daily commute, and it is the employee's responsibility to anticipate such delays and structure their commute accordingly.

An "Open Post" for the purposes of this Section is defined as a post that is not manned by an Employee during the hours of their shift for which the Company, either due to operational infeasibility, lack of notice from the Employee, or other circumstance of the Employee's creation, cannot staff in the wake of the Employee's absence.

Section 7.5 - Standards of Conduct

It is acknowledged and recognized that the Company is in the business of providing security services to the United States Government, and that the provision of these services is highly sensitive. It is therefore essential and expected by the Company and Union that all employees shall act in a highly professional, courteous manner and shall be held responsible for their duties, functions and job requirements.

Deviation from or failure to meet this standard shall constitute just cause and result in disciplinary action up to and including termination. It is expressly agreed and understood that the issuance of a 2820 by the Government shall constitute prima facie evidence of failure to meet this standard and shall constitute just cause for discipline without the need for any government or client witness to appear and testify at any subsequent arbitration proceeding. The Union shall be shown a copy of the 2820. However, nothing in this section shall be considered to relieve the Employer of its obligation to perform an independent investigation of all disciplinary matters.

Section 7.6 - Personal Electronics

The possession or use of personal cell phones, tablets, laptops, gaming devices, or any other unauthorized electronic device on post is forbidden. For the purposes of this section, "possession or use" includes any engagement of the device on post, including checking the time, checking email, checking texts, engaging or disengaging an alarm, charging of the device, and any other unauthorized use or possession whatsoever.

For violation of this section:

On the first (1st) offense, a one (1) day suspension will be given

On the second (2nd) such offense within any consecutive 12 month period, a three-day suspension will be given.

On the third such offense within any consecutive 12 month period, the employee will be terminated.

An employee with a bona fide emergency need to have a means of contact with family members while on duty (such as hospitalization of a family member) shall notify his or her supervisor of the need and make arrangements with the supervisor to communicate emergency messages.

Section 7.7 – Other Progressive Discipline

It is recognized that offenses may occur for which progressive discipline is not applicable (e.g., fraud, gross misconduct, sleeping on duty, theft, alcohol or drug use on duty (or reporting for duty exhibiting the effects of such use).

For offenses not subject to immediate termination as described in Section 7.2, and that are not subject to the unauthorized absence/tardiness policy in Section 7.3, and not subject to the electronic devices policy in Section 7.6, progressive discipline will be administered as followed:

- First such offense will result in a verbal warning;
- Second such offense will result in a written warning;
- Third such offence will result in a one day suspension;
- Fourth such offense will result in a three day suspension;
- Sixth such offense will result in a five day suspension;
- Seventh offense will result in a lengthy suspension or termination

Section 7.8 - Non-Disciplinary Discharge

Employees may be subject to discharge for the following non-disciplinary reasons:

- a. The employee fails to meet qualification or requalification requirements in accordance with the government contract beyond permissible attempts thereunder or within company guidelines. If permitted under the Government contract, this section shall not apply to initial requalification attempts, excluding suitability determinations, which shall be effectuated immediately; or
- b. The employee's credentials or qualifications to work under the Government contract are revoked, suspended, or terminated by the Government or its representative, or the Government requires the removal of the employee under the contract or the Government determines it is not in the best interest of the employee to continue working on the worksite.

Section 7.9 - Union Representation during Discipline

Subject to, and in accordance with the NLRA, any investigatory interview between an Employee and a company representative, which the employee reasonably believes to result in discipline, at the request of the employee, shall be conducted in the presence of an authorized union official or steward. Investigatory

interviews include written statements. If the company requests or gives the employee the option to submit a written statement, which the employee reasonably believes could lead to disciplinary action; the employee may confer with a union steward before submitting a statement. If no Union representative or authorized steward are on premises, the Employer agrees to delay the proceedings for 24-hours in order to allow the union time to make a Union representative or authorized steward available.

Section 7.10 - Disciplinary History

Using a rolling calendar year, all violations are considered active for a 12-month period beginning on date of infraction. An incident is no longer considered active after the twelve- month period has expired.

Section 7.11 - Serving Suspension

If the penalty to be imposed is an unpaid suspension of a number of workdays, a "work day" will be equal to eight hours. If an employee works a six or 12-hour shift, he will be given the option of working the remainder of a shift after serving the suspension. The Employer will require the employee to serve the suspension no later than the 30 days following the Employer's decision. (Should the Employer agree that the suspension be held in abeyance pending the outcome of a grievance, the thirty-day period will begin at the conclusion of the grievance process) If the Employer does not schedule the suspension within that period of time, the employee will not be required to serve it at all, although the suspension will remain in his record consistent with other terms of this Agreement.

ARTICLE 8 TEMPORARY ASSIGNMENTS

Temporary Assignments - In the interest of maintaining continuing operations, the Employer may temporarily assign an employee to a vacant or new position until such position is filled according to this Article. A temporary assignment under this section will normally last for 30 days; the parties agree to meet and discuss additional time if necessary.

ARTICLE 9 - HOURS OF WORK, OVERTIME, & PAYROLL DISCREPANCIES

Section 9.1 - Scheduling in General

(a) Shifts shall be scheduled in the discretion of the Employer to fulfill the needs of the government. All schedules will have consecutive days off and will have consecutive hours of work on each scheduled work day. Nothing contained herein shall guarantee to any employee (i) any particular post assignment; or (ii) any number of hours of work per day or week except as explicitly provided for in this Agreement, but the Employer will attempt to maintain as many full-time schedules as possible. With the approval of the Contract Manager or his designee, employees will be allowed to switch shifts. The employee originally assigned to the shift will notify his supervisor in advance of the switch. The employee covering the shift will be required to report on time and work the entire shift (and any applicable holdover) as though it was his normally scheduled shift. Switching of shifts cannot be done if it would result in additional overtime for the Employer.

- (b) The parties agree to follow the general principle that an employee who wishes to work a consistent schedule which exists as of the date of this Agreement (defined as which days of the week and which hours of each day he is assigned in the schedule) will be accommodated as is operationally feasible. If the needs of the Government or the operation require decreased staffing in those time periods, affected employees will be allowed to use their seniority to bump into another schedule. The employee displaced by bumping will be allowed to use his seniority to displace a junior employee from his schedule. A maximum of two "bumps" beyond the initially displaced senior employee will be allowed. After that, the Company will have the discretion to assign a bumped employee to an open schedule. The Company retains the unilateral right to create, modify, or otherwise amend schedules due to operational needs, with assignments to such schedules consistent with this Agreement. Any change to a schedule that changes the days of work or changes the shift start time or shift end time by more than 30 minutes will give the employee holding that shift the opportunity to trigger the bumping process described above.
- (c) Vacant and newly created schedules will be awarded in seniority order of those employees who request it. Employees awarded a vacant schedule shall not be eligible to bid on another vacant schedule or bump another employee for 12 months. (The 12-month limitation will not apply to an employee whose schedule gave him a right to trigger the bumping process as described in sub-section (b) above or to an employee who was bumped.)
- (d) Schedule acknowledgement: When an employee receives a schedule awarded via the bidding system or if the employee is assigned to work at the site and a non-probationary employee, a schedule acknowledgement will be signed by the employer and the employee. This document will serve as proof of the employee's set work schedule and help keep track of schedules and schedule availability as vacancies become open and to be filled via the bidding system.

Section 9.2 - Overtime

An overtime rate of one and one-half (1½) times an employee' base pay (exclusive of health and welfare and other fringe additions to pay) shall be paid for all hours actually worked in excess of 40 hours in a week.

Section 9.3 - Holdover

If the Employer has less than twenty-four hours advance notice that overtime will be required, or that the employee will be required to work beyond the hours scheduled on a particular day, the employee shall be required to work such overtime or beyond scheduled hours unless the employee is excused for good cause by the Employer. If an employee is not relieved at the end of his/her shift, the employee is required to remain on post until relieved. The Employer shall use reasonable efforts to allow employees with childcare obligations to be relieved as soon as possible and shall allow such employees an opportunity to make necessary child care arrangements. Failure to accept

assignments or remain on post when not reasonably excused by a supervisor shall be grounds for discipline up to and including immediate termination. If management has at least four hours' notice of the need to hold an employee over on his shift, management shall inform the held over employee of the need at least four hours before the employee is scheduled to be relieved/off duty. If management does not have at least four hours' notice, it will give notice as soon as possible.

No employee will be forced to forfeit his regularly assigned hours later in the workweek when he is held over on shifts that result in some of his regularly assigned hours putting him over 40 hours for the week.

Section 9.4 - Overtime Sign-up

If the Employer has advance notice of 24 hours or more that overtime will be required, or that the employee will be required to work beyond the hours scheduled on a particular day, such overtime will be offered as follows: First, the Company will offer it to the employee who can perform the overtime assignment on straight time; Second, the Company will offer it in rotation order to employees who signed the overtime interest list. When an employee works an overtime assignment or refuses one, the rotation moves to the next name. In order to accomplish the foregoing, on a monthly basis, the employer shall post a sign-up sheet for full-time employees and a separate signup sheet for part-time employees desiring to work overtime during the month.

Section 9.5

This Section is intentionally left blank.

Section 9.6 - Call-in Pay

An employee called in outside his regular work schedule shall be guaranteed a minimum of four consecutive hours of work, or pay for the same, if the hours worked outside of his regular schedule is less than four hours.

In the event a building is closed by direction of the government and an employee has reported for work on his regularly scheduled workday or when called in on a day outside his regular work schedule, the employee shall receive four hours pay for such occurrence, provided the employee was not notified in advance by management not to report for duty.

Section 9.7 - Payroll Discrepancies

The Employer shall rectify and pay all pay discrepancies, that were the fault of the Employer or its payroll servicer(s), amounting to (8) eight or more hours pay within 72 hours after the discrepancy (with all supporting documentation) has been submitted to the payroll department. Discrepancies of lesser amounts will be rectified and paid the following payday after the discrepancy (with all supporting documentation) has been submitted to the payroll department.

In the event of an overpayment situation, the Company will work with the affected employee to establish

a re-payment plan.

ARTICLE 10 - WAGES

The base hourly wage for bargaining unit employees shall be as follows:

| Current | March 1, 2024 | March 1, 2025 | March 1, 2026 |
|---------|---------------|---------------|---------------|
| \$30.01 | \$33.51 | \$34.81 | \$36.16 |

Employees shall be paid pursuant to the Employer's regular pay period times. The current payday period of the Employer is bi-weekly, every other Thursday. All employees shall be paid via Direct Deposit.

ARTICLE 11 – HOLIDAYS & BUILDING CLOSURES

Section 11.1 - Holidays Defined

Employees are entitled to the following paid holidays (or holiday pay in lieu thereof, if required to work the holiday):

| New Year's Day | Martin Luther King Jr's Birthday | President's Day | Memorial Day | Juneteenth Holiday | Independence |
|----------------|-------------------------------------|-----------------|-----------------|-----------------------|--------------|
| | | | | | Day |
| Labor | Columbus | Veteran's | Thanksgiving | Christmas | Dov |
| Day | Day | Day | Day | Christinas | Day |

An employee who is requested and agrees to work on any of the above named holidays, but fails to report to work for such holiday shall not receive holiday pay, and shall be subject to discipline up to and including discharge.

Section 11.2 - Holiday Worked

Full-time non-probationary employees who work on a holiday listed above will be paid at their straight-time hourly rate for all hours worked on the holiday, plus additional holiday pay at their straight-time hourly rate for all hours worked on the holiday.

Part-time non-probationary employees who work on a holiday listed above will be paid at their straight-time hourly rate for all hours worked on the holiday, plus holiday pay based on the number of hours they worked on the holiday, if scheduled to work.

Section 11.3 - Holiday Not Worked

Non-probationary employees who do not work on a holiday listed above will be paid eight (8) hours at his or her straight time rate of pay, provided the employee has completed his/her last scheduled shift prior to the holiday, his/her next scheduled shift after the holiday and has not called-off on such holiday. If an employee calls out and has a verifiable emergency or doctor's note, the employee will be paid for holiday. An employee on vacation the day before or day the holiday will not be denied holiday pay for that reason provided the vacation request is approved in writing in advance by management.

It is expressly agreed and understood that employees shall not be entitled to holiday pay when on any type of leave of absence which is not pre-approved vacation time.

Section 11.4 - Building Closures

Any holiday declared by Presidential Proclamation including inclement weather closings, that specifically includes contractors and the services they provide will be observed as instituted and the employees shall be paid if the government compensates the Employer for the closure.

The Company shall notify Employees of building closures as they are communicated by FPS. In the event an Employee is not notified by supervisions by telephone or text message at least three (3) hours prior to the beginning of their shift of a building closure, and appears for duty, the Employee shall be entitled to receive four (4) hours of show-up pay, at the straight time rate of pay set forth above.

If government building closure is announced less than three hours prior to the start of an employee's shift, if the employee reports on time as scheduled, he will be guaranteed a minimum of four consecutive hours of work. However, should the employee not desire to remain at the facility, they will be paid only for time actually worked.

ARTICLE 12 – VACATIONS

Section 12.1 - Vacation Accrual Rates

Employees shall be entitled to annual vacation pay, based on their continuous years of service in federal contracted security with the Employer (and its predecessor contractors) and their base hourly wage at the time the vacation was accrued in accordance with the following schedule. If an employee separates from employment for any reason with less than one year and one day of employment with the Company or its predecessor shall not be entitled to any vacation pay:

| Upon completion of one (1) year of service | 80 hours |
|--|-----------|
| Upon completion of five (5) years of service | 120 hours |
| Upon completion of ten (10) years of service | 160 hours |

Section 12.2 Vacation time for all employees is earned based on the employee's hours worked, plus vacation hours actually taken. The amount earned is calculated by the number of hours worked in the previous year, divided by 1872, and then multiplied by the maximum vacation hours for that employee's years of service. No employee may earn more than the maximum for that employee's years of service.

Section 12.3 Vacation Scheduling

An employee who qualifies for a vacation in accordance with this Article may request time off for a vacation at least two weeks prior to the requested vacation time off. The Shift Supervisor (or other appropriate Employer representative) will approve vacation schedules so as to be mutually satisfactory to the employee and the Employer consistent with the seniority of employees requesting vacation time off at

the same time, (ii) the final scheduling of vacation periods shall rest exclusively with the Employer in order to ensure the orderly and efficient operations, and (iii) previously approved vacations will not be changed without the consent of the employee with the previously approved vacation. The Employer must approve or deny, in writing, all vacation requests within seven calendar days of the employee's request. If there are any conflicts with vacation requests, they will be approved in the order received by the Employer (i.e., requests received first will be approved first, regardless of employee seniority or any other factor). If multiple vacation requests are received on the same day, seniority will be the tiebreaker. The Employer is not obligated to allow any more than five (5) percent of the workforce on vacation at any time, although it may do so in its discretion. (The number equal to 5% will be rounded up, e.g. if there are 11 employees, at least one employee will be allowed to be on vacation at a time; if there are 21 employees, at least two employees will be allowed to be on vacation at a time.)

Section 12.4- Vacation Cash-out

Vacation time shall not be cumulative from one year to the next. Accrued and unused vacation time shall be paid out to the employee by the next pay period following an employee's anniversary date, and on termination.

Section 12.5 - Effect of Leave of Absence

Length of service with the Employer shall not accrue for the purpose of vacation benefits while an employee is on a leave of absence.

ARTICLE 13 - HEALTH AND WELFARE ALLOWANCE

Section 13.1 - H&W Allowance

The Employer agrees to make a health and welfare ("H&W") benefit contribution as set forth below for each hour straight-time worked, up to 40 hours per workweek to a maximum of 2,080 hours per year.

| How Paid | Current | March 1, 2024 | March 1, 2025 | March 1, 2026 |
|----------|---------|---------------|---------------|---------------|
| HWBP | \$4.50 | \$4.70 | TBD | TBD |

The parties will meet and bargain any year marked TBD at least 60 days prior to the effective date listed herein.

Section 13.2 - Health & Welfare Benefit Program

The Company will make a contribution of H&W monies listed within Section 13.1 to the Health and Welfare Benefit Program ("HWBP") on behalf of each employee covered by this agreement beginning upon the signature date of this agreement.

Any employee who does not allocate or direct the funds in the Plan will have the funds placed into the default 401(k) fund as deemed by the Plan Trustee.

Section 13.3 - Miscellaneous

Employees may enroll eligible dependents in the medical, dental, and vision plans, as well as dependent life insurance.

The actual costs of elected employee coverage(s) may change from year to year. Any changes will be conveyed to employees during annual open enrollment period.

The Employer's benefit offerings renew on an annual basis. Employee premium costs may increase/decrease accordingly.

Any costs not covered by the H&W contribution for additional coverage(s) elected by an employee, or for an employee's eligible dependents, shall be the responsibility of the employee and deducted from each paycheck.

Participation and eligibility to participate in the Plan(s) shall be governed by the terms of the Plan(s).

ARTICLE 14 – RETIREMENT/PENSION (401(k) SAVINGS PLAN)

All eligible, non-probationary, bargaining unit employees may participate in the Employer's 401(k) Savings Plan with no Employer matching contribution. The Employer will make the following 401K contributions on all hours worked, up to forty (40) hours per week and up to a total of 2,080 hours per contract year for all Employees covered by this Agreement as described in this Article.

| How Paid | Current |
|-------------|---------|
| Pension | \$1.00 |

Effective March 1, 2024, the Employer will cease to make a separate pension contribution.

ARTICLE 15 – UNIFORMS

Section 15.1 - Uniforms in General

The Employer will furnish to employees all uniform and equipment as required by the Employer's contract with the Government, or as deemed necessary by the Employer, at no cost to the employee. Furthermore, the Company agrees to replace items that become unserviceable through fair wear and tear, or at no fault of the employee, within 14 days of the submitted request, at no cost to the employee

Section 15.2 - Maintenance

Employees shall maintain such uniforms and equipment in accordance with Employer standards.

Section 15.3 - Alterations

The Employer will issue properly fitted uniforms. Employees are expected to try on uniforms upon issue. The Employer will exchange uniforms that do not fit properly when tried on by the officer.

Section 15.4 - Termination of Employment

Upon termination of employment, all issued clothing and equipment shall be returned to the Employer. A deduction for missing, un-cleaned, or damaged items may be subtracted from an employee's final paycheck.

ARTICLE 16 - SICK LEAVE & PERSONAL TIME OFF

Section 16.1 – D.C. Sick & Safe Leave Act

The parties intend for the sick leave provided in this Article to at least meet the minimum requirements of Executive Order 13706 and the D.C. Accrued Sick and Safe Leave Act ("Act") but hereby waive the provisions of the Act to the extent permitted by law.

Section 16.2 - Accruals

Employees shall earn Sick and Safe Leave as outlined below:

- (a) Full-time employees shall receive 84 hours per full calendar year and allotted into their accounts on March 1 of each year;
- (b) Full-time employees hired after the start of a calendar year, shall receive a pro-rated amount of sick leave during their first year of employment, as outlined below: year.

| Start Date | Hours for Use |
|----------------|---------------|
| January 1-31 | 84 hours |
| February 1-28 | 77 hours |
| March 1-31 | 70 hours |
| April 1-30 | 63hours |
| May 1-31 | 56 hours |
| June 1-30 | 49 hours |
| July 1-31 | 42 hours |
| August 1-31 | 35 hours |
| September 1-30 | 28 hours |
| October 1-31 | 21 hours |
| November 1-30 | 14 hours |
| December 1-31 | 7 hours |

(c) Part-time employees shall accrue at the rate of one hour for every thirty hours worked, not to exceed 56 hours in a calendar year.

Section 16.3 - Approval Required. Part of a scheduled shift, the absence will be paid from accrued, available leave in one-hour increments.

Section 16.4 - Minimum Notice Required

Any employee who is unable to report to work because of sickness shall notify the Employer at least four hours prior to the beginning of his/her regular shift.

Section 16.5 - Sick/Personal Leave in General

Sick leave will be paid to each employee at the employee's base hourly rate of pay at the time earned and shall be paid no later than on the payroll immediately following the sick leave being used. Unused sick leave shall be paid to the employee at his/her base wage hourly rate of the earned amount within (30) thirty days after the end of the contract year. Unused, accrued sick leave shall be cashed out on an annual basis. There shall not be any pay out of sick leave on termination.

No later than March 30 of each year, up to 56 hours of sick leave hours unused as of the previous March 1 will be paid out to the employee at the hourly wage then in effect prior to March 1. Any remaining hours of sick leave will carry over to the following year with a maximum of 84 hours of accumulated sick leave.

Section 16.6 - Doctor's Note

The Employer may require a fit for duty form from the employee for any illness or injury longer than four consecutive work days or for a medical situation or injury that occurred at work, or for an FMLA leave for the employee's own medical condition. The fit for duty form will be signed by the doctor, which establishes the fitness of the Employee to return to their previous duty position as an armed security officer.

Section 16.7 - Personal Time-off

Sick and Safe Leave hours may be used as Personal Time-off (PTO) upon approval by management. When used as PTO, employees will be required to request the time off seven (7) days in advance of the actual days used.

ARTICLE 17 - LEAVES OF ABSENCE

Section 17.1 – Limitation

Personal leaves of absences not to exceed 30 calendar days may be granted at the discretion of the Employer without loss of seniority. The status of a personal leave of absence request shall be given to the requesting employee within 72 hours.

Section 17.2 - Union Leave

Union representatives shall be entitled to unpaid leaves of absence for up to five days per calendar year to attend to Union business, including but not limited to, conventions, conferences, workshops, seminars.

Section 17.3 - FMLA Leave

The Family and Medical Leave Act of 1993 ("FMLA") is incorporated herein. The Employer agrees to make a reasonable effort to accommodate an Employee's need for extended medical leave, even if the employee does not qualify for FMLA under the provisions of the law. Such leaves will not exceed thirty days, unless required by law.

Consistent with applicable law, any Employee unable to return to work with a medical clearance from a licensed physician at the end of a maximum medical leave shall be separated from employment.

If an Employee files for FMLA or medical leave on false pretext or works for another employer without pre-authorization from the Employer, the Employee will be removed from the program and from employment with the Employer.

Employees must use all accrued and unused paid personal and sick leave provided in Article 16 while on approved FMLA leave.

Section 17.4 - Military Leave

An Employee who is activated, drafted, or voluntarily enters service into any branch of the armed forces of the United States under the provisions of the Selective Service Act or the Reserve Forces Act shall be granted an unpaid military leave of absence, as required under the federal law, for the time spent in full-time active duty. The period of such leave shall be determined in accordance with applicable federal laws in effect at the time of such leave. Proof of military service must be provided to the Employer.

Section 17.5 - Procedure

A leave of absence not otherwise covered by a governing statute or federal law and/or regulation shall be processed in the following manner:

(a) Any request for a leave of absence shall be submitted in writing at least seven calendar days prior to the date such leave shall take effect except in case of emergency, and shall be accompanied by a valid leave request form signed and authorized by the employee; and (b) The written request for a leave of absence shall be submitted to the Project Manager for final disposition.

Section 17.6 - Leave of Absence in General

All leaves of absence shall be subject to the following general provisions except to the extent otherwise required by applicable state or federal law:

- (a) Seniority shall accumulate during the period of any approved leave of absence subject to the provisions of Article 4 of this Agreement;
- (b) Any employee who receives a leave of absence for a definite period of time shall not be entitled to return to work until the expiration of such leave unless the Employer elects to waive this provision;
- (c) Such leaves shall be without payroll compensation unless the employee is eligible for paid vacation days under the provisions of this Agreement, and then those benefits shall be the sole source of payment to the employee; and
- (d) Leaves covered by the FMLA for employees eligible for said leaves, shall be administered in a manner consistent with the FMLA.

ARTICLE 18 - BEREAVEMENT LEAVE & JURY DUTY

Section 18.1 - Bereavement Leave

Non-probationary employees shall be eligible for up to three days of paid bereavement leave for purposes of attending, on a day normally scheduled to work, the funeral of a parent, stepparent, foster parent, spouse or domestic partner, child, sibling, grandparent or grandchild. Unpaid leave of up to three days shall be given for purposes of attending the funeral of a father-in-law or mother- in-law.

The employee must provide his/her immediate supervisor with at least 24 hours prior written notice, whenever possible, of the need for funeral leave in order to be paid for this benefit. Proof of death (i.e. obituary, death certificate or funeral service program, stating your relationship to the deceased) must be provided to the Employer upon the employee's return to work. Bereavement days shall not be cumulative, nor shall they be payable if not used. This benefit shall be paid based upon the base hourly straight time wage rate of the employee, in accordance with the amount of hours normally worked on the day(s) covered under this Section.

Section 18.2 - Jury Duty

Non-probationary employees shall be eligible for up to 5 days of paid leave to serve on a jury. The employee must provide his/her immediate supervisor with prior written notice of the requirement to serve on a jury within 48-hours after notice is received in order to be paid for this benefit. Proof of jury service must be provided to the Employer.

Jury duty days shall not be cumulative, nor shall they be paid if not used. This benefit shall be paid based upon the base hourly straight time wage rate of the employee, in accordance with the amount of hours normally worked on the day(s) covered under this Section, less all amounts received by the employee from any court or government agency to serve on a jury.

Hours paid under this Article shall not count as hours worked for the purposes of computing overtime.

ARTICLE 19 – TRAINING

Employees will receive pay for training and/or annual recertification training at their normal rate of pay. All scheduled, new, recertification training and/or work shifts or any combination thereof shall not exceed 12 hours on any given day.

Section 19.1 - General

It is the mutual responsibility of the employee and the Employer to track the expiration of any certifications/qualifications required per the Employer's government contract and keep each other informed of such in order to schedule required training and/or insure completion of necessary paperwork in a timely manner.

Within thirty days of expiration of any certifications/qualifications, and an employee has not completed or has not been scheduled for recertification training, it is the employee's responsibility to advise the Employer of the need to be scheduled for training. The Employer agrees to post a quarterly certification/qualification list. Any employee scheduled for training who fails to attend, will be subject to disciplinary action unless such failure to report is the result of a documented emergency circumstance.

Section 19.2 - Payment

Except as otherwise provided in this Agreement employees (not inclusive of employees in initial training not yet assigned to a shift) attending training, presented by or coordinated at the direction of the Employer, will be paid their normal base hourly rate of pay plus Health & Welfare (not to exceed 40 hours per week) for all hours spent in said training and all hours will count towards the calculation of overtime.

Notwithstanding the foregoing, in the event that an employee is required to repeat a training course/qualification (excluding FPS remedial weapons qualification training), the Employer shall pay for the employee's work time while taking such courses, training, or any time for health and fitness exams in excess of four hours, at the employee's regular wage rate. The Employer will not be required to pay for any failed session of training for any non-firearms training.

Section 19.3 - Weapons Training

Employees attending weapons qualification/re-qualification sessions (a qualification session is made up of two qualification attempts/relays) scheduled and authorized by the Employer will be paid for actual time spent at the range, not to exceed eight hours. This shall be applicable only to the first qualification session.

An employee who fails the first session (2 relay attempts), based upon range availability, will attend the next remedial course and qualification session. In addition, a 60-day letter will be issued requiring the employee to obtain a passing score prior to the date listed on the letter.

The Employer will provide the employee an eight-hour remedial course and a second session (2 relay attempts) to attempt to qualify at no charge. The Employer will pay for the course and will pay for the time spent in the course or in the qualification session at the then existing federal contractor minimum wage rate.

If an employee fails the second session, the Employer will allow him to schedule an eight-hour remedial training class at no charge. The employee will be paid for time spent in the course at the then existing federal contractor minimum wage rate.

The employee will not be paid for time spent in the third qualification session. The Employer will allow the employee to schedule an eight-hour remedial training class at no charge for the third qualification session.

If an employee fails all three sessions (6 attempts), the Employer will not provide any more training to the

employee and the Employee may be terminated.

The Employer will reimburse employees for the renewal costs of the Maryland gun permit specifically required to work on site.

Section 19.4 - Failure to Successfully Complete Training or Recertification

If an employee fails to successfully meet the recertification requirements or fails to report for scheduled training within the thirty day time frame (unless such failure to report is the result of a documented emergency circumstance, inability of the Employer to get the training scheduled, or due to a delay on either the Employer or the government's part in getting the certification issued), the employee shall be deemed to have voluntarily resigned.

ARTICLE 20 - STRIKES AND LOCKOUTS

Section 20.1 - No Strike

So long as this Agreement is in effect, the Union will not cause nor permit its members to cause, nor will any member of the Union take part in, any strike including a sympathy strike, slowdown, stoppage of work, planned inefficiency, picketing, or any other curtailment of work or restriction or interference with the Employer's or Government's operations for any reason whatsoever, nor will the Union authorize or sanction the same. Upon hearing of any unauthorized strike, slowdown, stoppage of work, planned inefficiency or other curtailment of work or restriction or interference with the operation of the Employer, the Union shall take reasonable steps to avert or bring such activity to a prompt termination.

Section 20.2 - Violation of No-Strike Provision

Any employee who violates the proscriptions of this provision is subject to immediate discharge.

Section 20.3 - No Lockout

So long as this Agreement is in effect, the Employer will not lockout bargaining unit employees.

ARTICLE 21 - GOVERNMENT/CLIENT SUPREMACY

The Employer and Union recognize that the Government/Client may impose various demands and obligations upon the Employer and its employees. Nothing in this Agreement is intended to place the Employer in violation of its service contract with its Client.

Therefore, employees agree to comply with any verbal or written non-disciplinary directive issued by the government. All discipline shall be subject to the grievance and arbitration procedures, except for those issues involving the government/client's rights under the contract between the government and the Company. Government/client directives and any claimed violation of this Agreement, which results from those directives, are not subject to the grievance or arbitration procedure except as to a dispute of whether or not the employee complied with the directive. Upon approval from the Government/client, documentation of Government/client directives will be provided to the union upon request. Verbal directives will be documented in accordance with company policy.

ARTICLE 22 – RESTROOM BREAKS

Section 22.1 - Restroom Breaks

Restroom breaks will be provided as needed contingent upon available personnel.

Section 22.2 – Ordinary Breaks The Employer will continue providing employees with breaks during their shift consistent with how they were provided prior to execution of this Agreement.

ARTICLE 23 - GENERAL PROVISIONS

Section 23.1 - Medical Examinations

The Employer shall pay for all physical/medical/psychological examinations that are required by the Employer at Employer designated clinic(s) or physicians. Physical/medical/psychological exams may be required per the Employer's contract with its Client, or should the Employer have concerns regarding an employee's fitness for duty. The Employer may designate the physician or clinic, at its discretion. In the event an employee is required to undergo a medical examination during non-duty hours, Employer agrees to compensate employees for time, up to four hours, spent undergoing the medical examination.

Section 23.2 - Travel Expenses

The Employer shall reimburse employees for all required and approved travel expenses.

Section 23.3 - Telephones

Employees shall not use of Government or Employer telephones for personal or unauthorized purposes. To the extent possible, and in accordance with local procedures, personal messages (name and number) of calls received in the office for employees will normally be taken. If a call appears to be an emergency, the employee will be notified immediately.

Section 23.5 - Bulletin Board

The Employer shall provide bulletin board space for postings related to Union business.

Section 23.6 - Contact Information

Employees shall notify the Employer in writing of their proper post office address and telephone number or any change of name, address or telephone number. The Employer shall be entitled to rely upon the last known address shown in the employee's official records. Employees may be required to provide written acknowledgement of any communication from the Employer. The Employer shall provide the Union with an updated list of bargaining unit employees and all post office addresses upon request.

Section 23.7 - Invalidation of a Provision

If any provision of this Agreement or any application of this Agreement to any employee or group of employees shall be determined to be contrary to law, then such provision or application shall not be deemed valid and subsisting except to the extent permitted by law, but all other provisions or applications shall continue in full force and effect.

ARTICLE 24 – SUCCESSORS

The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by this Agreement or any part thereof. Such notice shall be in writing with a copy to the Union at the time the seller and purchaser, transferee, or lessee execute a contract or transaction as herein described.

ARTICLE 25 - ENTIRE AGREEMENT

The parties acknowledge that during the negotiations which resulted in this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that all of the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. It is the intent of the parties to resolve all outstanding matters between them by entering into this Collective Bargaining Agreement. Therefore, the parties agree this Agreement resolves all outstanding disputes, grievances, and claims between them as of the date of this Agreement.

This Agreement constitutes the full and complete agreement between the Employer and the Union, it being understood that nothing shall be implied as being binding on the parties hereto except to the extent expressly set forth in this Agreement. This Agreement can only be modified by the express, written, and signed agreement of the parties.

ARTICLE 26 - SCOPE OF AGREEMENT

This Agreement shall be effective as of February 1, 2024 and shall remain in full force and effect through February 1, 2027. Notwithstanding the foregoing, this Agreement shall not become effective unless it is ratified by the membership of the Union pursuant to the procedure set forth in its Constitution and Bylaws, and subsequently signed by the parties hereto.

In the event that any provision of this Agreement (including any addendums hereto) shall at any time be declared invalid by any court of competent jurisdiction or through government regulations or decree, the parties agree to renegotiate such provision of this Agreement for the purpose of making it/them conform to the decree, decision, regulation, or statute so long as they shall remain legally effective. It is the express intention of the Parties that all other provisions not declared invalid shall remain in full force and effect.

Except in the case of condemnation or liquidation, this Agreement shall be binding upon the parties hereto, their successor, and assigns.

This Agreement and the addendum attached hereto contains the entire understanding, undertaking, and agreement of the Company the Union and finally determines all matters of collective bargaining for this term. Changes to this Agreement whether by addition, waiver, deletion, amendment, or modification must be reduced to writing and executed by both the Company and the Union.

Agreed this 30th day of January, 2024, by:

Paragon Systems, Inc.