

**HERSHEY COUNTRY CLUB AND HERSHEY LINKS CONTRACT
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**HERSHEY ENTERTAINMENT & RESORTS
HERSHEY COUNTRY CLUB AND HERSHEY LINKS AGREEMENT**

Articles of Agreement made this 8th day of March and effective as of March 15, 2010, between HERSHEY ENTERTAINMENT & RESORTS, of Hershey, Pennsylvania, a Pennsylvania corporation, hereinafter called "Employer," and CHOCOLATE WORKERS' LOCAL UNION No. 464 of the BAKERY, CONFECTIONERY, TOBACCO WORKERS' and GRAIN MILLERS INTERNATIONAL UNION OF AMERICA (AFL-CIO), of Hershey, Pennsylvania, hereinafter called "Union."

WITNESSETH:

In consideration of the good will of each party to the other, which is hereby acknowledged, and the mutual covenants herein contained, it is hereby agreed by and between the parties hereto:

1. Purpose and Intent

1.1 Common Purpose: In entering into this Agreement, the Employer and the Union have the common purpose of providing for a harmonious working environment, and for fair and peaceful settlement of any employee grievances and of any dispute that may arise between the Employer and its Employees. The Union recognizes that the Employer's mission is to provide first class facilities and services that will set forth HERSHEY Country Club and HERSHEY Links as world-class golf destinations.

1.2 Agreement: The Union and the Employer agree that this Agreement is intended to cover all matters affecting wages, hours, and other terms meeting all conditions of employment and similar or related subjects. During the term of this Agreement, neither the Employer nor the Union shall be required to negotiate on any further matters affecting these or any other subjects not specifically set forth in this Agreement, which includes such items as pensions, merit reviews, and work standards. This paragraph shall in no way detract from the provisions of the grievance and arbitration procedures.

1.3 Lawful Provisions: Any provisions of this Agreement adjudged unlawful by a court of competent jurisdiction shall be treated for all purposes as null and void. All other provisions of this Agreement shall continue in full force and effect.

1.4 Amended Only By Writing: This instrument, which incorporates the entire Agreement and all understandings between the parties, shall be altered or amended only by writing signed by both parties.

2. Term of Agreement

- 2.1 Duration:** This Agreement shall continue in full force and effect until midnight, March 16, 2014, and, thereafter, until a new contract has been entered into, with either party having the right to terminate after the expiration date, upon giving sixty (60) days' advance written notice. In the event either party presents a notification as prescribed, it is agreed an initial meeting shall be held within seven (7) days following date of notification.

3. Recognition of the Union

- 3.1 Exclusive Representation:** The Employer recognizes the Union as the sole and exclusive bargaining agent of all the full-time and part-time employees of HERSHEY Country Club and HERSHEY Links, exclusive of office workers, management and supervisory employees, professional employees, lifeguards and fitness staff, safety and security officers, and any other persons excluded by law, pursuant to NLRB Certification 4-RC-6845, for the purpose of collective bargaining in respect to rates of pay, wages, hours of employment and other conditions of employment.
- 3.2 Covered Employees:** This Agreement shall relate only to full-time and part-time employees (as defined in Article 6 Classification of Employees) of HERSHEY Country Club and HERSHEY Links. The word "department" shall refer to departments of HERSHEY Country Club and HERSHEY Links.

4. Work Stoppages and Lockouts

- 4.1 No Strike Provision:** Strikes, picketing, slowdowns or stoppages of any kind or lockouts are prohibited under the terms of the Agreement.

5. No Coercion or Interference

- 5.1 No Coercion:** The Union agrees that neither it nor any of its officers or members will intimidate or coerce employees into membership in the Union. If any dispute arises as to whether there has been any violation of this pledge or whether any employee affected by this clause has been deprived of good standing in any way contrary to the Constitution and By-laws of the Union, the dispute shall be regarded as a grievance and be submitted to the grievance procedure, and, if necessary, to the final determination of an Arbitrator.

5.2 Non-Interference: The Employer agrees not to interfere with the rights of its employees to become members of the Union, and there shall be no discrimination, interference, restraint or coercion by the Employer or any of its agents against any employee because of membership in the Union.

6. Classification of Employees

6.1 Seasonal/Restricted/Unrestricted: The term “part-time employee” shall include any employees heretofore classified as “part-time,” “seasonal,” “restricted,” and “unrestricted,” except for casual employees as herein defined. Unrestricted Part-time employees are those that are available to work all shifts, times and days. They have as a final goal the attainment of full-time status. Unrestricted Part-time employees shall have seniority over Restricted Part-time employees. Restricted Employees shall be those that voluntarily restrict the times and / or days they are available to work. “Part-time restricted” employees must be available to work at least one shift on weekends and holidays. This restriction may be altered three times a year, January 1, June 1, and September 1. Seasonal employees are considered “restricted,” as they have a foreseen employment ending date. At no time would the seniority of a Part-time employee take preference over a Full-time employee.

6.2 Casual Employees: Casual employees of the HERSHEY Country Club and HERSHEY Links who are compensated on a “flat rate” per function basis are excluded from the bargained part-time classification under this Agreement.

6.3 Employment Status: Employee status and benefits are determined by the graduated scale (see the chart below) for number of hours to qualify for full-time status and full credit for benefit contribution. The previous 1200 and 1600 hour rules are dropped.

Worked hours within this contract’s bargaining unit shall be comprised only of regular, overtime, vacation, holidays, personal days, unpaid FMLA leave, workers’ compensation, military leave, jury duty, bereavement leave, orientation, Accident & Sickness hours equivalent to 40 hours per week.

a. Hours lost due to the planned temporary closing of a 12-month food & beverage operation of at least one week in duration will be eligible for shut down credit as noted in the chart below. Should employees bump for hours, they will receive the greater of the shut down credit or the actual hours worked.

The evaluation year shall be September 1 through August 31 (as defined by pay period calendars – see chart below.)

- a. All established departmental full-time caps stay in place; caps are not a substitute for the minimum hours for full-time status requirement (see the chart below).
- b. Grandfathered status doesn't negate the worked hours requirement.
- c. Replace vacant positions based on the status of the departing employee.
 - i. If employee status was full-time, post as full-time.
- d. Unrestricted part-time employees could gain full-time status if they work sufficient hours.
 - i. Part-time employees will be evaluated on their initial union anniversary date. If they have achieved the hours requirement, they will become full-time effective with the first pay period following their anniversary date. They will be extended benefit enrollment options, and benefits become effective within one (1) month of their full-time effective date.
 - ii. Part-time employees in subsequent years of employment will be evaluated within the regular evaluation period. If they have achieved the hours requirement, they will become full-time on the beginning of the first pay period following October 1.
- e. Only full-time employees are eligible for benefit packages until benefit year 2013.

Minimum hours required to achieve or maintain full-time status:

Evaluation Period	Hours Requirement	Benefits Effective	Shut down Credit
8/31/2009 to 8/29/2010	FT = 1274 hours	October 1, 2010	24.5
8/30/2010 to 8/28/2011	FT = 1378 hours	October 1, 2011	26.5
8/29/2011 to 8/26/2012	FT = 1456 hours	October 1, 2012	28.0
8/29/2011 to 8/26/2012	PTR = 1000-1455 hours	January 1, 2013	

In the event an employee does not work the minimum hours requirement during any evaluation period, the employee's full-time status becomes probationary during the following benefit year, and the employee must work the minimum hours requirement of that evaluation period to maintain full-time status. Failure to work the minimum hours requirement during any probationary year will cause the employee to lose full-time status, and convert to part-time status, effective January 1.

During the probationary period, employees will receive 80% of the company credits toward their medical, dental, and vision benefits, and Health Savings Account (HSA) if applicable.

6.4 Part-time Benefits: Part-time employees shall receive time and one-half for hours worked on paid holidays, and other overtime as stipulated by the terms of this Agreement. Part-time employees shall not be eligible for vacation pay, holiday pay, and group insurance. However, part-time employees who work 1000 hours or more in a calendar year will be eligible for pension benefits. Beginning in benefit year 2013 – Part-time employees (restricted and unrestricted) working between 1000-1455 hours in the evaluation period will be classified as part-time regular (PTR) and will be offered a choice of (a) \$600 annually in a health reimbursement account, OR (b) 24 hours paid vacation, OR (c) \$300 annual compensation paid on a biweekly basis. Direct deposit for part-time regular employees who work 1000 or more hours, effective January 1, 2013. Part-time employees will not be eligible to achieve full-time status if they are full-time students or teachers.

6.5 Maintaining Full-time Status: Employees who qualify as “full-time employees” under the provisions of Article 6.3 herein shall be available for regular full-time employment and shall not lose such status except upon termination of employment or as defined in Article 6.3.

7. New Employees - Probationary Period

7.1 Length of Probation/Full-time Employees: Newly hired full-time employees shall be considered on probation for a period of nine (9) consecutive bi-weekly pay periods commencing with the first day of active employment, but such probationary period shall be extended for the equivalent number of working days that probationary employees shall be absent from scheduled employment in excess of ten (10) working days during the probationary period. Thereafter, their contract seniority rights shall begin and shall apply from the date of hire.

7.2 Length of Probation/Part-time Employees: The probationary period for newly hired part-time employees shall be nine (9) consecutive bi-weekly pay periods. All returning part-time seasonal employees (PTS) will serve a probationary period of nine (9) consecutive bi-weekly pay periods in subsequent seasons.

7.3 No Grievance: During this probationary period, an employee shall be subject to layoff, discipline or discharge at the sole discretion of the Employer and its action shall not be the subject of a grievance.

8. Union Security

- 8.1 Membership for Full-time Employees:** All persons who are full-time employees on the effective date of this Agreement and who are still employed by the Employer shall as of said date as a condition of employment become (if they have not previously become members of the Union) and remain members of the Union in good standing for the duration of this Agreement. All full-time employees hired subsequent to the effective date of this Agreement who are still in the employ of the Employer thirty (30) days after hire shall become and remain members of the Union in good standing for the duration of this Agreement as a condition of employment.
- 8.2 Membership for Part-time Employees:** All part-time employees who are members of the Union on the effective date of this Agreement and who are still employed by the Employer thirty (30) days thereafter shall, after such thirty day period, as a condition of employment, remain members of the Union in good standing for the duration of this Agreement. All such employees who hereafter become members of the Union shall, as a condition of employment, remain members of the Union in good standing for the duration of this Agreement.
- 8.3 Dispute Regarding Membership:** If any dispute arises at any time as to whether any employee is or is not a member of the Union in good standing and an agreement cannot be reached, the dispute shall be adjudicated by an arbitrator, chosen in accordance with the provisions hereof, whose decision shall be final and binding on the Union, the Employer, and the employee.
- 8.4 Authorized Deductions for Initiation Fees and Dues:** A voluntary irrevocable check-off is continued in effect for all employees within the collective bargaining agreement.
- a. Initiation fees will be deducted the first pay of the month after 30 days for full-time employees. Full-time union dues will be deducted the first pay of the month after 30 days.
 - b. Part-time agency fees will be deducted the first pay of the month after 30 days. Agency fees at the present rate of \$5.50 per pay will be deducted from each biweekly pay that the part-time employee receives.
 - c. Seasonal part-time employees, as covered by the bargaining units, will have agency fees at the present rate of \$5.50 per pay deducted the first pay of the month after 90 days. Seasonal part-time employees who worked in a position recognized by this collective bargaining agreement and return in the next subsequent year to a

position under this collective bargaining agreement will have agency fees deducted beginning with the first pay.

- 8.5 Service Charge:** All part-time employees, after the expiration of their period of probationary employment, who do not join the Union, shall as a condition of employment pay to the Union each month of active employment a service charge as a contribution toward the administration of this Agreement, in an amount equal to the regular monthly dues. Such contribution shall be checked off upon proper written authority executed by the employee.
- 8.6 Termination for Failure to Pay Dues:** Employees who are suspended for failure to pay Union dues or initiation fees will have their employment terminated if their suspension lasts longer than seven calendar days.
- 8.7 Indemnification:** The Union will indemnify and hold the Employer harmless against any and all suits and other forms of liability and legal fees that shall arise upon or by reason of action taken by the Employer for purposes of complying with this article.
- 8.8 Part-time Seasonal Employees:** Employees classified as part-time seasonal shall not be eligible for Union membership. Part-time seasonal employees shall be those hired between May 1 and September 1 and whose employment will end on or before October 1.

9. Union Representation

- 9.1 Union Stewards:** The bargaining unit employees may elect no more than one Union Steward per department, per shift. The Branch President may appoint an assistant Union Steward. This will be communicated to the Director of Employee Relations in writing. No employee will be considered a bona-fide Union Steward without written notification from the Union.
- 9.2 Union Access:** The Business Agent, Branch President, or their designees shall have access to all departments during normal business hours with advance notice and permission from a Human Resources manager or the Manager on Duty. Such access shall not be unreasonably withheld.
- 9.3 Time Off for Union Business:** Employees who are delegated to represent the Union at a convention or other meeting shall be granted time off without pay for that purpose, provided that they give their department heads adequate advance notice.

9.4 Voting of Union Elections: Voting of union elections may be held on company property if requested by the Union.

10. Nondiscrimination

10.1 It is the policy of the Employer and the Union that the provisions of this Agreement shall be applied to all employees without regard to race, color, religious creed, sex, sexual orientation, age, or national origin.

11. No Change Clause

11.1 Conditions of Employment: No change in the present rates of pay, wages, hours of employment or other conditions of employment shall be made during the life of this Agreement or any extension thereof, except as provided herein or after collective bargaining between the parties hereto.

11.2 Change to Work Unit: No extensive change in the constitution of any work unit shall be made without first discussing the change with the Union.

12. Company Policies, Rules and Regulations

12.1 Rules and Regulations: The Employer shall continue, and from time to time may change, such rules and regulations as it may deem necessary and proper for the conduct of its business. All such rules and regulations which are reasonable shall be observed by the employee. The Union shall be furnished a copy of any change or new rule at the time it is disseminated to employees. This does not diminish the Union's right to grieve new rules or changes.

12.2 Union Support and Endorsement of Policies: The Employer shall issue policy statements regarding such topics, including but not limited to, sexual harassment, confidentiality of company/divisional financial and long term plan information, use of company electronic resources, employee violence, reasonable search, and fitness for duty. The Union agrees to fully support the dissemination, education and enforcement of those policies that the Union also endorses, such endorsement not to be unreasonably withheld. It is understood that the Employer has the right to issue and enforce such policies whether or not endorsed by the Union.

12.3 Policy Prohibiting Workplace Violence: The Union and Employer agree that workplace violence shall not be tolerated.

- 12.4 Reasonable Suspicion/Fit for Duty:** The Union agrees to a policy that outlines the process to be followed in addressing situations where there appears to be reasonable suspicion that an employee is under the influence of drugs and/or alcohol and does not appear to be fit for duty. This process will be contained under separate document and will be updated as needed based upon current and changing law.
- 12.5 Communication with Employees:** Management agrees to set up meetings to discuss employee concerns on an ongoing basis.
- 12.6 Check of Driving Records:** Local 464 agrees that any bargaining unit employee who drives a company vehicle will be obligated to inform management of any change in their driving record as soon as the information is known. They also agree that management has the right to check an employee's driving record once a year.
- 12.7 Electronic Communication Devices:** Employees are prohibited from using any electronic communication devices while working any shift, whether provided by the Company or personally owned, except to the extent reasonably necessary to perform their duties and/or to address an emergency.
- 12.8 Compliance Hotline (1-866-475-2004):** The Employee Handbook (on MyPath.HersheyPA.com), provides specific procedures for filing complaints and reporting violations of the Company's policies and procedures. Employees are expected to continue reporting complaints and suspected violations through these established procedures, including the grievance procedure for the collective bargaining agreement, which generally requires Employees to inform their immediate supervisors, managers, the Human Resources staff, or the Legal Department of suspected violations. However, if the suspected violation is not covered by existing procedures, is especially urgent, or is of a nature that the Employee prefers not to be identified, Employees should call the Compliance Hotline. The Compliance Hotline is a toll-free number designed to protect confidentiality and anonymity. Reports may be made 24 hours a day, 7 days a week.

13. Discipline and Discharge

- 13.1 Power of Discharge and Discipline:** Full power of discharge and discipline shall remain with the Employer, it being specifically understood and agreed between the parties hereto that this power shall be exercised with justice and due regard to the reasonable rights of the employees.

- 13.2 Progressive Discipline:** Hershey Entertainment & Resorts uses a progressive discipline process which may include the following steps: verbal warning; written informational warning; 1 day suspension; 3 day suspension; 5 day suspension; indefinite suspension/termination. For serious offenses, such as theft, fighting or drug use, several steps of discipline may be bypassed and a suspension or termination may result.
- 13.3 Documentation:** Management has 15 calendar days from the time they became aware of an incident to document the incident with a Personnel Action Memorandum (PAM).
- 13.4 Signature Requirement:** Employees must sign PAMs or other documentation of an incident when presented to them, such as but not limited to Attendance Tracker Documents (ATDs). This signature does not constitute an admission of guilt or agreement with the facts as stated on the document, only that the employee has been made aware of the facts.
- 13.5 Retention of PAMs for Violations:** PAMs shall not be the basis for progressive discipline when those PAMs were issued more than twelve (12) months before the incident precipitating the current discipline, unless those PAMs were issued for a violation of Sexual Harassment and Harassment policies, Electronic Resources, Confidentiality, Workplace Violence, or Drugs and Alcohol policies.
- 13.6 Suspensions:** Suspensions will be served within thirty (30) days from the date of the issuance of the PAM noting the suspension. If the suspension is not served within this 30-day period it will be deemed to have been served and will count within the Progressive Discipline System
- 13.7 Notification/Confidentiality Requirements:** The Employer shall notify the Union Office and Union Steward at least twenty-four (24) hours before the layoff for slack work or dismissal of any employee, stating the reasons for the proposed layoff or dismissal, provided, however, that the Union shall hold such information in strict confidence, and shall not communicate such information to the employee.
- 13.8 Unjust Suspension or Discharge:** If after investigation, the Union determines that an employee has been unjustly suspended or discharged, the matter may be settled by use of the grievance procedure.

14. Conference Committee

- 14.1 Selection/Membership:** A Conference Committee composed of six (6) representatives of the employer and six (6) representatives of the Union

(one from each contract) shall be established for the purpose of adjusting all disputes which have not been settled satisfactorily or complaints filed by the employer, which have been referred to them by the Branch President and/or the Director of Employee Relations or their representative. The Director of Employee Relations shall serve as secretary for this committee.

14.2 Approval of Meeting Records: The record of any meeting must be approved by the entire committee to be considered final and conclusive.

15. Grievances

15.1 Good Faith Effort: Both the employer and the Union shall make every effort to reach the earliest possible settlement of matters at the lowest level in the procedure, and any settlement reached at any stage shall be final and conclusive.

15.2 No Work Stoppage: If any dispute shall arise between the Employer and the Union, or its members, there shall be no suspension of work or slowdown on account of such difference or dispute, but such dispute shall be treated as a grievance and settled in accordance with the procedure hereinafter set forth. All employees are encouraged to address their grievance and concerns through the grievance process prior to the matter being discussed with another legal entity.

15.3 Grievance Procedure:

1. **First Step:** First step shall be between the aggrieved employee, his/her Union Steward, and the immediate Supervisor and his/her Supervisor or the Human Resources Representative. Any complaint or dispute to be considered shall be discussed with the Supervisor within fifteen (15) calendar days after the date on which the facts or events upon which the complaint is based shall have existed; provided the complainant is knowledgeable of the event or facts. The Record of Dispute or Complaint form must be filed within the time limits specified above.

Should the Employer fail to respond to the Record of Dispute or Complaint form within fifteen (15) calendar days of receiving same from the Union, the Employer shall be deemed to have waived its right to respond and the complaint remedy sought shall be granted.

The failure of an employee or the Union to file a Complaint or Dispute form within this fifteen- (15) calendar day period shall constitute a waiver of the right to file. If both parties act and fully discuss their problem in good faith, a fair and speedy solution to

most complaints can be made at this step. If it is not settled at this step, the grievance in order to be considered further shall be submitted in writing on a prescribed form to the second step.

2. **Second Step:** Second step shall be between the Branch President and the Director of Employee Relations or a representative. Any matter referred to the Branch President and the Director of Employee Relations shall be in writing on a form agreed upon by the Employer and the Union.
3. **Referral to Third Step:** If the Branch President and the Director of Employee Relations or a representative are unable to reach a satisfactory conclusion of the controversy, the written dispute presented to them shall be referred to the third step within fifteen (15) calendar days.
4. **Third Step:** The third step shall be joint meeting of the Union and Management Conference Committees and shall take place at the earliest day of convenience to the parties, but no later than thirty (30) calendar days from date of notification. Any case referred to the Conference Committee and held in abeyance by the Union, and not rediscussed within thirty (30) calendar days of being held in abeyance, shall be considered dropped. Any case held in abeyance by Management, and not rediscussed within thirty (30) calendar days of being held in abeyance shall be granted.
5. **Referral to Arbitration:** In the event that any dispute is not settled within thirty (30) calendar days after submission to the Conference Committee, the dispute shall be determined by arbitration before an impartial arbitrator designated as hereinafter provided. The final decision of such arbitrator shall be binding upon both parties, and the expense of the arbitration shall be borne equally by the parties to this Agreement. Time spent by an aggrieved employee, or other employees of the Employer in or before the Conference Committee, at its request, shall be considered as time worked, but they shall not be paid premium pay for such time unless they would otherwise have earned premium pay on their jobs.
6. **Selection of Arbitrator:** The parties, by agreement, designate their respective attorneys to use the American Arbitration Association in the selection of an impartial arbitrator. The selection of the arbitrator from the list presented by the American Arbitration Association shall be by agreement of the parties, or failing agreement, by the "crossing" (strike) method of selection.

16. Posting of Jobs

- 16.1 Duration and Locations of Postings:** All newly created jobs or vacancies must be posted for a period of seven (7) calendar days at

designated locations: designated bulletin boards, binders, or the company internal job posting board (employee portal) accessible throughout designated divisions of the company, and at the local Union office.

- 16.2 Selection/Seniority:** Such newly created full-time jobs or vacancies shall be filled on the basis of experience and qualifications of the candidate. (See Appendix I, VII Special Factors.) During the internal 7-day posting, only internal applicants may apply. Qualified applicants are then deemed candidates. Candidates are then ranked by seniority to extend an offer. Candidates who are employees of each respective division shall have first preference, in accord with their contract seniority by classification. Then candidates employed by other divisions of the company shall have secondary preference. Seniority rights of employees of other divisions of the company who may be offered and accept such jobs shall thereafter, for all purposes except vacation pay, healthcare, and retirement benefits, be based upon their division seniority only, which may not include prior company seniority. Upon review of the internal candidate pool at the conclusion of the 7-day internal posting, should there not be an experienced and qualified candidate, the position will be posted externally. All candidates at this point forward, including internal applicants who apply after the 7-day internal posting has expired, will be ranked based upon experience and qualifications, with an offer extended to the individual deemed by management to be the most qualified. Management reserves the right to concurrently post internally and externally for those positions with specialized skills.
- 16.3 Return to Former Job:** In the event that the employee selected is not satisfied with the job or is unsatisfactory on the job, they shall have the right to return to their former job within a five (5) working day period, and the remaining applicants on the original posting shall be considered for the job. The employer retains the right to return the employee to his/her former job should a vacancy exist for a sixty (60) day period. If no vacancy exists, the employee will be placed in a lay-off status. During this period the employee should sign internal job postings. If after one year the employee fails to successfully sign for a job, their employment will be terminated.
- 16.4 Duties of Two or More Positions:** When an employee holds a position that combines duties of two or more positions, the employee shall be paid the hourly rate of the higher position, provided he/she performs duties of that position for at least two (2) hours during the shift.
- 16.5 Primary Shift:** All newly created job postings will have a primary AM or PM shift.

17. Notifying Union of New Hires and Terminations

17.1 Once a week the Employer shall give the Union Office a list containing the names and addresses of all newly hired employees and the names of all employees whose employment has terminated.

18. Posting of Union Notices

18.1 The Union shall present all notices other than those pertaining to Union meetings, dues, entertainment and safety first to the Director of Employee Relations or the designated Human Resources representative for approval. Should any notice be disapproved, the Employer shall state the objection thereto so that the notice may be drafted free from such objections.

19. Seniority

19.1 Basis for Promotions, Layoffs, and Recalls: The basis for promotions, layoffs and recalls in the working force shall be length of continued contract service, training and efficiency.

19.2 Continued Service/Layoff or Illness: A one (1) year or less layoff caused by lack of work or a two (2) year or less absence caused by illness, followed by reinstatement, shall not alter length of continued service.

19.3 Determination for Layoff: Seniority, skill, ability and experience shall determine the order in which employees are to be laid off. If after investigation, the Union determines that an employee's seniority does not warrant a layoff according to the Agreement, the matter may be settled by use of the grievance procedure.

19.4 Rotation of Work During Slow Periods: Consistent with efficient departmental operation, rotation of available work during slow periods among employees of a respective department may be accomplished, provided this practice is with the consent of the entirety of the affected full-time employees in that classification in such department.

19.5 Limitation on Bumping into Positions: Upon notice of layoff or reduction in hours, employees will have two (2) working days to exercise their seniority and "bump" into other positions which they have held within the last six (6) months or positions which they can immediately perform. Failure to exercise that right within two (2) days will result in employees

losing the right to “bump.” Employees must work in their classification before bumping into another classification.

- 19.6 Establishment of Seniority Date:** Full-time or part-time employees shall not establish any seniority rights during their probationary period of employment. After they have completed their probationary period, the first day of such probationary period worked shall become their seniority date. Employees who are awarded a new position via the job posting system will establish seniority after 60 calendar days.
- 19.7 Limitation on Seniority Rights:** Employees transferred to supervisory or other positions with the Employer outside of the bargaining unit shall retain, but no further accumulate, seniority for a period of two years. Should the employee wish to return to a position within the bargaining unit, they may only do so through the posting system.
- 19.8 No Right to Bump:** Employees of HERSHEY Country Club and HERSHEY Links shall have no right to “bump” into jobs in other divisions of the company and employees of such other divisions shall have no right to “bump” into jobs at HERSHEY Country Club and HERSHEY Links.
- 19.9 Determination of Seniority:** Seniority for employees of HERSHEY Country Club and HERSHEY Links shall include total company seniority, subject, however, to the provisions of Article 16.2.
- 19.10 Seniority Groups:** Separate seniority groups shall be created applicable to persons meeting the definition of “full-time employees” and “part-time employees” as outlined in Article 6.1. Each group shall be treated as a separate group and no part-time employee shall be permitted to exercise rights in the other group unless a job opening exists in the full-time group for which no existing member of said group has signed a posting. The part-time unrestricted employee with the highest hours within the past 13 biweekly pay periods will be awarded the full-time position.
- 19.11 Seniority of Union Stewards:** Union Stewards and officers who administer the grievance procedure shall have preferential seniority treatment in cases of layoff and recall, provided, however, that such seniority exercised shall not cause the layoff or displacement of the working foreman. This protection will apply to the Senior Steward of the department where there is more than one Union Steward in the department. The Conference Committee member is automatically considered most senior in the department in which they work.
- 19.12 Weekend and Holiday Preference/Business Needs:** Seniority and qualifications by shift shall govern weekend and holiday preference. Any

agreement governing specific holidays shall remain in force for the life of this Agreement. However, the Employer reserves the right to schedule based upon business needs; for example, if operational requirements demand that the entire staff is needed to work a specific function then the demands of the operation will take preference over seniority in regards to being off on a holiday or weekend.

19.13 Seniority Lists: Updated seniority lists will be provided twice a year.

19.14 Termination of Seniority: An employee's seniority will be terminated for the following reasons:

- a. Voluntary termination of employment
- b. Discharge for just cause
- c. Involuntary layoff in excess of one year
- d. Failure to report to work within two days of the end of an approved leave of absence
- e. Retirement

19.15 Job Duty Flexibility: Individual employees may possess capabilities based on personal work history. The individual is encouraged to meet with Management and the Union to validate any additional capabilities which he/she may possess for the purpose of bumping into positions (Article 19.5). For Unemployment Compensation claims that are received by the Company, the company agrees that only compensation from work within the employee's current primary assignment that the employee could have evoked his/her seniority to gain will be reported as potential earnings.

20. Scheduling

20.1 Communication of Schedule Changes: Schedule changes made after 6:00 PM Sunday for the following week will be communicated by the manager who makes the change.

20.2 On-Call Policy: Employees will not be obligated to be on-call for more than a combination of working days and on-call days that equal a total of five days (i.e., if an employee is scheduled to work three days in a week they can be on call for a total of two days). Every attempt will be made, on a weekly basis, to insure that the most senior employee on call will continue to be scheduled for the most hours.

20.3 Scheduling of Meetings: Every effort should be made by employees to attend departmental mandatory meetings, and every effort should be made by management to schedule meetings when the majority of employees are scheduled. Meetings can take place before, during, or after

the shift with prior notice on the schedule. If an employee is off he/she will be paid the time allotted for the meeting at the negotiated rate. Employees who are unable to attend should notify management so arrangements can be made. Mandatory meetings are considered a scheduled shift and are subject to the Attendance Policy. Employees who are scheduled for paid time off (vacation, personal day, sick day) will not be required to attend mandatory meetings.

- 20.4 Scheduling by Primary Assignments:** Employees will be scheduled in their primary assignment (shift and area) where their seniority currently places them, but may be moved according to their seniority and operational needs.
- 20.5 Shift to Different Stations:** The Employer shall have the right to shift personnel within a department to different stations as required by the number of guests from time to time.
- 20.6 Lead Rate:** In the absence of the appointed lead, management will designate an alternate to receive the lead rate.
- 20.7 Bumping to Acquire Hours:** Bumping to acquire hours must be accomplished by 6 PM on Sunday.
- 20.8 Order of Precedence for Time Off:** Approved vacation days supersede personal days, which supersede requested days off. Full weeks of vacation have precedence over partial weeks.
- 20.9 Breaks:** Employees scheduled to work a full eight and one-half hour shift in a work day shall be entitled to take one (1) ten (10) minute break and an unpaid thirty (30) minute meal break in designated break areas during each shift as determined by the Employer in relation to its business needs. During these breaks employees will be responsible for responding to emergencies or unforeseen operational necessities should it become necessary as determined by their supervisor.
- 20.10 Disaster/Pandemic Flexing Workforce:** In the event of an emergency directly affecting the Employer's operations and/or public health, safety and welfare, certain provisions of this Agreement may need to be temporarily suspended to enable Employer to properly address the emergency. Any Union members affected by the suspension of any term(s) of this Agreement due to such an emergency will retain seniority and health care benefits during the emergency period, with the understanding that the employee's Collective Bargaining status and benefits will continue uninterrupted, including Union dues and deductions, and will then be returned to the position he or she held prior to the event. It

is agreed that the Union does not gain representational rights to the non-Union positions as a result of this action.

21. Job Classifications and Rates

21.1 List of Classification and Rates: Job classifications and rates applicable thereto have been supplied to the Union. The Employer and the Union shall mutually agree upon any changes to job classifications and rates during the term of this Agreement.

21.2 Review: During the term of this contract the Employer and the Union agree to review the wage rate or job classification applicable to a newly created job, a changed job, or of any employee wrongly classified.

21.3 List of Employees/Job Titles: The Employer will provide the Union once annually with a list of all employees and their job title.

22. Wages

22.1 Definition of Hourly Rate of Pay: Hourly rate of pay as used in this contract shall be referred to as base hourly rate.

22.2 Pay Rates: The pay rates for the job classifications in the respective departments of HERSHEY Country Club and HERSHEY Links are set forth in a Schedule of Pay Rates, approved by the parties at the time of the signing of this Agreement and incorporated herein by reference. Approved copies of said Schedule of Pay Rates is on file in the offices of the Employer and the Union.

22.3 Schedule of Pay Rate Increases:

Effective Date:	March 15 2010	March 14 2011	March 5 2012	March 18 2013
HERSHEY Country Club and HERSHEY Links	\$250 Signing Bonus	1.5%*	2%*	3%*

*Wages for all tipped employees will remain at the current level for the life of the contract. Tipped personnel for the purposes of this agreement are defined as full-time and part-time: banquet servers, a la carte servers, and HERSHEY Links bartenders.

Full-time tipped personnel will receive the following increases to the tipped rate for vacation, holidays, personal days, jury duty, bereavement leave, and mandatory meetings:

Beginning Benefit Year:	January 1, 2011	January 1, 2012	January 1, 2013	January 1, 2014
HERSHEY Country Club and HERSHEY Links full-time server staff	\$10.00	\$10.00	\$10.00	\$10.00
HERSHEY Links full-time bartenders	\$7.75	\$8.75	\$9.75	\$10.00

- 22.4 Appearance Pay:** Employees appearing for work at their scheduled time and who have not been notified to the contrary shall be granted, before being relieved of duty, four (4) hours' work at the rate of pay for the work at which they were scheduled. Employees who volunteer to leave shall be paid only for hours worked.
- 22.5 Call-In Pay:** Employees called for emergency work shall receive a minimum of two (2) hours pay at the rate the Employer would have paid if such work had been performed.
- 22.6 Correction of Pay Checks:** If an error is less than a day it will be corrected on the next check. If the error is for more than one day (eight hours) or greater than \$100 in tips/service charges a separate check will be cut on the next corporate payroll workday.
- 22.7 Trainer Wages:** Certified trainers will be paid their base rate plus \$1.00 per hour for each hour of training. Certification will expire 3 years from date of certification class. Trainers may tender a resignation effective September 30 of any interim year. Management may accept resignations sooner when possible. Management reserves the right to disqualify a certified trainer for failure to follow standards.
- 22.8 Definition of Payweek:** For the purposes of computing holiday pay, the payweek begins at 12:01AM on Monday.

23. Overtime

- 23.1 Overtime Hours:** Time-and-one-half shall be paid for all hours worked over forty (40) hours in any week, except that time-and-one-half shall be paid for all hours worked in excess of thirty-two (32) hours during a holiday week (as specified in Article 25 Holidays), excluding the Christmas and New Year's holiday weeks. Hours worked on emergency jobs outside of the regular schedule shall not be taken off the regular schedule at the end of the week.

- 23.2 Scheduling of Overtime:** Overtime shall be scheduled on a mandatory or voluntary basis at the sole discretion of the Employer.
- 23.3 Distribution of Overtime:** Consistent with operating efficiency, the Employer shall distribute overtime equally to the extent possible within each department.
- 23.4 Seniority:** If all employees within an occupation or department refuse overtime, the least senior qualified employee will be required to work.
- 23.5 Authorization Requirement:** Overtime shall only be worked with the explicit authorization of a supervisor. If overtime is worked and not authorized, it may be subject to the progressive disciplinary process.

24. Leaves

- 24.1 Medical Leave of Absence:** Employees who have been granted authorized leaves of absence in excess of 30 days due to illness or accident must provide seven (7) days advance notice to their department heads when they are ready and able to return to work. If requested, employees must provide a bona fide statement from their doctor certifying that they are presently able to return to work. The Employer reserves the right to have employees examined by its own physician. In the event of conflicting medical opinions, final decision as to the ability of the employee to return to work shall be made after examination by an impartial physician designated by the employee's doctor and the Employer's doctor. The cost of such examination by an impartial physician shall be borne equally by the Employer and the Employee. This paragraph does not apply to an employee who has been away from work by reason of illness or accident for a period of more than twenty-four (24) months.
- 24.2 Death in Immediate Family:** In the event of death in the immediate family, employees shall be permitted to take time off up to three (3) consecutive workdays, which shall include the day of the funeral or memorial service. For purposes of illustration, if an employee is scheduled to work Monday through Friday, and the funeral or memorial service of a member of that employee's immediate family is to be held on Wednesday of that work week, the employee may take Monday, Tuesday and Wednesday; Tuesday, Wednesday and Thursday; or Wednesday, Thursday and Friday. Additional time off may be granted without pay where required.

Full-time employees shall be paid straight time at their regular hourly rate of pay for such part of that time off as they would otherwise have been

regularly scheduled to work, but not exceeding eight (8) hours in any one day or a maximum total of twenty-four (24) hours. Such time off shall not be regarded as time worked for the purpose of computing overtime. For purposes of this article, "regular hourly rate of pay" shall be the average hourly straight-time rate earned during the week prior to that in which the death occurred. The rate of pay for tipped employees is governed by the chart in Article 22.3.

For the purpose of this Article, "immediate family" shall include the spouse, children, stillborn child, brothers, sisters, half-brothers, half-sisters, stepchildren, grandchildren, parents and grandparents of the employee. Mother-in-law and father-in-law will be considered immediate family if the employee is residing with their spouse at the time of the death. If a legal separation is in effect, the employee will be paid for the time lost during the day of the funeral (not to exceed eight (8) hours) provided they were scheduled for that day. A stepchild shall be regarded as a child, for the purpose of this paragraph, if such child is a member of the immediate household of the employee at the time of the child's death. A stepparent shall be regarded as a parent for the purposes of this paragraph.

24.3 Military Leave of Absence: Military Leave of Absence shall be granted pursuant to conditions and as provided by the Uniformed Services Employment and Reemployment Rights Act of 1994, as Amended [12/19/2005].

24.4 Jury Duty: Time lost from work by full-time employees on jury duty shall be paid by the Employer on a straight-time basis at the employee's regular hourly rate of pay except for tipped employees whose rate of pay is governed by the chart in Article 22.3, provided, however, that any compensation or fees received for such jury duty shall be deducted from the amount to be paid by the employer. Time off for jury duty shall not be regarded as time worked for the purpose of computing overtime.

24.5 Family Medical Leave (FMLA): Hershey Entertainment & Resorts complies with the provisions of the Family and Medical Leave Act of 1993 (FMLA). Employees who meet the established qualification criteria may be eligible for leave under the Family Medical Leave Act for a period not to exceed twelve (12) weeks. Employees who wish to apply for FMLA leave must notify their supervisor or the Employee Benefits Department regarding their need for leave. Disputes which arise concerning use of FMLA leave shall not be subject to the grievance procedures as outlined in Article 15. In any conflict between the Collective Bargaining Agreement and the regulations contained in the FMLA, the latter will prevail.

25. Holidays

25.1 Full-time Eligibility for Holidays: New employees with less than three (3) months of continuous employment shall not be entitled to paid holidays.

25.2 Paid Holidays: New Year's Day, President's Day, Labor Day, Thanksgiving and Christmas, or the days celebrated as such, shall be paid holidays for all eligible full-time employees. Employees shall be paid for eight (8) hours at their regular hourly rate of pay or at the Federal Minimum Wage, whichever is greater, for each paid holiday even if they do not work. Tipped rate for vacation, holidays, personal days, jury duty, bereavement leave, and mandatory meetings is governed by the chart in Article 22.3. However, if employees do work on any paid holiday then in addition to the foregoing eight (8) hours of holiday pay, they shall be paid at the rate of time and one-half for all hours worked at the regular rate of pay. Overtime will not be pyramided; hours worked as overtime will not be used to calculate overtime twice during the same pay week.

25.3 Personal Days: Employees shall receive five (5) personal holidays per calendar year to be taken at a time mutually agreed upon by the Employer and the employee. Employees shall be paid for eight (8) hours work at their regular hourly rate of pay or at the Federal Minimum Wage, whichever is greater, for the personal holiday. Full-time employees may carry over personal days through February 28 of the following year. Unused personal days will be forfeited after February 28. With prior approval, employees may schedule personal days in half-day intervals.

25.4 Prorating for Personal Days: Employees will earn personal days on a prorated basis; however they may be taken in advance. Should these days be taken in advance the employer retains the right to deduct this personal day pay from the employee's last pay check should the employee's employment be terminated prior to earning the personal days.

If you are hired between these dates	January 1 and March 13	March 14 and May 25	May 26 and August 6	August 7 and October 18	October 19 and December 31
You get:	5 days	4 days	3 days	2 days	1 day
If you quit between these dates	January 1 and March 13	March 14 and May 25	May 26 and August 6	August 7 and October 18	October 19 and December 31
You get:	1 day	2 days	3 days	4 days	5 days

- 25.5 Christmas Day/New Year's Day:** Employees who are entitled to the Christmas and New Year's holiday shall receive eight (8) hours extra pay at their regular hourly rate of pay for the Christmas holiday and for New Year's holiday. Such extra pay shall not be used for computation of overtime for the week.
- 25.6 Christmas Eve/New Year's Eve:** To clarify, Christmas Eve and New Years Eve are not paid holidays.
- 25.7 Time Lost on Overtime During Holiday Weeks:** Time lost on holidays shall not be made up except at overtime pay. To clarify, hours paid on a holiday count toward 40 hours worked in a holiday week for the purpose of overtime.
- 25.8 Absence on Days Preceding/Following a Holiday:** An employee shall not be entitled to be paid for a holiday if s/he is absent on the holiday or the previous or succeeding scheduled workday without leave and without good cause. A dispute as to whether good cause existed shall be handled as a grievance.
- 25.9 Sick Leave:** An employee who has been absent of sick leave for a period exceeding seventy (70) days before a paid holiday shall not be entitled to be paid for the holiday.
- 25.10 Layoff:** If otherwise eligible employees are laid off from work and a paid holiday falls within three (3) calendar days following their layoff, they shall be entitled to holiday pay if recalled within sixty (60) calendar days from the date of layoff, provided they resume work for a period of fifteen (15) days following their recall.

26. Vacation

- 26.1 Full-time Employees:** All full-time employees are participants in the vacation schedule outlined in Article 26.18.
- 26.2 Eligibility:** To be eligible for vacation benefits, an employee must be on the active payroll of the Employer on January 1 of the vacation year. Those employees who were hired between January 1 and June 30 prior to December 31, 2005, and who have completed thirty-six (36) full months of continuous service, shall be given credit of service as of January 1 of the year in which he/she was originally hired, all as more particularly set forth in the agreed upon exhibit. (Article 26.17). This provision shall not apply to any employee hired on or after December 31, 2005.

- 26.3 Supervisor Approval Requirement:** Employees shall be required to take their vacations when eligible at such time as approved by the Employer (supervisor).
- 26.4 Procedure for Requesting Vacation:** Employees shall request all vacation leave on the designated form. Requests for vacation may be submitted to the supervisor at any time for approval, however, vacation requests submitted no later than February 15th of each year will be considered for approval, denial or placed on hold. The employee will be notified no later than March 7th of each year. Any requests approved prior to April 1st cannot be altered either for operational necessity or for seniority. If requests are not approved, the employee should resubmit the designated forms for consideration as soon as possible before April 1st of each year. Employees should keep track of their remaining vacation; however, supervisors will maintain an accurate accounting of remaining vacation for each employee. After April 1st, vacation requests may be submitted at any time and will be awarded on a first-come, first-served basis. Any requests approved may not be altered for operational necessity or seniority.
- 26.5 Timely Return of Vacation Forms:** Approved, denied or pended vacation forms are to be returned to employee within 14 calendar days of being submitted.
- 26.6 Denied Vacation Requests:** Denied vacation requests that are submitted by the negotiated deadline will be reconsidered based on seniority.
- 26.7 Taking Vacation Time Before It Is Earned:** Due to the nature of the business, it may be more practical to arrange to take vacations before they are actually earned – that is, before January 1 of a year. In this event, employees shall be paid regularly and shall receive their extra vacation pay, if any, when it is paid to the employees of the company at large. The Employer, however, still retains the right to deduct the pay given for the unearned vacation from the last paycheck if the employee quits or is terminated before January 1 of the year.
- 26.8 Prorated Vacation Benefit in the Event of Death:** When full-time employees die prior to January 1 of the vacation year, their families or estates shall receive prorated payment of vacation benefits accrued to the date of their death.
- 26.9 Vacation Pay:** Vacation pay based on gross annual cash earnings will be applicable only to the employees hired before September 26, 1977. Employees hired on or after that date will be compensated at their straight

time hourly wage. Tipped rate for vacation, holidays, personal days, jury duty, bereavement leave, and mandatory is governed by the chart in Article 22.3.

26.10 Part-time Employee Becoming Full-time: For purposes of vacation for a part-time employee becoming a full-time employee, the calculation date for vacation shall be the full-time date of hire as determined under the provision of Article 6.3.d.ii, Classification of Employees.

26.11 Partial Day Vacation Time: With prior approval, employees may schedule vacation in half-day intervals.

26.12 Consecutive Day Requirement: Employees who earn more than twelve (12) days vacation *may* be required to take five (5) vacation days in consecutive order.

26.13 Use of Vacation Days for Sick Days: Three vacation days may be used in place of the three-day waiting period for the negotiated sick leave on one occasion per calendar year or employees may use three (3) single vacation days for sick days per calendar year. No more than a total of three days may be used. Employees will be assessed attendance points for these call offs. If an employee has requested time off and this request is not granted, he/she may be denied use of vacation days should he/she call off for this period.

26.14 Called In During Vacation: Employees who are granted approved vacation and are then called into work will have the option of receiving vacation pay, in addition to the hours worked, or taking the vacation day at a later date.

26.15 FMLA During Vacation: When an FMLA qualifying event occurs during an approved vacation, the employee will have the option to take paid vacation or unpaid FMLA.

26.16 Vacation Earned during First Year of Service: First year hires shall earn four (4) hours of vacation pay at the regular hourly rate of pay for every month worked during their first calendar year of employment up to a maximum of five (5) days for use during the following calendar year.

26.17 Vacation Schedule Based on Continuous Service:

Years of Continuous Service Prior to January 1 of Each Year	Vacation Allocation in Days	
After 1 year	5 days	(40 hours)
After 2 years	8 days	(64 hours)
After 3 years	12 days	(96 hours)
4 to 5 years	15 days	(120 hours)
6 to 10 years	17 days	(136 hours)
11 to 15 years	18 days	(144 hours)
16 years and more	20 days	(160 hours)

26.18 Percentage Schedule Based on Continuous Service:

Years of Continuous Service	Percent of Earnings
26-30 years	10%
31-35 years	11%
36 or more years	12%

- a. Vacation pay will be computed using the prescribed percentage of gross annual income earnings (excludes vacation pay of the previous year) for the 12 month period ending December 31 or the January 1 hourly rate, whichever is greater.
- b. Percentage calculations apply only to employees hired prior to September 26, 1977.
- c. Effective midnight January 1, 1996, all vacation accruals in excess of 20 days are frozen, (except for employees hired on or before September 26, 1977 who have their vacation capped at 25 days or the figure earned as of January 1, 1996 if greater than 25 days).
- d. Employees who are eligible for payment of a percentage of gross cash earnings (under Article 26 of the contract) shall continue to earn increased percentages in accord with the contract formula even though their number of vacation days has been frozen.

26.19 Deadline for Use of Vacation: All vacation earned, including days in excess of 20, must be used by February 28 of the next calendar year or such vacation shall be lost.

26.20 Part-time Employee Becoming Part-time Regular: Part-time employees are not eligible for vacation benefits except as provided under Article 6.5 and when selected as the benefits option by employees designated as Part-time Regular.

27. Severance Pay

27.1 Discontinuance of Business: The parties have agreed to a policy of granting severance pay upon the discontinuance of a business of the Employer resulting in unemployment, subject to appropriate limitations relating to length of service, availability of suitable employment both within and outside the Company, and other pertinent considerations. A copy of the Severance Pay Agreement is on file in the office of the Employer and the office of the Union.

28. Insurance

28.1 Full-time Employees: The Healthcare Program, which applies only to full-time employees as defined in paragraph 6.3, is covered by a separate agreement between the Employer and the Union.

28.2 Healthcare: Plan design changes effective January 1, 2011. Current full-time employees and those who are or qualify for full-time during 2010 will have 3 options to choose from: Health Savings (HSA) PPO, 80/20 PPO, and 90/10 PPO. After 1/1/11, any new full-time employee will have two options: 80/20 PPO and HSA PPO options. HSA PPO will be the default option. Student dependent coverage available to age 26.

Employees can sell up to 4 days of vacation.

Effective 1/1/2011, opt-out credits for married couples/domestic partners, will be \$34.56 biweekly for the life of the contract.

Health Savings PPO

- 2011 - \$1300/\$2600 deductible (or higher as dictated by IRS tax code)
- 2012 - \$1400/\$2800 deductible (or higher as dictated by IRS tax code)
- 2013 and 2014 - \$1500/\$3000 deductible (or higher as dictated by IRS tax code)
- \$600/\$1200 Company contribution in Health Savings Account (Quarterly deposits are made the first pay period of the quarter for every participating employee on that date.)

80/20 PPO

- \$250/\$500 in-network deductible
- \$750/\$1500 out-of-network deductible
- \$15 primary care office visit co-pay
- \$25 specialist office visit co-pay
- \$100 emergency room co-pay
- Co-insurance is 80/20 in network and 60/40 out-of-network.
- Out of pocket (OOP) maximum is \$1000/2000 in-network and \$3000/4000 out-of-network.

90/10 PPO

- 90/10 PPO remains in place for the life of the contract for qualified employees as defined above
- \$0 in-network deductible
- \$600/\$1200 out-of-network deductible
- \$10 primary care office visit co-pay
- \$10 specialist office visit co-pay
- \$35 emergency room co-pay
- Co-insurance is 90/10 in network and 70/30 out-of-network.
- Out of pocket (OOP) maximum is \$1000/2000 in-network and \$3000/\$6000 out-of-network.

Company contributions as outlined below:

Year 1 – 2011

	Single	2 Party	Family
Health Savings PPO	87.5%	87.5%	87.5%
80/20 PPO	83.0%	83.0%	83.0%
90/10 PPO	78.0%	78.0%	78.0%

Year 2, 3 and 4 – 2012, 2013 and 2014

	Single	2 Party	Family
Health Savings PPO	87.5%	87.5%	87.5%
80/20 PPO	83.0%	82.0%	80.5%
90/10 PPO	78.0%	77.0%	75.5%

28.3 Prescription Drugs:**Coinsurance (Amount You Pay)****Retail – 31 days***

Generic	20%
Brand Name Formulary	30%
Brand Name Non-formulary	40%

Mail Order – 90 days*

Generic	20%
Brand Name Formulary	30%
Brand Name Non-formulary	40%

Note: Mail order is voluntary

*Coinsurance for mail order: You will receive a 90-day supply for the cost of a 60-day supply. Prescriptions must be written for a 90-day supply.

\$200 monthly cap on injectable (which will be applied toward the annual \$1250/\$2500 out of pocket max).

Maximum annual out of pocket \$1,250 individual, \$2,500 family indexed to HE&R drug trend beginning 2008.

No step therapy or once daily programs will be administered; however, prior authorization, quantity limits and mandatory generic requirement as in effect since 2003 will still apply.

28.4 Accident & Sickness: During the life of the term, the minimum benefit is \$195. Benefits will be paid for a period of up to 30 weeks. The amount of benefit is based on 50% of base weekly earnings. A minimum weekly benefit of \$195 will be paid for disabilities. The A&S formula for tipped employees is determined as follows: Employee's prior year base earnings (not to include meals, overtime and overtime hours, opt-out flex credits, profit sharing, bonuses, and any A&S wages and hours) divided by the number of hours worked (not to include overtime) in the prior year. For all other employees, the A&S formula is based on the employee's base wage. Calculation of Daily Rate: Once that rate is calculated for each employee, it is multiplied by 40 hours and divided by seven (7) days to compute a daily A&S rate. Non-work related accidents are paid starting day one (1) and illness is paid starting day four (4).

An employee may take vacation or personal days for the first four days of his or her illness. An employee may not take any personal days or vacation from the fourth day until four weeks of Accident and Sickness have been paid by the Employee Benefits Department.

All payroll deductions, including the appropriate taxes and union dues, will be deducted from A&S payments when they become due.

28.5 Life Insurance: Coverage is provided at \$20,000.

28.6 Dental: Effective 1/1/11, opt-out credits will be \$2.35 biweekly for the life of the contract.

28.7 Vision: Effective 1/1/11, opt-out credits will be \$.44 biweekly for the life of the contract.

28.8 Wellness: Labor endorses and enthusiastically supports our wellness campaign and awards for completion of a health risk analysis, a health screening and participation in wellness activities. Programs initially will be offered to employees only, with the goal of expanding the program to spouse/family in future years. All programs are voluntary and optional.

Participants who complete minimum requirements will receive up to \$200 per year (\$7.68 biweekly) to offset the cost of health care.

28.9 Transitional Jobs for Employees with Workers' Comp Restrictions:

The Employer and Union agree that every effort will be made to return a Collective Bargaining Unit employee into a Collective Bargaining position, however, should a Collective Bargaining position not be available within the employee's medical restrictions, the Company reserves the right to temporarily place the employee, at the Company's sole discretion, in a non-union job with the understanding that the employee's Collective Bargaining status and benefits will continue uninterrupted, including union dues and deductions. It is agreed that the Union does not gain representational rights to the non-union positions as a result of this action. When the employee is released to return to their original position, after providing a full duty release from their medical provider to HR and Safety & Security, the Company will return the employee to their original position at the beginning of the next pay period.

29. Retirement

29.1 Pension: The Pension Program, which applies only to full-time employees, is covered by a separate agreement between the Employer and the Union.

29.2 Employees Hired On or After July 1, 1992: For employees hired on or after July 1, 1992, non-elective company-paid retirement contributions will be deposited into their 401k account according to the following schedule:

	2010	2011	2012	2013
Under 10 years	\$612	\$621	\$633	\$652
10 to 19 years	\$798	\$810	\$826	\$851
20 to 29 years	\$1,169	\$1,187	\$1,210	\$1,246
30 years or more	\$1,661	\$1,686	\$1,719	\$1,771

Company paid contributions, as illustrated above, will be deposited into the employee's account once a year following the close of each year end. For example, contributions for 2012 will be made January/February 2013.

Non-elective company-paid contributions will be invested according to the participant's elected investment mix. If there are no participant elections, non-elective company-paid contributions will be invested in the Retirement Date Funds.

29.3 Employees Hired Prior to July 1, 1992: For employees hired prior to July 1, 1992, benefits under the current pension plan will continue with benefit improvements to the maximum benefit category of the grandfathered formula.

29.4 Minimum Benefit Schedule: (for full-time employees hired prior to July 1, 1992)

Earnings	Benefit per year of Service
Under \$8,000	\$9
\$8,000 - \$9,499	\$10
\$9,500 - \$12,999	\$15
\$13,000 - \$16,499	\$16
\$16,500 - \$19,999	\$17
\$20,000 - \$23,499	\$19
\$23,500 - \$26,999	\$20
\$27,000 - \$30,499	\$21
\$30,500 - \$33,999	\$22
\$34,000 - \$37,499	\$23
\$37,500 - \$40,999	\$24
\$41,000 - \$44,499	\$25
\$44,500 and more	\$28

Above monthly benefit multiplied by all years of service.

Tipped employee monthly benefit is \$17 per year of service.

The company will continue to track your Cash Balance account according to the schedule below:

	2010	2011	2012	2013
18 years	\$811	\$823	\$840	\$865
19 years	\$843	\$856	\$873	\$899
20 to 28 years	\$1,169	\$1,187	\$1,210	\$1,246
29 years	\$1,198	\$1,216	\$1,240	\$1,277
30 years or more	\$1,661	\$1,686	\$1,719	\$1,771

If the employee's Cash Balance benefit exceeds his or her minimum benefit, the employee will receive the higher-level benefit.

At retirement, the employee will have an additional distribution option of 100% lump sum payout of the account balance.

29.5 401K: All matching contributions are 50% on the first 5% of pay for all 401k participants. A two to six year graduated vesting schedule will be applied to both matching and non-elective company paid contributions made after 1/1/07 to all participants.

Years of Service	Vesting
Year 1	0%
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6	100%

29.6 Retiree Healthcare: HERSHEY Country Club employees are grandfathered for retiree medical based on the earlier of their HE&R or American Golf hire date. Grandfather provisions apply for purposes of eligibility and calculation of benefits.

Employees hired after 3/11/2002 will be eligible for a health care spending account after attaining age 55 with at least 25 years of service.

For employees hired prior to 3/12/2002 with eligibility at age 55 and at least 25 years of service, company credits are based on the schedule as agreed on 3/12/2002.

29.7 Long Term Disability: Minimum benefit is \$100 on the high option.

30. Credit Union/BCT PAC

30.1 A Credit Union and BCT/PAC check off has been agreed upon between the Employer and the Union. A copy of this agreement is on file in the office of the Employer and the office of the Union.

31. Employee Committees

31.1 Employee Committees shall be established with the approval of the union conference committee. No decisions reached by these committees shall supersede the collective bargaining agreement.

32. Uniforms

32.1 List on File at Union Hall: A general list of uniforms for each department is on file as a general guideline with the Union Hall.

CONTRACT SPECIFIC ARTICLES/WORK RULES

101. HERSHEY Country Club Service Charges

101.1 A la Carte Automatic Fixed Service Charge

For the ease of our Country Club members, a service charge is automatically added to Country Club a la carte pricing. The fixed 15 % automatic service charge in a la carte restaurants will be paid to the server service charge pool. Additional cash/charge gratuities will be paid directly to that server and not included in the service charge pool.

101.2 Fixed Banquet Service Charge

Of the banquet service charge, the server service charge pool will receive a fixed 15%; arrangements shall receive a fixed 1%, which is distributed via an arrangements service charge pool. Boxed lunches will be handled in the same manner as just described. (Applicable to HERSHEY Links also.)

101.3 Waived Service Charges

The company agrees to pay into the appropriate service charge pool any fixed service charges due employees if the company waives them to the guest. (Applicable to HERSHEY Links also.)

101.4 Butlered Events

There will be a service charge per employee, per hour for butlered events. Of this service charge, a fixed \$15 per employee, per hour will be paid to the server service charge pool. (Applicable to HERSHEY Links also.)

101.5 Bar Sales under \$250

There will be a fixed \$25 per bartender service charge for bar sales under \$250 per event. (Applicable to HERSHEY Links also.)

101.6 Corkage Fee

There is a fixed \$10 per bottle corkage fee for groups that bring in wine. The fee is paid to the server service charge pool. (Applicable to HERSHEY Links also.)

101.7 Service Charge for Donated Products

The service charge for donated products sold is based on retail prices, of which 15% goes to the appropriate service charge pool (server or bartender). This does not include any other facility charges levied on this product, such as a house fee to bring product on property. (Applicable to HERSHEY Links also.)

101.8 Wedding Cake Service Charge Distribution

Per the May 14, 2002 memo of understanding:

Situation	Service Charge	Per person Cutting Fee
Pastry Chef makes cake	Paid to Pastry Chef	\$1.00/person paid to server service charge pool (servers to cut cake)
Guest brings cake from outside	No service charge	\$1.00/person paid to server service charge pool (servers to cut cake)
We buy cake from outside	Service charge goes to House to defray cost of cake	\$1.00/person paid to server service charge pool (servers to cut cake)
Sheet cake	15% goes to server service charge pool	No cutting fee
Specialty cake	15% goes to server service charge pool	No cutting fee

(Applicable to HERSHEY Links also)

101.9 HERSHEY Country Club Service Charge Pool

For the ease of our Country Club members, a service charge is automatically added to a la carte pricing. Three separate service charge pools will be established at HERSHEY Country Club: server service charge pool, bartender service charge pool, and snack hut & beverage cart service charge pool. Manual service charge sheets will be maintained to determine who worked for each pool and the appropriate share. Servers will be trained to work banquet and a la carte dining, and will be scheduled where needed. All banquet service charges and assigned a la carte service charges will be paid into the server service charge pool. Bartenders will be trained to work banquet bars and a la carte bar service, and will be scheduled where needed. All banquet bar charges and assigned a la carte service charges will be paid into the bartender service charge pool. Employees working the snack hut & beverage carts will be assigned to a separate service charge pool.

101.10 Cocktail Fee

There will be a fixed \$25 cocktail fee for servers who take drink orders at member and non-member events paid to the server service charge pool.

101.11 Wait Staff Scheduled to Perform Server Assistant Duties

If a wait staff person is scheduled to perform server assistant duties because of reservations or business levels, they will be paid their server rate of pay and participate in the server service charge pool.

102. Hogan Grill

Two shifts shall be established in the Hogan Grill of the HERSHEY Country Club.

103. HERSHEY Links Food and Beverage

103.1 HERSHEY Links Culinary

The Culinary cooks will be expected to remain competent in all day part menus and production so that they are able to work all positions and shifts within the scope of their level designation.

Management will assign one of the culinary team (cooks or general kitchen) to assist during deliveries; i.e., receiving orders and stocking the storeroom/dry storage, coolers, freezers, etc.

Cooks should maintain their work stations, to include detail cleanliness of the area and equipment for the assigned workstation per shift. Cooks should assist the General Kitchen employees with cleaning responsibilities as directed during slow periods if there are no production needs/guest orders.

103.2 HERSHEY Links Servers

Servers will be expected to tip out their bartenders (5% of liquor sales/bar drinks) and service attendants (1.5% total sales on a daily basis.)

Station maintenance includes sweeping/vacuuming.

Job assignment for full-time and part-time servers includes banquet events and Snack Huts/Carts Attendants work scheduled in a rotation. Part-time seasonal servers will be designated home position codes and descriptions either to the Highlands Grill at HERSHEY Links solely or as Snack Hut/Cart Attendants solely as the limited work duration is not cost effective for cross-training. Part-time and full-time servers will be cross-trained to gain maximum hours.

103.3 HERSHEY Links Bartenders

Bartenders will be responsible for entering To Go/take out orders for guests and assisting guests with their retrieval. Bartenders may be assigned to roll-in bar functions for tent events. Side work as assigned includes cleanliness of the work station. Bartenders will cash out charge gratuities or non cash gratuities for servers. Bartenders will tip out service attendants (1.5% total sales on a daily basis).

103.4 HERSHEY Links Banquet Service Charges

All banquet service charges will be paid into a banquet service charge pool. Manual service charge sheets will be maintained to determine who worked for each pool and the appropriate share. Refer to 101.2 through 101.8 for those service charges that are applicable to HERSHEY Links banquet events.

104. Bumping Between Divisions to Acquire Hours

HERSHEY Country Club service staff will be required to bump for hours within their home property before bumping to banquet events, Highland Grill, and snack hut/carts at the HERSHEY Links. Conversely, once HERSHEY Links staff generates seniority, they must work within the food and beverage areas of HERSHEY Links before bumping over to HERSHEY Country Club. For example, a HERSHEY Country Club server must bump for hours in the snack hut/carts or Splashes before leaving property to bump for work at HERSHEY Links.

105. House Staff and Houseperson/Arrangements

Assignment at HERSHEY Links will be determined by daily needs much like Spring Creek. Work assignment will also take into account gender needs for designated restroom/locker facilities in line with seniority.

106. Maintenance

The engineering staff will be assigned to job tasks at HERSHEY Links as an expansion of their current role, just as Spring Creek tasks are assigned.

107. Course Maintenance

Based on the type of course, HERSHEY Links has a 5:30 AM start time report in-season.

Labor recognizes the HE&R employment start date of existing pre-union part-time and full-time HERSHEY Links course maintenance crew as their contractual date for the purpose of determining scheduling seniority. (Meaning a HERSHEY Country Club greenskeeper hired on 4/1/09 will be junior to a HERSHEY Links greenskeeper hired on 4/1/2008.)

Specialized skill positions - Airification Specialist, Spray Technician and Irrigation Specialist - will be scheduled to work across the East, West, Spring Creek and Links golf courses due to the skill set being specialized, yet universal for all courses. To create work efficiencies, mechanics may be scheduled across courses to cover time off, or based on work load/operational needs and efficiencies, or transport equipment between shops based on need.

APPENDIX I - Hershey Entertainment & Resorts Attendance Policy

I. ATTENDANCE POLICY

Hershey Entertainment and Resorts and Local 464 have established an attendance policy that will be equally applied to all hourly employees without regard to race, religion, gender, sexual orientation, age or national origin.

II. DEFINITION OF ABSENTEEISM

Any scheduled work session during which an employee is not present, including tardiness in excess of two (2) hours. Days absent shall include all absences except:

- Layoff due to lack of work
- Permission - approved by the supervisor prior to the date of absence
- Hospitalization or outpatient procedure performed at a hospital - employee bears burden of proof
- Death in family - as defined in the collective bargaining agreement
- Jury duty - as defined in the collective bargaining agreement
- Disciplinary action - time off without pay
- Vacation - scheduled and approved
- Military duty - as defined in the collective bargaining agreement
- Subpoena - to appear in court
- Work accident - work related accident or injury as defined under worker's Compensation
- State of weather emergency - where an official state of emergency has travel restrictions
- Arrests - and incarcerated- if acquitted
- Community service - as a registered participant in a community service, i.e., ambulance, fire fighter, with supervisor's prior approval
- Off for Union business with prior approval
- Absences that by law are covered by FMLA
- Where state and Federal law prohibit an employee from working (Department of Transportation or Department of Agriculture)

III. ASSESSING POINTS FOR ABSENCES

Fully Absent

One day absent = 1 point
Two days absent = 2 points
Three days absent = 3 points ... and so on.

Returning to work with an original, valid doctor's excuse renders length of absence = 1 point

Special Event call-offs on Easter, Mother's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, New Year's Eve = 2 points

Partially Absent

Failure to complete at least ½ of scheduled shift due to illness or personal reason
= ½ point

No Call/No Show

One no call/no show = 2 points

Two no call/no shows = termination

Absent after 2 hours without calling and notifying supervisor prior to shift start is considered no call/no show = 2 points.

IV. ASSESSING POINTS FOR START OF SHIFT ABSENCES

Four minutes up to 30 minutes tardy = ½ point

31 minutes to 2 hours tardy = 1 point

The first three tardy arrivals in the 12-month rolling calendar year will be reduced to zero points; subsequent tardiness will be calculated at ½ point or 1 point based on clock-in time as noted above.

With notification prior to shift start of running late and arrival after 2 hours will be considered 1 point tardy and eligible for reduction as noted above.

Failure to clock-in with timecard or biometric clock will be considered a tardy arrival w/out good cause. Dispute for good cause will be subject to the grievance process.

V. PROCEDURE

1. The attendance policy is based on a 12-month rolling calendar year.
2. Call-offs must be made per the applicable department procedure, which may be to your manager or to the property manager on duty or to the call-off telephone.
3. Employees must present a valid medical note upon their next working shift for the medical point reduction to be applied. Only dates covered by the medical note will be subject to the reduction.
4. Employees will initial and review their Attendance Tracker Document (ATD) after each absence within 10 working days of the absence. Tardy points do not require signatures, but will be logged by the manager on ATDs with absences. Employees may receive automatic email updates and can request updates as needed.
5. Note: On the expiration of tardy #1, any 4th tardy automatically becomes the new 3rd tardy and is adjusted to zero points.
6. Upon accumulating 12 points, an employee will be placed on an indefinite suspension and upon review of their record, their employment will be terminated.

7. Probationary Employees who are within their probation period shall be terminated after two call-offs within the first two months of their probationary period and after three call-offs within their entire probationary period. This does not diminish management's ability to terminate the employment of probationary employees for performance, for tardy behavior, or any other reason.
8. Part-Time Restricted Employees: will have all assessed points calculated at a multiplier of 2 and still be subject to procedure 6 as noted above.
Example: A two day absence is 4 points, w/ a medical reduction to 2 points
 - a. Unrestricted Employees who elect to go part time restricted on January 1, June 1, or September 1 will be subject to the multiplier for all assessed points from the date of declaration forward.
 - b. Likewise, Restricted Employees who lift that restriction on January 1, June 1, or September 1 will not be subject to the multiplier for all assessed points from the lifted date forward.

VI. ATTENDANCE CREDIT

Employees completing every 120 days without an assessed absence or tardy will be awarded a 1 point credit. A positive balance up to 3 points may be earned. Credits expire one year from issue.

VII. SPECIAL FACTORS

Employees with seven (7) or more attendance points at the date of application for a job posting will be disqualified for their attendance record.

Employees already working through AMP will continue to be subject to the 7 point threshold (separation at 7 points), but under the original point-accumulation terms of the AMP program. Employees under 7 points at the close of 2010 will convert to the Attendance Policy above.

APPENDIX II - Hershey Entertainment & Resorts Drug & Alcohol Policy

Objective

The purpose of this policy is to establish and define company policy prohibiting the unauthorized use of drugs and alcohol in the workplace, provide guidelines for supervisors and managers to address these concerns and issues, promote the communication of policy guidelines to all employees, and to comply with federal, state and local regulations.

Scope

This policy applies to all employees of the Company.

Philosophy

Hershey Entertainment & Resorts and Local 464 have agreed that substance abuse (drug, alcohol, and chemical abuse), when it occurs, presents a high level of danger to employee health, employee and guest safety, the well being of the Company, and can tragically destroy families, careers, and lives. However, the parties agree that substance abuse is a treatable illness and as such, early diagnosis and appropriate treatment will be encouraged.

Hershey Entertainment & Resorts and Local 464 have jointly pledged to combat substance abuse and to adopt this policy, which provides for a drug-testing program to ensure a drug-free workplace. This policy also provides protection of an employee's right to privacy, assistance with substance abuse at the earliest possible opportunity and, if necessary, removal from the work force if substance abuse is not corrected.

Policy

It is the desire of Hershey Entertainment & Resorts to comply with the spirit and intent of the Drug Free Workplace Act of 1988. Therefore, in order to fulfill its obligation to provide a safe environment for employees and guests, Hershey Entertainment & Resorts has formulated standards of conduct for its employees concerning the abuse of alcohol, drugs and other controlled substances. Employees who engage in prohibited activities as defined in this policy are subject to disciplinary action, up to and including termination.

This policy in no way alters the Company's provisions for an employee's voluntary submission to drug or alcohol rehabilitation programs, and it remains the Company's desire and intent to encourage any employee with a drug or alcohol dependency to seek professional assistance before such dependency leads to an incident requiring disciplinary action.

Prohibited Activities

The following activities are prohibited while an employee is on company premises, engaged in company business, during work hours or meal breaks, or attending company activities, or while in company-supplied vehicles either during

or after working hours, except as required in the completion of an employee's assigned job duties:

- The unauthorized use, possession, sale, manufacture, distribution, purchase, transfer, dispensation, receipt, or transportation of alcohol, controlled substances or drug paraphernalia.
- Reporting to work, or being at work while under the influence of alcohol or controlled substances, drugs, or chemicals which may impair judgment, performance, behavior or pose a risk to the safety of the employee, guests, visitors, other employees or property.
- Storing any unauthorized alcohol, controlled substances, or drug paraphernalia in a locker, desk, vehicle, toolbox or any other place on company owned or occupied premises.
- Refusing to consent to an inspection of property or to testing (including the signing of a consent form authorizing specimen collection and the reporting of results to the Company), or to submit a urine, blood, or breath sample for testing when requested by the Company (in accordance with this Policy).
- Switching, falsifying or adulterating any urine sample submitted for testing.

Disciplinary Measures for Violation of Prohibited Activities

An employee who engages in such conduct is engaged in misconduct and subject to disciplinary action, up to and including immediate suspension and/or termination or, as a condition of continued employment, may be required to participate in and successfully complete drug or alcohol abuse counseling or a rehabilitation program if necessary. Any dispute, by the Union or any unionized employee, arising under this policy is subject to the grievance process of the collective bargaining agreement covering that employee.

In addition, the following violations may lead to disciplinary action, up to and including termination. This list is not to be considered all-inclusive.

- Failing to adhere to the requirements of any drug or alcohol treatment or counseling program in which the employee is enrolled when required for continued employment
- Violation of state or federal laws relating to the unauthorized use, possession, manufacture, distribution or sale of alcohol, controlled substances or drug paraphernalia
- The Company and the Union agree that any conviction for a drug-related offense that involves the manufacture, sale or distribution of a controlled substance will subject the affected employee to immediate termination.

Covered Substances

The following substances are covered by this policy:

- Alcoholic beverages of any kind
- Controlled substances (For the purposes of this policy, the term controlled substance will include any drug or substance defined by the federal

Controlled Substance Act, 21 U.S.C. 801 et seq., or applicable Pennsylvania laws including, but not limited to, marijuana, heroin, LSD, hashish or hash oil, morphine or its derivatives, mescaline, peyote, phencyclidine (PCP or Angel Dust), opiates, ecstasy, methadone, cocaine, Quaaludes, amphetamines, “exotic designer” drugs, benzodiazepines, seconal, codeine, barbiturates, Phenobarbital, or Valium. This includes generally obtainable drugs that have been illegally obtained, and any legal substance used as an inhalant.)

Exceptions to Policy

Responsible Social Use

This policy does not apply to the moderate and responsible use of alcohol by employees when the employee is off duty and not being paid by the company, or when the employee, as a private customer, is patronizing a business owned or operated by the Company, where the use of alcohol is governed by state or local law.

Company-Sponsored Events

This policy does not apply to the moderate and responsible use of alcohol at official divisional or company-sponsored business or social functions or meetings, either on or off property, where the use of alcohol is governed by state or local law. Alcoholic beverages may be served at such business or social functions on property with the prior approval of the department and/or division manager. Appropriate controls promoting moderation should be a part of this approval.

Employees who have been issued a waiver by the PLCB for employment at the Company are not permitted to attend company-sponsored events where alcohol is served.

Business Entertainment

Certain divisions may have occasion to supply alcoholic beverages at no cost to clients, entertainers, etc. In these instances, the inventory of such beverages must be strictly controlled and under no circumstances may any of such inventory be used at any time by any employee while not entertaining clients. No employee should consider the use of alcohol a business obligation at any time.

Medically Prescribed Drugs and Over the Counter Drugs

The proper use of medically prescribed or over-the-counter drugs during working hours is permissible, provided there is not a medically stated caution regarding the employee performing his or her job safely and adequately; for example, operating mechanical equipment.

Employees who are taking any drug that may affect their ability to safely perform their jobs are encouraged to report this to the supervisor to promote safety.

For the employee’s own safety, prescription medicines should be kept in the original container, which identifies the drug, date of prescription, and the

prescribing doctor. Where feasible, over the counter medications should also be kept in the original container.

Company-Owned Housing

This policy does not apply to the responsible and legal use of alcohol by employees who reside in housing owned by the Company unless otherwise disclosed or prohibited by the lease. The use, possession, sale, manufacture, distribution, purchase, transfer, dispensation, receipt, or transportation of any illegal drug, controlled substance or drug paraphernalia on company property is expressly prohibited.

Drug and Alcohol Testing

In order to ensure the safety and productivity of its workforce and that all employees are in compliance with the Drug and Alcohol Abuse and Testing Policy, Hershey Entertainment & Resorts will require employees to submit to drug and alcohol testing under these circumstances:

Reasonable Suspicion

Reasonable suspicion means suspicion based on specific personal observations that the supervisor or manager can describe concerning the job performance, appearance, behavior, speech or breath odor of the employee or other similar such circumstances. Suspicion is not reasonable and thus not a basis for testing if it is based solely on third party observation and reports.

An admission by an employee during a reasonable suspicion investigation that he or she is a current illegal drug user and/or describes drinking behavior that indicates a potential alcohol problem will be considered reason for testing.

If reasonable suspicion is confirmed, the employee must submit to testing, and will be transported by a Company representative to the testing facility. If requested, the employee will sign a consent form authorizing the results of the laboratory testing be sent to the Company, but shall not be required to waive any claim or cause of action under the law. The employee will be transported home.

A refusal to provide a suitable (based on temperature, amount, etc.) specimen when instructed to do so will constitute a presumption of being under the influence, and the employee will be suspended pending discharge. In some cases, the employee may be unable to provide a urine specimen. After a reasonable waiting period (not to exceed two hours), the Company representative may terminate the procedure and proceed with laboratory testing based upon blood specimens alone.

Work-related Accident/Incident

Any employee involved in a work related accident/incident (including work-related motor vehicle accidents) in which human error was a factor and there is reasonable suspicion of substance use, shall be subject to substance abuse

testing upon request of the Company, which testing shall be done as soon as practical. If an accident/incident occurs, the employee may, at the time of medical treatment, be required to submit to testing procedures for drug/alcohol abuse, or at the earliest opportunity following treatment if there is reasonable suspicion of substance abuse. However, testing will not be performed more than 32 hours after the accident/incident.

Testing will be required in all cases where there is loss of life or limb (e.g., amputations, etc.).

Testing will be required in all cases where projected damage to property exceeds \$2,500. The estimate of damage will be based on the information available at the time of the accident/incident.

Testing will be required for all third party accidents/incidents where an employee's actions led to an injury to another person. All employees involved will be tested.

An admission by an employee during investigation of a work-related accident/incident that he or she is a current illegal drug user and/or describes drinking behavior that indicates a potential alcohol problem will be considered reason for testing.

Additional Testing Requirements

Employees in certain safety-sensitive positions, including those who hold a commercial drivers' license (CDL), may be subject to additional testing requirements in order to comply with safety standards and/or government regulations. These additional testing requirements include pre-employment testing and random testing.

Illegal Drug and Controlled Substances Tests

Drug Tests

All collection of specimens and drug tests will be conducted by WorkNet, the Hershey Medical Center Emergency Room or other U.S. Department of Health and Human Services SAMHSA (Substance Abuse and Mental Health Services Administration) approved labs, and will be conducted according to the following guidelines:

- At the time of collection, the employee will be required to sign a consent form authorizing collection of the specimen and reporting of results to the Company.
- The employee is to either void directly into urine collection cup/bottle from the kit or use a wide-mouth clinic specimen container from which the urine is to be transferred in his/her full view into the urine collection cup/bottle.
- The specimen is to be immediately sealed and labeled in the employee's presence and initialed by the employee and the person collecting the sample.

- The chain of custody form is to be completed correctly by the personnel receiving the sample and anyone who becomes involved in the chain of custody. The employee should sign the form and will be given a copy.
- The laboratory is to report all positive test results, following completion of confirmatory testing, to the Director of Employee Relations, who will furnish a copy to the employee.

Optional Split Sample Procedure

- If the employee or his or her representative wishes, a split sample will be taken.
- All split sample drug tests will be done at a SAMHSA approved lab of the employee's choice at the employee's expense, according to the guidelines set forth herein.
- When an employee is notified that the first sample tested positive, he or she must make a decision at that time to request that the second specimen, only if the employee asked for one initially, be tested, or sign a waiver. If the employee chooses to have the second sample tested, the employee will remain on suspension while the test is being done.
- If all parties agree, a screening urine test can be done for drugs. The specimen must be handled with chain of custody control while the screening tests are conducted. If the results are positive or equivocal, the specimen will be sent to the SAMHSA approved lab for confirmatory testing.

Alcohol Tests

Alcohol tests will be taken by a blood alcohol method using a blood sample utilizing the same chain of custody steps described above.

Procedures for Employees Subject to DOT Testing

If an employee to be tested is regulated under DOT testing policies, specimens must be collected according to DOT Collection Guidelines.

Action Based on Positive Test Results

The Company may take corrective action based on test results as follows:

If the test results are positive for cocaine, heroin, PCP, LSD, barbiturates, amphetamines, methamphetamines, marijuana, or any other controlled substance or any legal drug which is being used illegally, the test shall be considered positive.

Positive results for substances, which could result from use of a prescription or OTC medication, must be reviewed by WorkNet. WorkNet will contact the employee to determine what medications the employee is currently taking. If WorkNet determines the test is positive due to use of a prescription or OTC medication, the results of the test will be reported to the Company as negative. WorkNet may request additional testing of the specimen if there is a need for

further information to make a decision. This testing will be requested in writing and will be performed at the Company's expense.

Employees will be given the opportunity to submit evidence to WorkNet that they consumed a substance that may produce a false positive.

For alcohol testing, the following levels will be used to determine a positive test result. An employee with an alcohol level of .05 or greater will be considered to have a positive test. Employees who are being tested under the provisions of a probationary agreement under this policy will be considered to have a positive test if the alcohol level is at .04 or greater.

Once it has been determined that the employee has a positive test result for drugs or for alcohol level of .08 or greater:

1. Employees may voluntarily submit themselves for evaluation and:
 - a. Successfully complete the outlined program as recommended by the evaluation center, in conjunction with WorkNet. Employees may be required to submit specimens during their treatment to indicate that drug levels are decreasing.
 - b. Be re-tested before returning to the work force.
2. Resign his/her employment.
3. If the employee elects not to follow the recommended course of treatment within 48 hours after evaluation, he or she will be terminated.
4. Employees who successfully complete a rehabilitation program will be placed on a probationary agreement and be subjected to random testing as described in the section on Mandated Leaves of Absence of this policy.

Once it has been determined that the employee has a positive test for alcohol with a level greater than or equal to .05 but less than .08:

1. Employees may voluntarily submit themselves for evaluation and:
 - a. Successfully complete a rehabilitation program, and be re-tested according to the guidelines in this policy before returning to their job.
2. The employee may voluntarily resign his or her employment.
3. If the employee elects not to submit to an evaluation or to follow the recommended course of treatment within 48 hours after evaluation, he or she will be terminated.
4. As long as the employee complies with recommended treatment, the employee will not be subject to probationary agreement or random testing. If the employee fails to comply with the recommended treatment or the employee has a second positive alcohol level of greater than or equal to .05 but less than .08 within a two year period, they will be placed on a probationary agreement and be subject to random testing consistent with the section of this policy on Mandated Leave of Absence.

Searches

The Company may require searches by authorized personnel (e.g., Security, the department manager, the Director of Employee Relations) of Company property, including desks, lockers, files, etc., assigned to employees and of employee's

personal effects or property if there is reasonable suspicion for suspecting the employee may be carrying or concealing substances contrary to this policy. In the event that an employee covered by a bargaining agreement is involved, a Union Steward will be given the opportunity to be present during searches. The Company has the right to retain any prohibited substances discovered during such a search. Employees refusing to have their person and/or personal property searched are subject to disciplinary action, including termination. This paragraph shall in no way alter the long-standing practice of security guards conducting random package checks or management's right to require locker/desk searches upon suspension/termination of an employee. Refer to the policy on Inspections and Searches for clarification.

Requirement to Participate

Each employee covered by any collective bargaining agreement between Hershey Entertainment & Resorts and Local 464 is required to participate in the testing procedure specified in this policy, and refusal to participate shall constitute a presumption of being under the influence and shall constitute the basis of discharge without recourse through the grievance procedure.

Counseling and Substance Abuse Treatment

Both drug and alcohol abuse are health problems which are treatable. The Company will give the same consideration and offer of assistance to employees with alcohol and drug problems as is presently extended to employees with other health problems. Voluntarily seeking assistance for such problems will not jeopardize an employee's job, provided that the employee is not in violation of any other section of this policy, or any other company policies, rules and regulations, and that he or she is able to work and meet all established standards of conduct and work performance.

The Company will reasonably accommodate employees who voluntarily seek help for substance abuse problems. Accordingly, any employee who wishes to receive information regarding counseling, rehabilitation, accommodation and the company's employee assistance program may request such information from the Human Resources Department.

Mandated Medical Leave of Absence – Alcohol and Drug Use

An employee may be required to take a medical leave of absence for the purpose of undergoing treatment in an approved program for alcoholism or drug use. Payment of A&S benefits will be contingent upon the employee providing evidence of compliance with recommended therapy.

Admittance into a drug or alcohol treatment program must be completed as outlined by the provider. In the event that scheduled treatment is not completed, the employee may be discharged from employment immediately.

Return from Mandated Medical Leave of Absence – Random Testing

Employees returning to work from a mandated medical leave of absence for drug/alcohol use/impairment while at work or other violation of this policy shall be required to be tested periodically over the next two years, from the completion of rehabilitation, consistent with the procedures described in the section on Testing in the policy. Failure to take the test or to meet the standards of the test shall be cause for immediate discharge.

Employee Assistance Program

The Employee Assistance Program (EAP) is available to all full-time employees and their eligible dependents. The program offers confidential, professional consultation and assistance for all types of personal problems, including alcohol and drug dependency, and family and emotional difficulties.

Conditional Agreements

Employees who are convicted (plead guilty or do not contest) of multiple Dues (two or more DUIs in a five year period) or other drug or alcohol--related offense, voluntarily consent to random testing as part of a treatment program, or are otherwise placed on a conditional agreement which includes drug/alcohol testing, will be given a one-year conditional agreement with random drug/alcohol testing monthly. Employees who are subjected to random testing as part of probation, work release, etc. through the criminal justice system will be exempt from this paragraph, providing that they promptly furnish a copy of such test results and such results are not positive as defined under this policy, but will be subject to all other provisions of this policy. If found to be positive during such testing, the employee will be returned to work, following rehabilitation, in accordance with this policy and the section on Mandated Leave in this policy.

Conviction for Drug-Related Violations

Employees who are convicted of drug-related violations under state or federal law or who plead guilty or *nolo contendere* (i.e., no contest) to such charges must inform the company in writing within five days of such conviction or plea. Failure to do so may result in disciplinary action, up to and including termination of employment for a first offense.

Other Provisions

Nothing in this policy shall be construed to prevent or preclude the Company from exercising its management rights to remove and/or discipline a disruptive or non-performing employee. Additionally, nothing herein shall preclude the Company from exercising rights that are not the subject of bargaining.

Confidentiality

No references to alcohol or other drug problems should appear in an employee's personnel file unless they are required by government regulations or are an integral part of the record of a discipline case.

Training, Education and Communication

The Company and the Union support the need for an ongoing comprehensive education program for all employees. The details of such a program will be developed over the life of this agreement.

Each division will ensure that all employees are made aware of the contents of this policy. All employees whose job duties include handling alcohol or contact with guests who may use alcohol must successfully complete specific training sessions on the responsible use and service of alcohol. These training sessions are scheduled by the Human Resources Department at regular intervals.

Union Advocacy Program

Union and Management will support the establishment of Union advocates on each shift. These advocates will receive training on this policy, substance abuse issues, employee intervention techniques, and the Employee Assistance Program. The purpose of the Union advocates is to encourage employees to seek assistance for their substance abuse problems before they are involved in a work situation that could lead to a mandatory management referral. Union advocates will also represent employees who are being investigated for substance abuse issues. Union advocates will be appointed by the Branch President and trained by both Management and the Union.

Violation of Policy

Compliance with this policy is a condition of employment. Failure or refusal of an employee to cooperate fully, sign any required document, submit to any required inspection or test, abide by any provision of this policy, or follow any prescribed course of substance abuse treatment may result in disciplinary action, including discharge for a first offense.

As part of an agreement to continue employment, an employee may be required to participate in a treatment program. Employees referred to an alcohol or drug treatment program by the Company must immediately cease any alcohol or drug abuse, and must comply with all other conditions of the treatment and counseling program. Employees who undergo counseling and treatment for substance abuse and who continue to work must meet all established standards of conduct and job performance.

References

Additional information may be found in the policies on Inspection and Searches, Service and Sale of Alcohol and the Employee Assistance Program (EAP). A copy of the Report of Reasonable Suspicion used to document incidents of suspected drug or alcohol use is available in the section on forms.

Substance Abuse Policy Effective Date And Revisions

This Substance Abuse Policy Testing Procedure shall become effective on 1/1/2003 but in no event prior to completion of the agreed upon training requirements.

Revisions to this Policy may be made at any time when requested by either party and mutually agreed upon in writing by the Company and the Union.

Procedure for Enforcement of the Policy on Drugs and Alcohol

The following guidelines are provided to assist supervisors and managers in administering and enforcing the Company's Drug and Alcohol Policy. These guidelines are not absolute but are designed to help prevent allegations of unfair and unlawful treatment of a suspect employee. They are not a substitute for good judgment and each circumstance involving a suspect employee should be analyzed on a case-by-case basis.

Employee Use Off Duty

Any employee off scheduled work time who enters or is on company property and whose behavior reflects illegal drug use or the excess consumption of alcohol may be requested to leave the premises and may be subject to appropriate disciplinary action, depending on the circumstances. The supervisor may complete a Supervisor's Report of Reasonable Suspicion and forward it to the Human Resources Department as a record of the incident.

Employee Use on Scheduled Work Time

Any employee on scheduled work time who reports or returns to work or is on company property and whose behavior reflects illegal drug use or the excess consumption of alcohol will be suspended immediately pending determination of appropriate disciplinary action, up to and including termination. The supervisor should complete a Supervisor's Report of Reasonable Suspicion and forward it to the Human Resources Department as a record of the incident.

Reasonable Suspicion or "Unfit for Duty" Behavior

Supervisors have the responsibility to ensure that their employees are at all times fit to perform their duties safely and satisfactorily. These guidelines are intended to provide supervisors with suggestions and a sense of direction in handling incidents in which an employee is believed to be unfit for work.

For purposes of this procedure, "reasonable suspicion" may be defined as a belief based on specific facts and rational inferences drawn from those facts.

Must Have Reasonable Suspicion before Acting

In order to take action against an employee, a supervisor must have "reasonable suspicion" that the individual is under the influence of drugs, alcohol or other controlled substance. In order to establish "probable cause," the specific behavior of the individual must be observed and documented by members of management. Below are some of the warning signs of substance abuse on the job. Some are more obvious than others.

Warning Signs

Slurred or incoherent speech
Unsteady gait/staggering
Trembling of hand or mouth
Uncontrolled outbursts of laughter or crying
Dilated pupils or red eyes
Increased trips to rest room
Frequent licking of lips
Wearing long sleeved garments at inappropriate times
Increased nervousness
Frequent use of breath purifiers
Bruises and puffiness in the face
Deterioration of personal appearance
Accidents on the job and increased carelessness
Memory lapses
Lack of dexterity
Significant decrease in productivity after lunch or a break
Avoidance of supervisors
Little association with other employees
Excessive absenteeism and tardiness
Deteriorating job performance

Supervisor's Responsibility to Take Action

Whenever an employee's judgment, performance, or actions appear to be impaired, and the supervisor has a concern that the individual may be unfit for work, the supervisor is responsible for taking immediate action.

Observe and Document the Impairment

Once a potential "impairment" situation is reported, where possible, another supervisor and/or designated Union Steward or advocate should observe the employee and document the specific behavior observed. The period of observation depends upon the behavior exhibited by the employee. All indications of unusual behavior should be documented. This documentation will become important in the event the Company has to defend whatever action it took.

- Complete a Supervisor's Report of Reasonable Suspicion.
- If practical, have another supervisor or manager observe and evaluate the employee's behavior, using the Supervisor's Report of Reasonable Suspicion.
- Contact your manager, the Director of Employee Relations or Security
- Contact one or more of the above to review the situation. They should agree with your conclusion of "impaired behavior" before you proceed.
- Ask the employee to meet you. Have another management representative present as a witness. Ask the employee if they desire a union advocate to be present.

- Conduct the meeting in a private location (i.e., office or conference room).
- Ask the employee to explain why he or she appears to be unable to perform the job. Do not ask about drug or alcohol use. Confine all questions and statements to specific performance and behavior deficiencies. Remind the employee of the obligation to report medical problems or medication that may affect job performance.
- If the employee fails to offer a satisfactory explanation, and it is still your determination that the employee appears to be “unfit for duty” (unable to perform his or her job duties), inform the employee that he/she seems to be impaired. Describe the specific signs of impairment. Ask the employee to respond to the allegation.
- Ask the employee to consent to testing for drugs and alcohol using breath, urine, or blood testing to be administered by WorkNet or the Hershey Medical Center.
- If the employee refuses, tell him or her that refusal to cooperate carries with it an implication that the allegations are true and ask again for consent to a test.
- If the employee still refuses, ask why he or she is refusing, and document the answer. Suspend the employee, pending further investigation, and request his or her employee pass.
- If the employee is impaired to such a degree that he or she is unable to drive safely, do not permit the employee to drive home. Encourage the employee to arrange for a ride, take a cab (at his or her expense), or use public transportation rather than operate a motor vehicle. If necessary, the supervisor should provide assistance in making arrangements for transportation.
- If there is any possibility that the employee’s condition or behavior may pose a hazard to guests, other employees or to his or her self, it may be necessary to take additional steps, including calling for assistance from security or police, or providing medical assistance.
- If the employee agrees to be tested, he/she shall be suspended, pending the outcome of the test. Refusal to be tested shall be treated like a positive test result.
- The supervisor will document supporting observations or information and notify the Director of Employee Relations or the Director of Human Resources when any of the actions above are taken.
- In order to assure the privacy and protect the reputation of our employees, avoid discussions with others regarding employee fitness for duty or reminders to employees of the availability of the Employee Assistance Program (EAP). Under no circumstances should anyone involved in the investigation of the incident discuss the situation with any hourly employee, except the union advocate or other members of Union leadership. Only those who have a "need to know" should be informed.
- Illegal drugs discovered on Company property should be turned over to the appropriate law enforcement authority.

- Beyond this point, members of the Human Resources and Employee Relations Departments will coordinate all follow-up actions.

Additional Cautions

The supervisor should keep in mind that there are situations totally unrelated to drugs or alcohol abuse that may contribute to an employee's decreased performance level.

There will be circumstances in which an employee may state that he or she is taking medication prescribed by a physician. It is necessary that the name of the prescribed drug be obtained, the time that he or she last took the medication, and the name of the physician. Even if the employee is not abusing a prescribed drug, the drug may make him or her unfit for duty and should not be allowed to work until such time as he or she has seen a physician for treatment and released to return to work.

It is not possible to cover all possibilities and exceptions to this policy. If possible, consult with the Director of Employee Relations or the Director of Human Resources before any action is taken under the scope of this guideline.

DRUG-FREE WORKPLACE ACT OF 1988

With the passage of the Drug-free Workplace Act of 1988, Hershey Entertainment & Resorts and other federal contractors are obligated to notify employees of several requirements mandated by this law. Specifically, employees of Hershey Entertainment & Resorts are advised that:

1. The unlawful use, possession, sale, manufacture, distribution, purchase, transfer, dispensation, receipt, or transportation of a controlled substance is prohibited on Company property and will subject the affected employee to disciplinary action up to and including immediate termination.
2. All employees will be expected to attend ongoing substance abuse awareness programs where they will be advised of:
 - a. The dangers of substance abuse
 - b. The substance abuse policy
 - c. Our Employee Assistance Program (EAP)
 - d. Other matters that may interest employees regarding substance abuse.
3. Employees of Hershey Entertainment & Resorts (a federal contractor) are expected to abide by paragraph one above and to notify the Company of any criminal conviction for a violation occurring in the workplace no later than five days after such conviction.

If you have any questions regarding the information above, please notify your supervisor, the Director of Human Resources, or the Director of Employee Relations.

APPENDIX III - Hershey Entertainment & Resorts Profit Sharing Partners In Performance

Name and Purpose

The name of this plan is the Hershey Entertainment & Resorts Partners In Performance (PIP) Profit Sharing Plan (the "Plan"). The purpose of the plan is to link the compensation of the employees to the financial success of Hershey Entertainment & Resorts Company (the "Company"). As "partners" of the Company, employees share in the rewards, as related to budgeted cash flow, through the Plan.

The Company firmly believes that our employees greatly impact the success of the organization. The Plan recognizes and rewards employees when the Company exceeds budgeted cash flow. When this occurs, a portion of the excess cash flow is allocated for Profit Sharing purposes. One-hundred percent (100%) of this pool will be shared with all eligible employees throughout the Company. When the Company does not exceed budgeted cash flow levels no awards will be paid.

Senior management recognizes that a fundamental concept to enhance Company performance is motivation through rewards. To maximize motivation, each Plan participant must know what is expected. At the start of year, the Company determines target levels of financial performance. The financial performance measurement that will be used in the Plan is: Company Cash Flow

Administration

The Executive Committee and the Compensation Department administer Hershey Entertainment & Resorts Partners in Performance Profit Sharing Plan. The Company reserves the right to terminate, suspend, or modify the Plan at any time in whole or in part. Any modifications to the Plan or disputes concerning administration of the Plan will be resolved by the Compensation Department and approved by the Executive Committee. The existence of the Plan does not constitute any form of employment contract or guarantee between the Company and any employee.

Plan Guidelines

A. Participants:

Participants of the Plan are all full-time hourly employees who meet the criteria below:

- Active, full-time employee status.
- Full-time date of hire on or before December 31 of the plan year.
- Termination date, if any, after December 31 of the plan year.

B. Eligibility:

New Hires: New participants who start employment before September 1 of the plan year will participate in the Plan to the extent of their eligible earnings during the plan year. New participants who start employment on or after

September 1 will participate in the Plan at 50% of their eligible earnings during the plan year.

Transfers Between Pay Types: Profit sharing calculations for employees who transfer between hourly and salaried positions during the plan year will be computed based on the status of the position employed in as of the last day of the plan year.

Leave of Absence: An employee on approved leave of absence will be eligible for a profit sharing award, to the extent that the employee received eligible compensation during the plan year. Compensation received during leave of absence (accident & sickness) will be excluded from the award calculation. An employee, who has satisfied the eligibility requirements for an award and is on an approved leave of absence at the time awards are to be paid, will receive their award.

Termination Prior to or on December 31 of Plan Year: Employees forfeit the right to any current or future awards upon date of termination of employment, regardless of whether termination is voluntary or involuntary.

Termination after December 31 of Plan Year but Prior to Award Distribution: Employees, who are otherwise eligible to participate in the Plan, and voluntarily terminate employment between the end of the plan year and the date of award distribution, will receive a profit sharing award, provided the Plan generates an award. Management will determine whether or not a payment is made to employees who terminate involuntarily.

Death/Retirement: In the event that an employee participating in the Plan dies or retires during the plan year, no award will be calculated for the former employee.

C. Plan Year:

Plan Year means the calendar year, January 1 – December 31.

D. Frequency & Timing of Payment:

Awards are calculated on an annual basis. Annual financial results will be announced after the completion of the annual independent audit of the Company's financial statements. Profit sharing awards will then be calculated. Distribution of awards, if any, achieved under the Plan will take place by the end of February, pending approval by the Executive Committee and the Board of Directors' Executive Compensation and Development Committee.

E. Communication of Status & Awards:

Senior Management will communicate cash flow budgets and achievement to budget to employees on a quarterly basis. Compensation will prepare final awards and statements to accompany the awards that explain the PIP calculation for each full time employee. Senior Management will present PIP awards to employees at divisional meetings.

F. Definitions & Explanation of Calculation:

The driving factor of the Plan is Company cash flow. The following section explains this factor, as well as other Plan-related terminology, in greater detail.

Company Cash Flow is defined as operating cash flow net of interest expense and net of gain or loss of disposition of assets (excluding sale of real estate), and net of related payroll adjustments.

Active Employment is defined as eligible for benefits (but exclusive of periods when benefits are extended during non-active employment). An employee participating in the Plan must be actively employed as of the last day of the plan year in order to receive an award.

Company refers to Hershey Entertainment & Resorts Company. The Company consists of HERSHEY PARK, HERSHEY PARK Arena/Stadium, HERSHEY Bears Hockey, DUTCH WONDERLAND, The Hotel HERSHEY, The HERSHEY Lodge & Convention Center, HERSHEY Country Club, HERSHEY Links, The HERSHEY Theatre, HCAR-Cocoa Beanery, Café Zooka, HOULIHAN'S, DEVON, RAM LLC, HERSHEY Highmeadow Campground, HERSHEY Laundry & Dry Cleaning and HERSHEY Nursery.

Eligible Earnings are defined as regular earnings, overtime pay, shift differential, stage pay, vacation pay (excluding excess vacation), holiday pay, tips, gratuities, accrued vacation pay, accrued holiday, retroactive pay, payment while on jury duty, orientation pay, and payment while on temporary Military leave, as reflected on the plan year's W2. Accident & sickness payments, long term disability payments, prior year's profit sharing awards, bonuses, tuition reimbursement and any other imputed income are not eligible earnings. In addition, the following will be used in determining eligible earnings:

- For employees who transfer from part-time to full-time status during the plan year, the calculation will count as eligible earnings those earned between the full-time date of hire closest to the end of the plan year and the end of the plan year.
- For employees who transfer from part-time to full-time status during the plan year but after September 1, eligible earnings will not be reduced by 50% as they are for new employees hired after September 1.

The Calculation:

The financial determination for whether or not a profit sharing award will be paid is based on the comparison of the actual Company cash flow achievement to the budgeted level of Company cash flow. When Company cash flow exceeds budget, a percentage of the cash flow in excess of budget is allocated to the Plan as follows:

Hourly PIP Pool Calculation

Hourly Payroll

$$\frac{\text{Hourly Payroll}}{\text{Salaried Payroll} + \text{Hourly Payroll}} = \text{Payroll Relationship \%}$$

Resulting Hourly PIP Pool allocation is then shared with all hourly employees with respect to the payroll relationship %

Example: Company achieved Budgeted Cash Flow

Hourly profit sharing pool allocation:	\$500,000
Total hourly earnings:	\$30,000,000
Employee X's eligible earnings:	\$30,000
Employee X's % earning to total hourly earnings (\$30,000 / \$30,000,000)	.10%
Employee X's profit sharing award (.10% x \$500,000):	\$500

The IRS considers profit sharing awards taxable income. Therefore, all applicable federal, state, local and Social Security income taxes will be deducted.

In circumstances where the Company performance would produce a nominal incentive award, the payment shall not be less than \$50 before applicable withholding taxes.

G. Special Considerations:

N/A

H. Plan Termination and Change:

Hershey Entertainment & Resorts Company reserves the right to modify or cancel the Plan at any time during the plan year without prior notice to the Plan participants.

I. Benefits:

Partners In Performance profit sharing awards will not be included as earnings for the purpose of determining employee pensions, employee or employer 401-K contributions, or for determining other benefits such as vacation, accident & sickness, life insurance, etc.

J. Budgeting:

When Company cash flow exceeds budget, a percentage of the cash flow in excess of budget is allocated to the Partners in Performance program, which creates the profit sharing pool. If Company Cash Flow does not exceed budget, there are no funds to create the profit sharing pool, and no profit sharing awards are given.

APPENDIX IV - Wellness at Hershey Entertainment & Resorts

Hershey Entertainment & Resorts Company's Wellness Program will provide resources to all of our employees and their families, which will enhance their lives and assist them in becoming healthier and more productive. The goals of the program are to:

- Educate employees on health issues and how to be better health care consumers
- Improve overall health scores of our employees and their families
- Slow the rate of growth of medical claims
- Reduce absenteeism and improve productivity
- Reduce workers' compensation claims
- Reward healthy lifestyle choices

The program will be built around 5 key components:

- Fitness
- Nutrition
- Prevention/Safety
- Emotional Wellbeing
- Health Education

Participation in the program is voluntary and all information will be held in the strictest confidence. No one in the company will receive the details of employee health information. Awards are given based on participation in health-related activities and improvement in health scores in order to not penalize individuals who are faced with serious health issues.

At a minimum, employees must complete a health screening and questionnaire to be eligible for the award. The Wellness Award is paid in the following year as a biweekly payroll credit.

- \$100 award for completion of health screening and health risk questionnaire
- \$100 award when 3 wellness activity credits are earned.*

*If you scored low risk for 2 consecutive years, you automatically qualify for the second \$100.