

AGREEMENT

Between

**Veritiv Operating Company
Clifton, NJ**

-And-

**Merchandise Drivers Local 641,
International Brotherhood of Teamsters,
Union, NJ**

January 16, 2018- January 15, 2022

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THIS AGREEMENT, made this 9th day of April, 2018, and to become effective the 16th day of January, 2018, by and between Veritiv Operating Company, with its principal place of business located at 261 River Road, Clifton, New Jersey 07014 (hereinafter referred to as the Employer or Company) and Local 641, Merchandise Drivers Local, affiliated with International Brotherhood of Teamsters, with its office located at 714 Rahway Avenue, Union, NJ 07083 (hereinafter referred to as the Union).

WITNESSETH:

In consideration of the mutual covenants herein contained, both parties hereto do hereby agree as follows:

Article 1 – Recognition

1. The Company recognizes the Union as the sole and exclusive bargaining agency for all employees covered by this Agreement and recognizes the Union President and/or his/her representatives for the purpose of settling grievances and negotiations.
2. This Agreement shall apply to and cover all warehouse employees, including shipping and receiving employees, order pickers, packers, drivers and drivers' assistants employed by the Employer at its Clifton, New Jersey location. Excluded from said unit are office clerical employees, sales employees, professional employees, guards, watchmen, porters, sales and management trainees and supervisors as defined in the Labor Management Relations Act.

Article 2 - Union Shop And Dues Collection

1. All present employees of the Employer who are members of the Union on the effective date of this Agreement or on the date of execution of this Agreement, whichever is the later, shall remain members of the Union in good standing as a condition of employment. All present employees who are not members of the Union and all employees who are hired hereafter shall become and remain members of the Union in good standing as a condition of employment on and after the thirtieth (30th) day following the effective date of this Agreement or the execution date of this Agreement, whichever is the later.

2. The failure of any person to become a member of the Union at the required time shall obligate the Employer, upon written notice from the Union, to such effect and to the further effect that Union membership was available to such person on the same terms and conditions generally available to other members, to forthwith discharge such person provided the reason is one permitted by law. Further, the failure of any person to maintain his/her Union membership in good standing as required herein shall, upon written notice to the Employer by the Union to such effect, obligate the Employer to discharge such person provided the reason is one permitted by law.
3. In the event of any change in the law during the term of this Agreement, the Employer agrees that the Union will be entitled to receive the maximum Union security which may be lawfully permissible.
4. No provision of this Article shall apply in any state to the extent that it may be prohibited by state law. If, under applicable state law, additional requirements must be met before any such provisions may become effective, such additional requirements shall first be met
5. The Company agrees that it will deduct all initiation fees and membership dues from the wages of regular employees who are covered by the Agreement provided that the Company receives a written authorization, signed by the employee, authorizing such deductions. Dues deductions will be made on the first two pay periods each month and payment will be remitted to the Union at the end of the month.

Article 3 – Representation

1. The Employer recognizes the right of the Union to designate a shop steward.
2. The authority of the shop steward so designated by the Union shall be limited to and shall not exceed the following duties and activities.
 - (a) The investigation and presentation of grievances in accordance with the provisions of the collective bargaining agreement;
 - (b) The transmission of such messages and information which shall originate with and are authorized by the Union or its officers, provided such messages and information;
 - (i) have been reduced to writing, or

- (ii) if not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business.
- 3. Shop stewards and alternates have no authority to take strike action, or any other action interrupting the Employer's business, except as authorized by official action of the Union.
- 4. The shop steward shall not leave his/her work area or job without first obtaining the permission of his/her foreman, and the duties of the shop steward shall be performed at a time which has the minimum interference with the Employer's operation.
- 5. The Employer recognizes these limitations upon the authority of shop stewards and their alternates and shall not hold the Union liable for any unauthorized acts of the shop steward. The Employer in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the shop steward has taken unauthorized strike action, slowdown, or work stoppage in violation of this Agreement.
- 6. The Company shall direct all of its communications pertaining to negotiations and representation to the Business Agent at the address mentioned herein.
- 7. The Union President and/or his/her representative will be permitted access to the plant for the purpose of investigating grievances, but shall first notify management and will not interfere with production, and shall also be permitted to attend meetings between the Grievance Committee and the Company.
- 8. The shop steward shall suffer no loss of pay for reasonable time spent during the normal working day in the investigation or settlement of grievances, but such time shall be a period designated by the Employer and be the minimum of time required.

Article 4 - Hours Of Employment

- 1. The normal work week shall be forty (40) hours per week, Sunday through Saturday inclusive. All work performed in excess of forty (40) hours per week shall be considered overtime and shall be paid for at the rate of time and one-half the employee's regular rate of pay. Paid time off, in accordance with the provisions in the agreement, shall be counted as hours worked for the purpose of determining overtime eligibility provided the paid hours are regularly scheduled work hours.
- 2. Any employee required to work on an unscheduled day shall be paid time and one-half his/her regular rate of pay for all hours worked provided that the

employee's weekly worked hours exceed forty (40). When an employee is required to report to work on an unscheduled day, he/she shall be given a minimum of four (4) hours work or pay.

3. Daily hours, in excess of eight (8) per day, shall be paid at the overtime rate of one and one-half (1 ½) times the regular straight time rate for all hours worked in excess of eight (8) when the employee is not afforded the opportunity to work all of his/her scheduled work week by Company action due to conditions beyond the control of the Company, such as power failures, fires, floods, snow or similar causes. The hours of work lost due to the Company action will count toward the 1400 hour requirement for vacation (see Article XI-Vacations, Section 2).
4. It is understood there shall be no pyramiding of overtime that is, overtime shall not be required to be paid on overtime or on premium rates.
5. There shall be no requirement to equalize overtime either Saturday or otherwise among any employees or groups of employees. Overtime for the drivers will be offered to the most senior available driver who is qualified to perform the overtime work. Overtime in the warehouse will be offered to the most senior available warehouseman who is qualified to perform the overtime work. If no one accepts this overtime offer, then the least senior employee will be required to work the overtime assignment. Supervisors or non-bargaining unit personnel may not perform bargaining unit work on overtime hours until all bargaining unit personnel have been offered the overtime opportunity provided, however, the Company shall have no obligation to contact any employee who has not furnished the Company with his/her telephone number or who is not at home when the Company calls.
6. When employees have been denied work due to scheduling errors (including doubling, holdover, and call-ins), they will be made whole by providing them with the opportunity to work a comparable number of hours. Penalty payments will not be permitted in settlement of such grievances.
7. The Company shall have the right to establish and/or discontinue such shifts as it determines it requires. The Company shall designate starting times, except that day shift employees starting times shall be between 4:00 AM and 11:59 AM. The second (2nd) shift shall be between 12:00 PM and 7:59 PM and third (3rd) shift shall be between 8:00 PM and 3:59 AM.

Article 5 – Holidays

The Company agrees the following paid holidays shall be given to eligible employees regardless of the day of the week in which the holiday falls:

New Year's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
July Fourth	Christmas Eve
Labor Day	Christmas Day

1. In addition to the above mentioned holidays, there will be two (2) floating holidays. Management reserves the right, prior to January 15 of each calendar year, to designate one floating to the holiday schedule for New Year's Day, Independence Day, Christmas Eve, and Christmas Day, as needed to meet customer needs and maximize employee's time off. When the Company designates a floating holiday, the employee may use a floating holiday, vacation day or take the day off without pay.
Floating holidays must be scheduled with and approved by management at least forty-eight (48) hours in advance. Employees hired on or before July 1st will be eligible for all floating holidays. Employees hired after July 1st but before November 15th will be eligible for one floating holiday if no holidays have been designated. Employees hired after November 15th will receive no floating holidays for that calendar year. If there is a floating holiday designated from November 15th through year end, the new hire will not be paid for the holiday.
2. A day's holiday pay shall be the employee's regular straight-time hourly rate times eight (8) hours.
3. In order for an employee to be eligible for holiday pay, the employee must have been scheduled to work and must have worked the full scheduled work day both prior to the holiday and immediately after the holiday.
4. Employees who work on a holiday shall be paid their regular straight-time hourly rate of pay in addition to holiday pay for all hours worked on the holiday. In calculating overtime eligibility only the hours worked on the holiday or eight (8) hours, whichever is greater, would count toward overtime eligibility for the forty (40) hours. If the employee did not work the holiday, the eight (8) hours holiday straight time pay would count toward overtime eligibility for forty (40) hours.
5. For purposes of computing overtime and/or overtime pay for time worked, any paid holiday shall be considered a day of work.

Article 6 – Seniority

1. Seniority shall govern with respect to layoffs and recall.
2. New employees shall be employed on a probationary basis for ninety (90) calendar days.
3. Seniority shall be determined by the date of last hiring by the Company.
4. The Company will maintain separate seniority lists for drivers and warehouse workers/helpers. The Company agrees that no more than two (2) routes will be done by the drivers per day to maintain the efficiency of the operation. Every attempt will be made to have all routes loaded by available warehouse employees. A route will be defined as a scheduled truck run for orders that were picked and staged. During an emergency the Union and Company will discuss a solution to meet customer demand.
5. In the event of a layoff or subsequent recall of employees in the bargaining unit, seniority shall prevail; that is, the employee with the least seniority shall be the first laid off and the last recalled; provided, however, that at the time of the exercise of seniority (either on layoff or recall), the employee has the abilities and experience necessary to efficiently perform the job available without further training. This provision shall be subject to the Grievance and Arbitration provisions of this contract.
6. The Union steward shall have top seniority over all other employees during his/her term of office if qualified to perform the work. Top seniority applies to layoff, overtime assignments, vacation selection, and shift/start time selection.
7. The Union steward shall return to his/her regular standing on the seniority list upon the termination of his term of office.
8. Seniority shall be lost and employment terminated upon:
 - (a) Discharge for just cause.
 - (b) Voluntary quit.
 - (c) Absence or layoff for any reason (other than a work related illness or injury) for twelve (12) months.
 - (d) Absence or layoff for a work related illness or injury for eighteen (18) months.
 - (e) Failure of an employee laid off for any period to return to work within five (5) working days after notice by certified mail sent to the employee's address appearing on the employer's employment records. An additional five (5) working days will be granted for employees who are required to give two (2) weeks notice on another job taken during the layoff period with written notification within three (3) days of call back.

9. In the event of a layoff, temporary workers and probationary employees shall be laid off before any full-time employee. Written notice of layoff shall be given to the shop steward. Such notice shall contain the name of the employee laid off.
10. Job bids: The warehouse and delivery shift assignments will be bid by start time and awarded based on seniority and the ability to do the job. When it becomes necessary to change the starting hours on a job classification by more than one (1) hour either earlier or later, it shall be re-posted for bid.

Article 7 - Management Rights

The management and the conduct of the business of the Company and the direction of its working force are the right of the Company. The Company shall have the right, subject to the terms herein contained, to hire and lay off employees; to continue to do productive work as heretofore; to classify, assign, transfer and promote them, to discipline or discharge them for cause; and, in general, to maintain discipline, order, and efficiency in its plants. Further, the Company reserves the right to publish reasonable rules and regulations from time to time as it may deem necessary and proper for the conduct of its business, provided that the same are not inconsistent with the terms of this Agreement, and provided further that the said rules and regulations are subject to the grievance and arbitration provisions of this Agreement. This instrument contains the full agreement of the parties.

Article 8 - Grievance And Arbitration

1. A grievance is hereby jointly defined to be any controversy, complaint, misunderstanding or dispute involving the interpretation, construction or application of a clause in this Agreement.
2. Any grievance arising between the Company and the Union or an employee represented by the Union shall be settled in the following manner:

Step 1

The aggrieved employee or employees must verbally present the grievance to the Supervisor within five (5) working days after the reason for the grievance has occurred, except no time limit shall apply in case of violation of wage provisions of this Agreement.

Step 2

If a satisfactory settlement is not effected with the Logistics Manager within three (3) working days the aggrieved employee or employees must present the grievance in writing to the Shop Steward. Shop Seward shall then take the

matter up with a representative of the company with authority to act upon the grievance. If a satisfactory settlement is not effected with the Logistics Manager within three (3) working days, the Shop Steward and employee shall submit such grievance in writing to the Union's Business Representative.

Step 3

The Business Agent shall then take the matter up with a representative of the Company with authority to act upon the grievance. A decision must be made within five (5) working days.

3. If no satisfactory settlement can be agreed upon, the parties shall select a mutually agreeable and impartial arbitrator within three (3) days after disagreement. In the event they are unable to so agree, the matter shall be referred to the NJ State Board of Mediation the next day. After the Mediation Board submits a list of arbitrators (NAA certified) to the Union and the Company, they shall reply with their preferred selections no later than three (3) days after receipt of such list. The expense of the arbitrator selected or appointed shall be borne equally by the Company and the Union.
4. The arbitrator shall not have the authority to amend or modify this Agreement or establish new terms or conditions under this Agreement. The arbitrator shall determine any question of arbitrability. In no case will the financial liability on any grievance extend beyond six (6) months from the date of the selection of the arbitrator. The parties agree to select the Arbitrator within ten (10) days. If there are circumstances beyond both parties control, the parties will mutually agree to extend the time frame as set forth in this provision.
5. Both parties agree to accept the decision of the arbitrator as final and binding. If either party or employees affected fail to comply with the award of the arbitrator, or the procedures provided in this Article, the other party adversely affected shall have a right to take all legal action to enforce compliance.

Article 9 - Discharge Or Suspension

1. The Employer shall not discharge nor suspend any employee without just cause. In all cases involving the discharge or suspension of an employee, the Company must immediately notify the employee in writing of his/her discharge or suspension and the reason therefore. Such written notice shall also be given to the Shop Steward, and a copy mailed to the Local Union office, within two (2) working days from the time of the discharge or suspension.
2. Any employee discharged must be paid in full for all wages owed him/her by the Employer according to the bi-weekly payroll schedule.

3. A discharged or suspended employee must advise his/her Local Union in writing, within five (5) working days after receiving notification of such action against him/her, of his/her desire to appeal the discharge or suspension. Notice of appeal from discharge or suspension must be made to the Employer in writing within five (5) days from the date of discharge or suspension.

Article 10 - No Strikes Or Lockouts

1. It is hereby agreed by the Union and the Employer that since this Agreement provides for the orderly and agreeable adjustment and settlement of any and all disputes, differences and grievances, there shall be no resort to strikes (which include all stoppages or slowdowns of work) by the employees, nor any lockout by the Employer of any employee or group of employees.
In view of the foregoing, the Union agrees that it will not authorize any strike in defiance of this Agreement. In the event of any unauthorized strike, there shall be no liability on the part of the Union.
2. In the event of an unauthorized strike the Union will endeavor to secure a return of the strikers to work to the end that the dispute will then be settled peaceably in accordance with the procedures established herein.
In such cases, the Employer may impose disciplinary measures upon or discharge the employees involved, in accordance with and subject to the grievance and arbitration provision of this Agreement.
3. It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line, including the primary picket line of Unions party to this Agreement, and including primary picket lines at the Employer's places of business. In the event there is a lawful, economic or unfair labor practice strike at Veritiv customer or vendor location, the Company may use supervisory or delivery service to provide service to the customers. In order to ensure the needs of customers are met, the Union agrees to provide 48 (forty-eight) hours notice, or when it becomes known, if an employee is going to refuse to cross a bona fide picket line.

Article 11 – Wages

Wage Schedule:

	Current	1/16/2018	1/16/2019	1/16/2020	1/16/2021
Wage Rates					
Class A Driver	\$24.03	\$24.63	\$25.23	\$25.83	\$26.43
Class B Driver	\$21.88	\$22.48	\$23.08	\$23.68	\$24.28
Non CDL Driver	\$17.39	\$17.99	\$18.59	\$19.19	\$19.79
Warehouse Worker	\$19.64	\$20.24	\$20.84	\$21.44	\$22.04
Driver Helper	\$12.39	\$12.99	\$13.59	\$14.19	\$14.79

1. Employees shall be paid biweekly, payable on Friday for the two weeks ended the prior week. When the regular payday falls on a bank holiday, the preceding workday shall be payday. The Employer shall provide each employee with access to an itemized statement of earnings and deductions specifying hours paid, straight-time and overtime, vacation pay, holiday pay, and other compensation payable to the employee, which is involved with the check.
2. Within 60 days of ratification of this agreement, all employees will enroll in direct deposit for payroll processing.
3. Shift differential shall be an additional \$0.30 per hour for second shift; and \$0.50 per hour for third shift.
4. Lead person:
In the event of a decision by the Company to create or to replace a vacancy in the Lead person classification, the Company shall post a notice, advising employees of such opening. The notice shall be posted for a period of seventy-two (72) hours at a designated posting location. (Vacation schedules and short-term illness will be accommodated.) The Company shall consider existing employees who submit written requests for consideration.

Such requests should be submitted to the Operations Manager within the time frame designated on the posting, and should set forth briefly the applicant's qualifications for the job. The Company shall review all the applications. In the event that no one from within the bargaining unit expresses interest in the position, or the Company determines that there are no qualified applicants, the Company may seek applicants from other sources. The disqualification of bargaining unit employees shall be based on legitimate business reasons.

It is understood that the positions of the Working Lead person will have the responsibility to direct the workforce, gather and record data, perform clerical tasks that include daily

production reports, advise management of employees refusal to carry out duties assigned by the Working Lead person - report work rule and contractual infractions - but they will not be permitted to hire, fire, or recommend disciplinary actions. Working Lead persons shall receive not less than \$0.50 per hour above the highest classification supervised.

5. New Hire Rates shall be \$0.90 less than rates listed above for the first six (6) months after hire and then \$0.45 less than rates listed above for months seven (7) through twelve (12).

Article 12 – Vacations

1. Employees' seniority date shall be used for purposes of computing qualifications for vacation accruals.
2. Each employee in the employ of the Employer for six (6) months shall receive three (3) days vacation with pay. Following this, each employee in the employ of the employer must work a minimum of 1400 hours during the calendar year immediately preceding the period in which year vacation accruals are effective. If employee works less than 1400 hours, vacation will be accrued on a prorated basis.
3. Each employee in the employ of the Employer for one (1) year shall receive one (1) week vacation with pay.
4. Each employee in the employ of the Employer for two (2) years shall receive two (2) weeks vacation with pay.
5. Each employee in the employ of the Employer for eight (8) years shall receive three (3) weeks vacation with pay.
6. Each employee in the employ of the Employer for fifteen (15) years shall receive four (4) weeks vacation with pay.
7. Each employee in the employ of the Employer for twenty-five (25) years shall receive five (5) weeks vacation with pay.
8. If any holiday specified herein falls within an employee's vacation period, said employee will receive holiday pay for said day in addition to his/her regular vacation pay as provided herein.
9. A week's vacation pay shall be the employee's regular straight-time hourly earnings times forty (40) hours.
10. Employees entitled to three (3) weeks vacation may take two (2) weeks at one time, however, the third week will be scheduled to be taken at a time mutually convenient to the Employer and employee bearing in mind the efficient operation and customer needs.
11. If an employee is laid off at any time during the vacation year, the said employee shall receive a pro rate vacation benefit for each full week worked within the vacation year computed on a fifty (50) week basis.
12. Employees who quit prior to vacation period or are discharged for cause or are on leave of

absence, shall receive no vacation benefit. No employee shall accumulate any vacation benefit during any period the employee is not working.

13. The vacation period shall run from January 1 through December 31. Management may limit the number of employees on vacation at the same time. Company paid vacation applies to full-time employees only. By mutual agreement between the Company and the Employees affected, the employee may take his vacation at another time. If the Company desires, it may close its operation for a vacation period.
14. Employees who have more than five (5) vacation days, may schedule, with company approval, single vacation days as follows:
 - (a) 10 vacation days employees may schedule 5 single vacation days;
 - (b) 15 vacation days employees may schedule 10 single vacation days;
 - (c) 20 vacation days employees may schedule 15 single vacation days.

Forty-eight (48) hours advance notice must be provided when requesting single vacation days. Full week scheduled vacations shall take priority over single day vacation requests.

Article 13 - General Provisions

1. The Company shall notify the Union within three (3) working days of any new employees who are hired and the rates at which they are hired.
2. The Union shall have the right to post Union notices on the premises of the Employer, provided that said notices shall pertain to lawful Union business only and provided further that said notices shall not be derogatory to the Employer or the Employer's interest.
3. Sales and management trainees shall continue to do productive work as heretofore, but shall not deprive employees in the bargaining unit of production or overtime work.
4. Upon the signing of this Agreement, the Company agrees to furnish the Union with an original and two copies of the Seniority list. The Company further agrees to supplement this list at three (3) month intervals to keep it up to date as far as practicable.
5. The Company shall have the right to hire temporary workers on a temporary basis to a maximum of ninety (90) working days in a 6 month period when there is no business need for a full time employee. When the temporary worker is replacing a regular employee who is on a medical leave, worker's compensation leave, or for vacation coverage, the ninety (90) working days provision above shall not apply. In the event the Company retains any of these temporary

workers, their seniority date shall be determined by adding to the date they start as an employee the total of all the days they worked as a temporary worker. This provision will not be used to avoid the Seniority Provision of the current Agreement.

6. Each employee shall receive two (2) fifteen (15) minute rest periods, normally during the first and second half's of his/her shift.
7. Employees assigned to work in a higher-paying job classification for one (1) hour or more on any day shall be paid the higher rate for all hours actually worked in said higher-paying job classification on said day.
8. Written warnings given to any employee in excess of two years prior to any given date shall be dropped provided, however, this limitation shall not apply to other disciplinary actions including suspensions or discharges.
9. The Employer and the Union agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, ethnicity, color, creed, religion, sex, sexual orientation, marital status, gender identity or expression, genetic information, national origin, age or status as a Vietnam-era or disabled veteran, nor will they limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities because of race, creed, color, religion, sex, sexual orientation, marital status, gender identity or expression, genetic information, national origin, age or status as a Vietnam-era or disabled veteran. The Company and the Union agree that there will be no discrimination by the Company or the Union against any employee because of his or her membership in the Union or because of any employee's lawful activity and/or support of the Union. The Company and the Union agree to take whatever action is necessary to comply with the provisions of ADA and FMLA.
10. The Employer shall not require, request or suggest that an employee or applicant for employment take a polygraph or any other form of lie detector test.
11. The Employer may institute, change, modify and discontinue Employer, department or individual incentives without the same being subject to grievance and arbitration.
12. Employees are expected to actively participate in job related activities including, but not limited to, safety, quality improvement process, training, etc. The Union will not interfere with the same.
13. Employer, in order to maintain the best operating efficiency, reserves the right to transfer employees from department to department or job to job for purposes of completing a shift, vacation relief, covering absences or fill-in work or temporary fluctuations in workload provided they are qualified to safely

perform the work. The above language supercedes all existing language, position statements, special agreements, letters of instruction, grievance answers, arbitration awards, or any other source related to jurisdictional work assignments. The Company agrees that no employee will be laid off, terminated, or suffer a reduction in wages as a result of the implementation of this provision.

14. Unless otherwise excused by proper supervision, drivers will attempt to deliver all stops on a truck, even if such deliveries would require more than the standard 8 hour shift.
15. The Company will reimburse CDL drivers for CDL license renewal (license fee), HME renewal fee, TSA background check fee, DOT physical fee, and drug testing. The company will pay for time spent for the DOT physical and drug testing.

Article 14 – Health and Welfare

Effective June 1, 2018, The Company agrees to make payments to Teamsters Union Local 641 Health and Welfare Fund (the “Fund”) for each and every employee performing work within the scope of and/or covered by this Collective Bargaining Agreement, whether such employee is a regular or probationary employee, from the first hour of employment subject to this Collective Bargaining Agreement, as follows:

The Company will pay to the Fund on behalf of each employee effective:

- 6/1/2018 = \$8.385 per hour.
- 8/1/2018 = \$8.735 per hour.
- 8/1/2019 = \$9.085 per hour.
- 8/1/2020 = \$9.435 per hour.
- 8/1/2021 = \$9.785 per hour.

Per hour payment is for the first 40 hours straight time worked and for all Paid Time Off

The Employee’s contribution will be 20% of the premium cost which shall be deducted from his/her pay each bi-weekly pay period based on the following schedules:

In the event that the Teamsters Local 641 Welfare Fund during the duration of this Collective Bargaining Agreement deems it necessary to require additional contributions over the contribution amounts agreed upon in this Collective Bargaining Agreement, the parties agree that Veritiv shall not be obligated to pay for those additional contributions.

The Company agrees to continue to provide Basic Life Insurance through the Veritiv Benefit Plan throughout the life of this agreement. No other supplemental benefits will continue.

Article 15 - Sick Leave

1. Beginning 2012 sick time will be administered on the calendar year. In the event that any full-time employee who has been continuously in the employ of the Employer for a period of one (1) year as of January 1 is sick and unable to work on any regular working day in the calendar year, the Employer agrees to pay said employee in accordance with his straight-time base rate of pay for one (1) day for a maximum of three (3) such days that may occur during the calendar year. Sick leave shall not be cumulative from year to year. In recognition of the reduction from five (5) paid sick days to three (3), effective in the second year of a prior contract (1/16/2009), \$0.14 per hour was added to wages.
2. In the event that any full-time employee who has been in the employ of the Employer for less than one (1) year as of January 1, is sick and unable to work on any regular working day in the calendar year, the Employer agrees to grant said employee sick leave in accordance with the provisions of this Article to be computed on the basis of one-half (1/2) day for each full month of service up to a maximum of three (3) days in any calendar year.
3. In order to qualify for the aforesaid sick leave benefits, the employee must notify the Employer on the first workday of his/her illness. The Employer shall have the right to require proof of illness from the employee if the sick leave lasts in excess of one (1) day. The Employer shall have the right in such case to require a doctor's certificate. The Employer shall have the option to have a physician, at its expense, examine any employee who is sick and unable to report for work.
4. Eligible employees who have not used their full sick leave benefits by the end of any calendar year will be paid in full for any unused sick benefits by the second paycheck following the end of the calendar year.
5. Probationary employees shall not be paid sick leave benefits under this Article for any sick leave of absence during the probationary period. However, sick days will accumulate for probationary employees as aforesaid to be used or paid for after the completion of the employee's probationary period in accordance with this Article.

Article 16 - Funeral Leave

In the event of a death in the immediate family of an employee, the Employer shall pay the employee not to exceed three (3) working days to attend the funeral services. If you need more than three working days off, you should discuss this need with your manager, in consultation with the Human Resources Business Partner. One (1) additional day shall be paid if services require out of town travel in excess of 500 miles (documentation may be required). It being understood that 'immediate family' means your spouse, children, stepchildren, parents, legal guardian, grandparents, parents in-law, brothers, sisters, brothers in-law, sisters in-law, grandchildren, spouses of children and spouses of stepchildren and includes 'domestic partners,' as defined within.

Article 17 - Jury Duty

If you are summoned to jury duty, you must report receipt of a jury summons to your manager. You must notify your supervisor of the need for time off for jury duty as soon as notice or summons from the court is received. You will be excused from work for only that part of the day required for jury duty. Your regular pay will continue for up to eight (8) hours a day, up to your regularly scheduled work hours per week, for the duration of your jury duty or trial. You must bring proof from court reflecting time served on jury duty and money received. If you are released from jury duty in time to work any reasonable part of your regular schedule, you are expected to do so. Special arrangements will be made for an employee working shifts.

Article 18 – Pension Plans

Individuals who were participants in the Veritiv Pension Plan, the Company's defined benefit plan (the "Pension Plan"), immediately before the term of this Agreement will continue to participate in the Pension Plan. Each Eligible Employee whose Employment Commencement Date is on or before January 15, 2005 and who was a participant in the IP Pension Plan as of June 30, 2014 became a Participant in the Plan effective July 1, 2014. Any Employee who is represented by the Union and whose Employment Commencement Date or Reemployment Commencement Date is on or after January 16, 2005 shall not be eligible to participate in the Plan. For avoidance of doubt, the terms of the Pension Plan document and Exhibit 16 thereto, as amended from time to time, will control with respect to all Union employees, subject in all cases to applicable law and the express terms of this Agreement.

The Accrued Benefit of a Participant is the (i) Gross Accrued Benefit, less (ii) IP Pension Benefit (if any), if the Employee is an xpedx Legacy Employee.

The Gross Accrued Benefit means the sum of (i) the monthly IP Pension Benefit (if any) and (ii) a monthly amount equal to the whole and fractional Years of Credited Service on and after July 1, 2014 times the Retirement Benefit Rate. The current Retirement Benefit Rate is \$31.00. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned thereto under the terms of the Savings Plan.

Individuals who were participants in the Veritiv Retirement Savings Plan, the Company's 401(k) plan (the "Savings Plan"), immediately before the term of this Agreement will continue to participate in the Savings Plan. All present employees who are members of the Union during the term of the Agreement shall be eligible to participate in the Savings Plan. As soon as practicable following ratification, the Company will amend the Savings Plan to reflect the terms of this Section. For avoidance of doubt, the terms of the Savings Plan, as amended from time to time, will control with respect to all Union employees, subject in all cases to applicable law and the express terms of this Agreement.

Effective January 15, 2005, no new employees were added to the IP Pension Plan. A "retirement savings account" shall be offered to all employees hired or rehired after January 15, 2005. In addition to new employees, former Central Lewmar employees became eligible for the Retirement Savings Account as follows:

- Warehouse Workers - January 1, 2010
- Drivers (formerly represented by IBT Local 560) – April 1, 2010

The former Central Lewmar employees are eligible only for the Retirement Savings Account. Their date of hire does not provide them eligibility for any prior pension plans. Company contribution to the Retirement Savings Account (RSA) for eligible participants will be 2.75% of eligible pay for employees under age 40 and 4.0% for employees age 40 and over. The 4.0% contribution will be effective on the first pay date following an employee's 40th birthday.

The Company shall provide a 50% match on employee contributions up to the first 4% of employees' pay. All plan provisions except Company contribution percentage are indexed to the core Company plan.

Notwithstanding the foregoing, during the term of the Agreement, the following provisions shall apply to eligible Union employees. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned thereto under the terms of the Savings Plan.

Article 19 - Political Action Check-off

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement the employees' voluntary contribution to the Teamsters Joint Council #73 Political Action Committee provided the employee shall have filed with the Employer a written authorization for such deduction. The Teamsters Joint Council #73 PAC shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall remit to the Teamsters Joint Council #73 PAC, 2414 Morris Avenue, Union, New Jersey 07083 on a monthly basis, in one check, the total amount deducted along with the name and Social Security Number of each employee on whose behalf a deduction is made and the amount deducted from the employee paycheck.

Article 20 – Safety/Uniforms/Safety Shoes

It is agreed that careful observation of safe working practices and Company safety rules is a primary duty of all employees. The Company agrees to provide necessary safety equipment. Employees are responsible for providing safety shoes, which meet the published Company guidelines. Effective January 16, 2011, the Company has included an additional \$0.02 in the hourly base rate of the wage section of this agreement as a shoe allowance. This is in addition to the \$0.05 that was previously added to the hourly base rate as a shoe allowance. The employees are required to utilize and/or wear designated safety equipment. The Company shall supply all tools, equipment and supplies directed by the Company to be used in the performance of work. Warehouse employees will not wear clothing that is vulgar, obscene, or containing foul language. Should the Employer require uniforms to be worn by the employees they will be furnished by the Employer free of charge. The employees will be responsible for ensuring the uniform is neat, clean and in good condition.

Article 21 – Kitting

The parties agree that due to the changing nature of the business environment, there will be types of business, which will require exemption from the wage and benefit and working conditions of the labor agreement. Examples of exemptions would be the "kitting" business where numbers of temporary contractors or part time contractors are assigned to specific duties for specific customer/jobs and specific times. Contractors assigned to the "kitting" business will perform only those specific duties directly related to the assignment. In addition, unloading product from trucks, loading product into trucks, and operating powered material

handling equipment will be performed by bargaining unit employees. This provision will not dilute or cause layoffs of bargaining unit employees. The parties agree that the assembling of kits is not bargaining unit work. The Company may therefore employ temporary or part-time contractors to perform such work who shall be exempt from the wage and benefit and working conditions of the Labor Agreement. Consistent with Article 2, kit assemblers shall not be assigned or perform any bargaining unit work nor shall they operate any equipment or machinery used by bargaining unit members.

Article 22 – Subcontracting

With respect to products delivered from the facility, the Company agrees that unless all active regular drivers are working or have been given an opportunity to work, the Company will not use a third party contractor, except where necessary to satisfy customer demand or where it is economically unfeasible to make a delivery with a company driver.

The Third Party process currently in place for the New York City deliveries will continue.

Article 23 - Multi Depot Routing

The Company has the right to deliver any Veritiv product from any Veritiv location to any customer using any available Veritiv employee. The Company agrees that the intent is to ensure we are meeting customer requirements in a timely manner and there is no intent to erode the Local 641 Bargaining Unit.

Article 24 – Surveillance Language

The Company and the Union agree that it may be necessary for the Company to undertake investigations which could involve the use of hidden surveillance cameras and/or undercover investigators and/or such other means or devices deemed necessary by the Company. The Company reserves the right to install any such devices including, but not limited to, truck monitoring devices, and/or hidden cameras and/or to use such means deemed necessary by the Company, including but not limited to the use of undercover investigators. If the use of any surveillance information can lead to discipline, the Company will share the relevant information with the Union Representative and will provide copies of the tapes and investigative reports prior to taking final disciplinary action. If employees are found to have engaged in misconduct as a result of such investigation, discipline up to and including discharge pursuant to the provisions of the labor agreement will be imposed. The Company further agrees that it will not engage in or direct any surveillance and/or undercover investigation in any areas where the employee has a reasonable expectation of privacy (e.g. lockers, bathrooms, personal effects, vehicles) unless the Company has probable cause to suspect that the employee(s) has been or is engaging in violations of law or rules.

Article 25 – Substance Abuse Policy

All employees covered under this agreement shall be subject to the Veritiv Substance Abuse Policy, to the extent allowed by applicable state law. The Company agrees to apply the Substance Abuse Policy the same for all employees covered under this agreement.

Article 26 – Work Rules

The employees shall comply with reasonable work rules. The Union recognizes the right of the Company to adopt, modify, promulgate and enforce reasonable Company rules and regulations. The Union shall be notified of rule changes and shall have an opportunity to discuss any objections to them with the Company prior to implementation. Copies of any such rules shall be made available to the Union and the employees.

Article 27 – Complete Agreement

This agreement contains the full and complete Agreement on all bargaining issues between the parties. Any side agreements, memoranda of understanding of any kind, written or oral, grievance settlements and any past practices, which are not specifically incorporated in writing into this Agreement, are null and void.

Article 28 – 10 Day Notification of Termination

At any time after the anniversary date, if no agreement on the questions at issue has been reached, either party may give notice to the other party of intent to terminate the agreement in ten (10) days. All the provisions of this agreement shall remain in effect until the specified time has elapsed. During this period attempts to reach an agreement shall be continued. If the parties have failed to resolve their differences before the specified time has elapsed, all obligations under this agreement are automatically cancelled.

Article 29 – Termination

This Agreement shall remain in full force and effect until January 15, 2022, inclusive, and thereafter for successive yearly periods, unless notice is given in writing either by the Union or the Company to the other not less than sixty (60) days prior to the expiration date of this Agreement, of its desire to modify, amend or terminate this Agreement. This Agreement shall be binding upon the parties hereto, their heirs, executors, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Veritiv Operating Company

By: Cathy McQuaid, Manager of Labor Relations

Merchandise Drivers Local 641

Affiliated with the International Brotherhood of Teamsters

By: _____

