

**LABOR AGREEMENT**

**BETWEEN**

**VERITIV**

**and**

**GENERAL TEAMSTERS, AIRLINE, AEROSPACE AND ALLIED  
EMPLOYEES, WAREHOUSEMEN, DRIVERS, CONSTRUCTION, ROCK  
AND SAND, LOCAL 986**

**FOR THE**

**COMMERCE, CALIFORNIA BARGAINING UNIT**

**NOVEMBER 1, 2016 THROUGH OCTOBER 31, 2020**

## AGREEMENT

THIS AGREEMENT containing the wages, hours, working conditions and other terms and conditions of employment of the employees employed by the Company at its facility located at Commerce, California, hereinafter referred to as the "bargaining unit" is entered into by and between Veritiv Operating Company, referred to as the "Company", "Veritiv" or "Employer" and General Teamsters, Airline, Aerospace and Allied Employees, Warehousemen, Drivers, Construction, Rock and Sand Local 986, hereinafter referred to as the "Union" and is effective and binding upon the parties on November 1, 2016.

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## ARTICLE I – RECOGNITION, THE BARGAINING UNIT AND UNION SHOP

### SECTION 1 – RECOGNITION OF THE UNION AND THE BARGAINING UNIT THAT IS COVERED BY THIS AGREEMENT

The Company hereby recognizes the Union as the exclusive representative of the bargaining unit hereinafter described and the Union agrees that it represents and that this Agreement shall apply to said bargaining unit only:

Warehousepersons / forklift drivers, receivers, assistant shipping clerks, working forepersons, head shipping clerks, cutters-trimmers, bobtail drivers, semi drivers and yard hostlers who work at or out of the Company's facility located at Commerce, California; excluding all other employees including but not limited to persons who do not perform the duties of the aforementioned included classifications and / or who, either as employees of the Company or of a third party, perform non-bargaining unit work / tasks which, by way of example include but are not limited to labor intensive piece-picking, devanning, kitting, manufacturing, special projects and customer billing / service associated with the provision of third party logistics services to the Company's customers and guards and supervisors as defined by the National Labor Relations Act.

The parties agree that the operation of forklifts, electric pallet jacks, cherry pickers and reach trucks constitutes bargaining unit work and that employees excluded from the bargaining unit and this Agreement shall not operate said mobile motorized equipment. The Union further acknowledges and agrees that, notwithstanding any other provision of this Agreement, the work of such excluded employees has not been, is not now and shall not be considered bargaining unit work that is covered by this Agreement or any prior agreement between the parties.

### SECTION 2 – UNION MEMBERSHIP

All employees covered by Article IX, Section 1, of this Agreement shall be members of the Union in good standing; however, in hiring new employees, the Company may employ persons who are not members of the Union and the Union shall admit such employees to membership. Any non-Union employee, upon proving satisfactory, shall at the end of thirty-one (31) calendar days employment with the Company become and remain a member of the Union and remain in good standing for the term of this Agreement. Nothing in this Article shall require any employee to join the Union until thirty-one (31) calendar days after the execution of this Agreement.

### SECTION 3 – PROBATIONARY PERIOD

Newly hired employees shall be employed on a ninety (90) calendar day trial basis during which period they may be discharged and, or otherwise disciplined without cause or recourse to the grievance or arbitration procedures of this Agreement. For purposes of determining eligibility for

benefits and seniority, employees employed after the ninety (90) calendar day trial period shall have their length of service computed from the first day worked.

#### SECTION 4 – HIRING AND NOTICE

The Company shall notify in writing within ten (10) working days of the name of any employee hired, discharged or laid off. When the Company has need for additional regular employees, the Union shall be given first notification to provide suitable, qualified applicants, except where otherwise required by applicable laws.

#### SECTION 5 – TERMINATION

The Company shall discharge any employee for failure to become or remain a member of the Union in good standing upon the expiration of five (5) working days after written notice of such fact shall have been given by the Union to the Company, provided the employee has failed during such five (5) working days to cure his / her delinquency.

#### SECTION 6 – DUES DEDUCTIONS

The Company shall deduct from the paycheck due for the first (1<sup>st</sup>) regular payday in each calendar month the uniform periodic dues for each month of each employee who is a member of the Union, and who is actively employed in the bargaining unit by the Company at the end of the pay period covered by such paycheck and who has given the Company a voluntary written assignment and authorization hereafter executed by him / her on an agreed form. The Company shall have no responsibility for the application of the amounts so transmitted. The Union shall indemnify and hold the Company harmless against any and all forms of liability, including costs and expenses that arise out of or by reason of any action taken by the Company in accordance with this Article.

#### SECTION 7 – D.R.I.V.E.

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of amounts designated by each contributing employee that are to be deducted from his / her paycheck 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 transmit to DRIVE National Headquarters on a monthly basis, in one check, the total amount deducted, along with the name of each employee on whose behalf a deduction is made, the employee’s last four (4) digits of their Social Security number and the amount deducted from the employee’s paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the reasonable cost for the expenses incurred in administering the payroll deduction plan.

## ARTICLE II – WORK ASSIGNMENTS AND DISCHARGES

### SECTION 1 – ASSIGNMENTS

The Company shall have the right to assign employees subject to this Agreement to any work covered by it if they are capable of performing.

### SECTION 2 – DISCHARGES

The Company shall be free to discipline or discharge any employee with good cause, except that no employee shall be discharged and rehired to avoid his / her being classified as a regular employee, that is, one with ninety (90) or more calendar days continuous service with the Company. If a regular employee so requests, he / she shall be given, at the time of termination a brief, written statement of the immediate cause of his / her discharge.

### SECTION 3 – RULES AND WARNING NOTICES

(a) COMPANY RULES – The Union recognizes the right of the Company to make and enforce rules reasonably related to the efficient and safe conduct of the Company's business and not contrary to this Agreement.

The Union shall be notified of rule changes and shall have an opportunity to discuss (but not grieve or arbitrate) any objections to them with the Company prior to their implementation.

The reasonableness of any objections upon the application of such rules in disciplinary cases shall be subject to Article V.

(b) WARNING NOTICES – Except for offenses serious enough to warrant immediate discharge, the Company recognizes and agrees with the concept of progressive discipline, and in most cases will follow the procedures of counseling, verbal warning, and two (2) written warnings. Additional offenses will constitute just cause for more severe disciplinary action, up to and including discharge. Warning notices, to be valid, must be issued within ten (10) working days of knowledge of the event. The Union will be furnished with a copy of written warnings. Warning notices which are more than one (1) year old shall not be used as a basis for disciplinary action; however, whenever such action is challenged as unjust or excessive, the Company may introduce evidence of warnings more than one (1) year old to show refusal to comply with Company rules.

## ARTICLE III – WORK STOPPAGES

### SECTION 1 – PROHIBITION

There shall be no strikes, sympathy strikes, stoppages of work, boycotts or lockouts for any cause whatsoever during the term of this Agreement.

## SECTION 2 – EXCEPTION

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 any property involved in a lawful, primary labor dispute or refuses to go through or work behind any such lawful, primary picket line, including the lawful, primary picket line of Union(s) party to this Agreement at the Company's place of business. In order to ensure the needs of customers are met, the Union agrees to notify the Employer, in writing and as soon as administratively feasible, of any primary picket line sanctioned by Teamsters Local 986, if an employee is going to refuse to cross a bona fide picket line.

## SECTION 3 – DAMAGES

The Union shall not be liable for any damages resulting from a violation of Section 1 so long as the Union did not cause or induce such work stoppage and it promptly took all reasonable steps necessary to cause the violation to cease.

## ARTICLE IV – UNION REPRESENTATIVE

### SECTION 1 – AGENT VISITATION

Authorized agents of the Union shall have access to the Company's establishment during working hours for the purpose of adjusting grievances and ascertaining that this Agreement is being adhered to. Such entry shall only be made after first notifying a Company official and complying with all local safety and security measures, including wearing of a reflective vest. Such privilege shall be exercised reasonably and with minimum interference of work.

### SECTION 2 – STEWARDS

The Company recognizes the right of the Union to designate a shop steward and alternate from the Company's seniority list. The Company need not so recognize such a steward (or alternate) unless the Company has been advised in writing by the Union within five (5) calendar days of his / her designation. A steward shall be permitted the necessary time to investigate, present and process grievances on the Company property without loss of straight-time pay during his / her regular working hours. Any time off for handling grievances must be prearranged with the steward's supervisor. Such privilege shall be exercised reasonably and time off work shall be kept to a minimum. A steward shall not give any orders or directions to employees.

## ARTICLE V – GRIEVANCE AND ARBITRATION PROCEDURE

### SECTION 1 – GRIEVANCE STEPS

A grievance is defined as any dispute or a difference between the Employer and the Union or between the Employer and employee covered by this Agreement concerning the application or interpretation of any provision of this Agreement unless such provision is expressly excepted herein. Grievances will be handled in the following manner:

FIRST STEP. The matter shall first be taken up by the steward, if any, with the employee's immediate supervisor.

SECOND STEP. Failing settlement of the grievance, the matter shall then be taken up with management by the Union business agent and steward, if any, and, if requested, the aggrieved employee. The Union may initiate a grievance at this step.

THIRD STEP. If the matter is not resolved in the above steps, it may be referable to arbitration.

## SECTION 2 – ARBITRATION

Any reasonable claim of a violation by the Company of a specific and express provision of this Agreement shall be submitted, at the request of the Union, to an arbitrator, provided each of the time limits set forth in Section 5 of this Article is complied with. If the Union and the Company are unable to mutually agree on an arbitrator, then the arbitrator shall be selected by requesting from the Federal Mediation and Conciliation Service a list of seven (7) arbitrators, and the parties shall select there from one (1) arbitrator by alternately deleting names from the list until a single name remains, the parties drawing lots to determine who shall be entitled to the first deletion. The Arbitrator shall promptly hear the matter and shall within thirty (30) days from the arbitration hearing, or the submission of post-hearing briefs, render a decision. The decision of the arbitrator shall be final and binding upon both parties and the employees, provided he shall have no authority to add to, subtract from, alter or amend this Agreement, but may only determine whether or not the Company violated the express provision of this Agreement cited in the request for arbitration and if he / she finds such violations, the appropriate remedy. In no case will the financial liability on any grievance extend beyond six (6) months from the date of the filing of the grievance. In addition, any monies received from unemployment or alternate employment will reduce the amount of any award. The fees and expenses of the arbitrator and of all mutual facilities and services shall be borne equally by the Company and the Union.

## SECTION 3 – EXPEDITED ARBITRATION

The process of expedited arbitration applies only to the timeframes as outlined below. All conditions of non-expedited arbitration are included by reference. Disputes shall be handled through expedited arbitration in the following cases: (i) discharge or discipline cases where both parties agree the matter is appropriate for expedited arbitration; (ii) alleged breaches of the Work Stoppages provisions of Article III upon request of the party asserting the breach; and (iii) in other appropriate cases by mutual agreement. The procedures for expedited arbitration shall be the procedures provided by the American Arbitration Association (hereinafter "AAA") unless otherwise agreed by the parties. However, in no event shall the parties be required in expedited arbitration to accept the AAA's appointment of a single arbitrator from its panel. If either party objects to the single arbitrator appointed, the parties shall request from the AAA a list of seven (7) arbitrators and shall select an arbitrator there from in accordance with the striking procedure outlined in Section 2. The arbitrator finally selected under such procedure shall be the first arbitrator to accept designation in reverse order of the striking. Said selection shall be

accomplished within twenty-four (24) hours after the receipt of the list by the parties. The parties shall select the arbitrator as quickly as possible, and shall schedule the arbitration within sixty (60) days of the arbitrator's selection. If, within one (1) week of selection of the arbitrator, the hearing cannot be scheduled within sixty (60) days of selection, the parties shall select a different arbitrator who must hear the case within the same sixty (60) day period. The arbitrator shall within thirty (30) days from the arbitration hearing, or the submission of post-hearing briefs, render a decision.

#### SECTION 4 – WAIVER

Any claim of a violation of this Agreement by the Company shall be waived for all purposes if not pursued as provided in this Article.

#### SECTION 5 – TIME LIMITS

A proper claim of violation of this Agreement under Section 2 shall be delivered in writing to the Company within seven (7) calendar days after the grieving employee knew, or in the exercise of reasonable diligence should have known, of the events alleged to constitute a claim of violation of this Agreement. Any request for arbitration of any such claim shall be delivered to the Company in writing either twenty (20) calendar days after the Union has received the Company's written answer concerning such claim to the Union, or sixty (60) calendar days after the grieving employee knew, or in the exercise of reasonable diligence should have known, of the events alleged to constitute the claim, whichever first occurs. Failure to comply with the time limits for presenting the written claim or failure to comply with the time limits for requesting arbitration shall constitute acceptance of the Company's position and shall bar the claim from any further proceedings whatsoever, unless mutually agreed to the contrary in writing and signed by both parties.

### ARTICLE VI – SENIORITY

#### SECTION 1 – DEFINITION

Seniority is the length of an employee's continuous service without break from date of hire or later date of rehire.

Seniority shall be broken and all employment rights lost by:

- (a) Discharge;
- (b) Quitting;
- (c) Retirement;
- (d) Two (2) days no call / no show;
- (e) Failure to be recalled after layoff within twelve (12) months from date of layoff or length of service, whichever is lesser;
- (f) Failure to report to work within three (3) working days after being notified by certified mail, mailed to the employee's last known address;

- (g) Exceeding a leave of absence (unless extended and approved in writing by the Company) after being notified by certified mail, mailed to the employee's last known address;
- (h) Failure, because of injury or illness, to perform work for the Company for twenty-four (24) months or period of time equal to employee's length of service at time of last day worked, whichever is less.

## SECTION 2 – SENIORITY LISTS

A list of employees, arranged in order of their seniority, shall be posted in a conspicuous place in the facility.

## SECTION 3 – SENIORITY RIGHTS

Seniority may be exercised as provided in this section and Section 2 of Article XIII.

### (a) LAYOFFS AND RECALLS

- (i) When the Company makes a reduction in the work force and upon rehiring, selection of employees affected shall be based on seniority, provided the retained senior employee is able to perform the available work without training. An employee (driver or warehouse person) on layoff status shall have preference over new hires for any job vacancy (warehouse person or driver) for which he / she is qualified. Regular re-employment is defined as five (5) days or more of employment at the Employer's facility. An employee so recalled to work shall report at the call of the Employer. If unreachable by phone, he will be notified by confirmed or certified letter at his last known address, copied to the Union. The employee will respond upon receipt of said letter of his acceptance or rejection of the recall, and physically report for duty within seventy-two (72) hours, exclusive of Saturday, Sunday, or holidays, from time of receipt of letter. If an employee fails to report, a confirmed or certified letter to the employee and the Union will be sent notifying the employee that he is being removed from the seniority roster. It is the employee's responsibility to keep the Company and the Union informed as to their current address and phone number, while actively employed as well as on layoff status.
- (ii) In a layoff, an employee with seniority will have the ability to bump down or laterally in order to avoid their layoff.

### (b) VACANCIES

- (i) When permanent job classification vacancies or openings occur within the bargaining unit, notice of such vacancies / openings will be posted on the bulletin board for seventy-two (72) hours, excluding Saturdays, Sundays and holidays, prior to their being filled on a regular basis in order to afford employees who desire to be considered therefore an opportunity to signify their interest for the

vacancy / opening designated. The posted bid shall indicate only one (1) classification opening and shall not be posted as a combination of two (2) classifications. That classification shall be the one in which the employee will be working a majority of his / her time. The senior employee bidding on the job shall be given first preference, unless the senior employee does not have the ability to perform the job. In selection of a working foreman, in addition to seniority, selection will be based on work history, attendance, ability to communicate and get along with fellow workers and management, etc. The Company shall have the right to make the final selection of a working foreman.

- (ii) Any employee who is absent due to illness or injury shall have the right to bid on vacancy posted but no later than 72 hours from the date the vacancy is filled.
- (iii) Any employee who is promoted or bids to any other classification and found that he / she cannot perform the new work as required, after a trial period of not over thirty (30) calendar days, shall resume their former classification without discrimination but shall be prohibited from bidding on the same classification for a period of six (6) months. An employee who is promoted or bids laterally to another classification shall have the right to return to his / her prior job within ten (10) working days, but shall be prohibited from bidding for a six (6) month period.

(c) CHANGE OF SHIFT

Choice of shift, as vacancies occur, shall be allowed on the basis of seniority and ability to perform the job.

ARTICLE VII – LEAVE OF ABSENCE

The Company may grant leaves of absence without affecting an employee's seniority. A leave of absence for in excess of two (2) weeks shall be granted only by written approval, with a copy to the Union. No leave of absence, including renewals, shall be in excess of thirty (30) calendar days without approval of the union, provided, however, neither said time limit nor the Union's prior approval shall apply to or be required in the case of a legally-mandated leave. An employee shall suffer a complete loss of seniority and employment rights if he / she engages in any gainful employment during a leave of absence without the joint approval of the Company and the Union.

ARTICLE VIII – HOURS

SECTION 1 – WORKDAY AND WEEK

Eight (8) hours shall constitute a day's work and forty (40) hours shall constitute a week's work, which shall be confined to five (5) consecutive days, Monday through Friday. Employee shall be given eight (8) hours work or pay in lieu thereof on each day an employee reports for work; provided, however, that should an employee report for work after his / her designated starting

time or leave work of his / her own volition before his / her regular quitting time, he / she shall be paid only for the actual hours worked.

#### SECTION 2 – SPECIAL DAYS

Employees called in to work on Saturdays, Sundays or the holidays specified in this Agreement shall receive not less than four (4) hours work or four (4) hours pay in lieu thereof at the appropriate hourly rate; provided, however, if the Company grants an employee's request to cease work prior to the completion of four (4) working hours, such employee shall be paid only for the time actually worked.

#### SECTION 3 - STARTING TIMES

The Company shall designate starting times, except that day shift employees' starting times shall be between 4:00 am and 11:59 am. The Company shall give five (5) day's notice before changing the regular starting time of any employee.

#### SECTION 4 – MEAL / REST PERIODS

The Company shall provide meal and rest periods in accordance with California state law which presently provides, in pertinent part, as follows. The only exception to the below-referenced IWC order is in Section 12: Rest Periods, which shall be fifteen (15) minutes rest time per four (4) hours or major fraction thereof:

*Excerpt from California Industrial Welfare commission Order No. 7-2001 Regulating Wages, Hours and Working Conditions in the Mercantile Industry.*

*Effective January 1, 2001 as amended, effective January 1, 2007 and posted at all Company facilities.*

##### Section 11. Meal Periods

- a) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee.
- b) An employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than 30 minutes, except if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.
- c) Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. An "on duty" meal period shall be permitted only when the nature of the work prevents an

employee from being relieved of all duty and when by written agreement between the parties an on-the-job paid meal period is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time.

- d) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided.
- e) In all places of employment where employees are required to eat on the premises, a suitable place for that purpose shall be designated.

#### Section 12. Rest Periods

- a) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3½) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.
- b) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided.

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#### SECTION 5 – NIGHT SHIFTS

Starting time for “swing” shift shall be between noon and 8:59 p.m., and a premium of thirty (30) cents per hour will be paid to employees assigned “swing” shift. Starting times for “graveyard” shift shall be after 9:00 p.m., and a thirty-seven (37) cents per hour premium will be paid to employees assigned to “graveyard” shift. Employees working on a graveyard shift (starting on or after 9:00 p.m.) may be started either Sunday or Monday. For the purposes of this Article and Article X, and for an employee assigned to a night shift, “Monday through Friday” shall mean the first five (5) regularly scheduled workdays in the workweek. “Saturday” shall mean the sixth (6<sup>th</sup>) workday in the workweek, and “Sunday” shall mean the seventh (7<sup>th</sup>) workday in the workweek.

#### SECTION 6 – OVERTIME

When overtime work is available, preference shall be given to employees in the warehouse on warehouse occupations and to drivers for driver occupations. Overtime work shall be distributed

as equally and as reasonably practical among the employees who normally perform the job. An employee who has less than one (1) hour's notice may refuse to work overtime if there are sufficient qualified, less senior employees in the classification available on the premises to complete the work in the required time. Failure to work overtime shall be counted as overtime worked for purposes of attempted equalization. Overtime records shall be kept reasonably current and shall be available for inspection by the Union at reasonable times.

The Company may request employees to work inventory pre-listing and regular inventory outside of their regular shifts. Notice shall be given two weeks in advance. Employees will not lose their shift pay but will not receive time and one-half unless it is the 6<sup>th</sup> day worked.

## ARTICLE IX - WAGES

### SECTION 1 – RATES OF PAY

Subject to starter rates provided below, the straight-time hourly rates of pay effective for the periods of time indicated are set forth according to the job classification on the Employees in the wage schedule following:

<b>Classifications</b>	<b>Current</b>	<b>11/1/16</b>	<b>11/1/17</b>	<b>11/1/18</b>	<b>11/1/19</b>
Warehouse / Forklift Driver	\$ 22.35	\$ 22.80	\$ 23.38	\$ 23.85	\$ 24.33
Receiving	\$ 22.41	\$ 22.86	\$ 23.44	\$ 23.91	\$ 24.39
Assistant Shipping Clerk	\$ 22.41	\$ 22.86	\$ 23.44	\$ 23.91	\$ 24.39
Working Foreperson	\$ 22.71	\$ 23.16	\$ 23.74	\$ 24.22	\$ 24.70
Head Shipping Clerk	\$ 22.77	\$ 23.23	\$ 23.81	\$ 24.29	\$ 24.78
Cutter – Trimmer	\$ 22.86	\$ 23.32	\$ 23.91	\$ 24.39	\$ 24.88
Bobtail with Lift Gate	\$ 23.07	\$ 23.53	\$ 24.12	\$ 24.60	\$ 25.09
4 Axles or More & Semis	\$ 23.31	\$ 23.78	\$ 24.38	\$ 24.87	\$ 25.37
Yard Hostler	\$ 23.31	\$ 23.78	\$ 24.38	\$ 24.87	\$ 25.37

The Company will make a one-time lump sum payment of \$750 to each active employee, following ratification and as soon as administratively feasible.

The Employer may pay newly hired employees the following starter rates: during the first ninety (90) days of employment – seventy-five percent (75%) of the new hire's classification rate; during the second ninety (90) days of employment - eighty-five percent (85%) of the new hire's classification rate.

The individual in the Yard Hostler position shall hold a current and valid Class A license and be subject to compliance with DOT regulations. They must satisfy DOT medical and drug testing requirements. As and when it deems necessary, the Company may elect to use the Yard Hostler as a truck driver. Qualified employees may bid on the position in accordance with Article VI, Section 3 (b).

## SECTION 2 – CHANGE IN CLASSIFICATION

An employee shall be paid the rate of pay for the work classification to which he / she is assigned. Should an employee be assigned to a higher work classification on any workday for one (1) hour or more, he / she shall be paid the rate of pay for the higher classification for all work performed that day.

## SECTION 3 – SPECIAL RATES

Employees of the Company whose earning capacity is limited because of physical handicap or medical condition may be employed where practical, on light work at a wage suitable to the Company and the Union and in accordance with applicable federal and state laws and regulations.

## SECTION 4 – PAYDAY

The Company maintains a biweekly payroll (every two weeks), with pay periods ending with Sunday and paydays on Friday, and makes payment in the form of direct deposit. The Union will encourage employees to sign up for direct deposit.

## SECTION 5 – NEW CLASSIFICATIONS

In the event the Company establishes a new classification, the Company shall notify the Union thereof. After work has been performed therein for thirty (30) calendar days, and if the Union then claims that the wage rate in effect therefore does not bear a reasonable relationship to other rates in the wage schedule, such claim may be made the subject of a grievance. Any revision of such wage rate shall be retroactive to the date the new classification was established.

## SECTION 6 – NOTES FOR JOB CLASSIFICATIONS

1. The Warehouseman / Forklift Driver rate is effective for all employees when using fork or squeeze-type machinery capable of high-stacking operations. The Warehouseman / Forklift Driver rate is effective for all employees operating electric jacks not capable of high-stacking operations when so using.
2. The Company may, at its option, establish the combination job classification of “Relief Driver” per the bid procedure. A Relief Driver’s hourly rate shall be the appropriate driving rate when actually driving and the appropriate normal classification rate otherwise.

## ARTICLE X – OVERTIME PAY

### SECTION 1 – IN GENERAL

Time and one-half (1½) the regular rate shall be paid for all work performed:

- a. In excess of forty (40) hours in any one (1) week.

- b. On the holidays specified in this Agreement (in addition to the pay, if any, required under Article XI).

The time that an employee does not actually work but for which the employee is compensated by way of holiday pay, vacation pay or jury pay or paid funeral leave shall be considered time worked for the purpose of calculating the forty (40) hours in any one week within the meaning of paragraph (a) and needed to qualify for time and one-half. All other time not worked shall not be considered time worked for the purpose of calculating the forty (40) hours in any one week within the meaning of paragraph (a) and need to qualify for time and one-half.

#### SECTION 2 – DOUBLE TIME

Two times (2x) the regular rate shall be paid for all work performed:

- a. Over twelve (12) hours in any one (1) day.
- b. On Sundays (with exception of graveyard shift who normally start Sunday evening).

#### SECTION 3 – “DAY”

For purposes of overtime / double time pay, the employee’s day shall be deemed to have started when he / she began to work.

### ARTICLE XI - HOLIDAYS

#### SECTION 1 – HOLIDAYS OBSERVED

The following shall be considered holidays:

New Year’s Day	Memorial Day
Fourth of July	Labor Day
Thanksgiving Day	Friday after Thanksgiving
The day before Christmas	Christmas Day
The day before New Year’s Day	

And during each calendar year, each employee will now have three (3) floating holidays which may be taken on a date mutually agreed upon by the Company and the affected employee, such agreement to be finalized at least two (2) full calendar weeks in advance of the date agreed upon.

Effective January 1, 2018, the New Year’s Eve holiday will be removed from the list of holidays, in exchange for a base rate increase of \$0.12 per hour effective November 1, 2017 (included in the total rates listed in the wage table in Article IX). In the event any of such full holidays fall on a Saturday or Sunday, the Company shall designate the observance of the holiday, whether it will be a Friday or Monday. The Company may designate the last Monday in May as the day for observing Memorial Day, if so observed generally. If Christmas and New Year’s are observed hereunder on Monday, the holiday before each shall be observed on the proceeding Friday. If Christmas and New Year’s are observed hereunder on Friday, the holiday before each shall be

observed on the proceeding Thursday. Management reserves the right, prior to January 15 of each calendar year, to adjust the holiday schedule for New Year's Day, Independence Day, Christmas Eve, and Christmas Day, as needed to meet customer needs. This adjustment to the holiday schedule could include the movement of a stated holiday to a floating holiday day, and / or the movement of a floating holiday day to a stated holiday.

## SECTION 2 – PAY AND ELIGIBILITY

There shall be no deduction of the regular straight-time pay, including shift premium, if applicable, of any eligible employee not working on any of such holidays. An employee to be eligible for such holiday pay must have been in the employ of the Company ninety (90) calendar days prior to the holiday and must have worked on the regular workday preceding and following the holiday unless excused by the Company. An employee that works on any Holiday specified in this agreement, will receive time and one-half for all hours worked in addition to their normal Holiday allowance.

## ARTICLE XII – INDUSTRIAL ACCIDENT PAY

Any employee sustaining injuries which are compensable under the Workers' Compensation Act but which do not prevent him / her from performing his / her usual duties, but which requires that he / she visit the office of physicians during working hours for the purpose of obtaining further treatment, shall suffer no loss of straight time wages because of such visits. Any employee sustaining injuries which are compensable under the Workers' Compensation Act which prevent him / her from performing all work available to him / her at the Company's place of business shall suffer no loss of straight-time wages for the balance of the day on which he / she was injured.

## ARTICLE XIII - VACATIONS

### SECTION 1 – VACATION ALLOWANCE

Employees shall be entitled to annual vacations as follows:

- a. After one (1) year's continuous service, two (2) weeks vacation with eighty (80) hours straight time pay.
- b. After five (5) year's continuous service, three (3) weeks vacation with one hundred twenty (120) hours straight time pay.
- c. After twelve (12) year's continuous service, four (4) weeks vacation with one hundred sixty (160) hours straight time pay.
- d. After eighteen (18) year's continuous service, five (5) weeks vacation with two hundred (200) hours straight time pay.

A year's continuous service means the twelve (12) months preceding the anniversary of the employee's date of hire during which the employee worked or was paid a minimum of fifteen hundred (1500) hours. If the employee had less than fifteen hundred hours during such twelve (12) months, he / she shall be allowed one twelfth (1/12) of the specified vacation pay for each

one hundred twenty-five (125) hours worked or paid during such period. An employee who has completed a year's continuous service shall have his / her vacation pay computed on the basis of one fifty-second (1/52) of his / her prior calendar year earnings as shown on his / her prior W-2 tax form to a maximum of 20% over the employee's current base rate, for each week of vacation to which he / she is entitled under this Section if such amount is greater than the amount to which he / she would be entitled under subsections (a), (b), (c), or (d). Pay hereunder shall include an employee's shift premium if on his / her last day of work prior to his / her vacation if he / she was permanently assigned a shift, which carried a shift premium. Employees eligible for five (5) weeks of vacation based on years of service will be permitted to cash out one (1) week of vacation. The employee must give three (3) week's notice that they wish to cash out the one (1) week of vacation. The pay will be on the next regular paycheck.

## SECTION 2 – SCHEDULING

Vacations shall be computed from anniversary date of employment, and the actual date of vacation, within the twelve (12) months following eligibility, shall be determined by the Company; provided, however, where choice of vacation is available, the most senior employee in the classification shall have preference provided the employee's requested time is submitted in writing by December 15. When a holiday falls in the vacation period, either an extra day off with pay or a day's pay will be granted. The Company, in its sole individual discretion, may establish a program and procedure whereby individual employees may, upon mutual agreement with the Company elect to receive pay in lieu of time off for vacation time due in excess of two (2) weeks.

## SECTION 3 – TERMINATION

In case of termination of employment after one (1) year's service, the employee shall be paid for vacation earned, prorated on the basis of one-twelfth (1/12) of his / her prior vacation allowance for each month or major fraction thereof worked since the last anniversary of the date of employment.

## SECTION 4 – DAY AT A TIME VACATION

Employees may take one week (5 days) of vacation one day at a time. For requests submitted by December 15<sup>th</sup>, employees shall schedule their first day by seniority order starting with the most senior employee. Once everyone has had the opportunity to schedule his or her first day, the second day will be done in this order followed by the remaining days. If employees choose not to schedule their vacation by December 15<sup>th</sup>, it will be granted on a first come, first serve basis subject to the requirements of the labor agreement.

## ARTICLE XIV – FUNERAL LEAVE

In case of death in an employee's immediate family, the Company shall allow such employee up to three (3) days off from work with straight-time pay for the purpose of making funeral arrangements and attending services for the deceased. Immediate family member is defined as spouse, domestic partner\*, children, parents, siblings, in-laws, grandparents, grandchildren; this

definition applies to both blood relatives and relatives by marriage or adoption. \*Includes domestic partner's equivalent relatives as listed above. This Article applies only to employees with a minimum of one (1) year's continuous service.

#### ARTICLE XV – JURY PAY

Any employee with ninety (90) or more days continuous service with the Company who loses time from work solely because of engaging in jury duty (including time spent for jury examination) will be paid his / her straight-time pay for each such day, for a maximum of ten (10) days in any calendar year. Upon the employee's return from serving on jury duty, he / she is required to provide a dated certificate of jury duty indicating the number of days served, and signed by an officer of the court.

To be entitled to this benefit, the employee must report to the Company for work on each day (other than a holiday designated in this Agreement) when he / she is released from jury duty, except when he / she is released after lunch. Employees normally scheduled on a night shift when selected for jury duty shall automatically be changed to the day shift for the term of such service.

Any employee who loses time from work solely because he / she is subpoenaed by the Company to appear in any legal action shall be compensated at his / her regular straight-time hourly rate for time actually lost from work up to eight (8) hours per day.

#### ARTICLE XVI – MILITARY RESERVE LEAVE PAY

Employees on reserve duty will be paid the difference between military and regular rates of pay for two weeks a year, based on forty (40) hour rate of pay. Written verification of military hours and total paid by military institution will be required before the Company pays the difference.

#### ARTICLE XVII – HEALTH AND WELFARE – PLAN A1 COMPOSITE

##### SECTION 1 – PAYMENTS

Effective November 1, 2016, the Company shall continue to pay into the trust fund established for the purpose of administration of certain welfare, prescription and vision benefits and known as the Teamsters Miscellaneous Security Trust Fund "Plan A-1," Composite, hereinafter referred to as the "Trust Fund," for each full time employee who has worked at least one (1) day or more during the month, preceding the month for which a contribution is due as defined in the Trust Agreement, establishing said Trust Fund, the sum of One Thousand Three Hundred Forty-One Dollars (\$1,341.00) per month. The Company will also continue to pay into the Trust Fund for Standard LDP-100 Liberty Dental Composite benefits the sum of Sixty-Five Dollars (\$65.00) per month.

The initial payment for each new employee shall be made on the first (1<sup>st</sup>) day of the month following completion of thirty (30) calendar days of employment with the Company, and the Company shall thereafter continue to pay the monthly contribution for each employee who has

worked at least one (1) day or more during the calendar month. If an employee is absent because of layoff, illness or off-the-job injury and notifies the Company of such absence, the Company shall continue to pay the required contributions for a period of one (1) month after contribution for active employment ceases. If an employee is injured on the job, the Company shall continue to pay the required contributions until such employee returns to work; however, such contributions shall not be paid for a period of more than twelve (12) months beginning with the first (1<sup>st</sup>) month after contribution for active employment ceases.

The parties hereto recognize that because of circumstances beyond their control, contributions for the Teamsters Miscellaneous Security Trust Fund's Plan A-1 Composite as provided herein may change from time to time; inasmuch as it is the intention of the parties that the benefits provided for employees and their dependents shall be maintained throughout the term of the Agreement, to be an amount determined by the Board of Trustees deemed necessary to maintain the aforementioned Plan benefits.

The employee portion of the cost of these benefits shall be borne by the employee via payroll deductions.

- Effective November 1, 2016, the Company will contribute 90% of the total cost, and the Employee will contribute 10% of the total cost.
- Effective November 1, 2017, the Company will contribute 90% of the total cost, and the Employee will contribute 10% of the total cost.
- Effective November 1, 2018, the Company will contribute 88% of the total cost, and the Employee will contribute 12% of the total cost.
- Effective November 1, 2019, the Company will contribute 85% of the total cost, and the Employee will contribute 15% of the total cost.

## ARTICLE XVIII – PENSIONS

### SECTION 1 – REGULAR CONTRIBUTION RATES

Effective November 1, 2016, the Employer shall continue to pay into the Western Conference of Teamsters Pension Trust on account of each member of the bargaining unit for each straight time hour for which compensation was paid to a maximum of 2080 hours per calendar year. The hourly contribution rate shall be \$2.13 per compensable hour, which includes \$0.13 for the Program for Enhanced Early Retirement (PEER / 84).

The contributions required to provide the Program for Enhanced Early Retirement (PEER) will not be taken into consideration for benefit accrual purposes under the Plan. The additional contributions for PEER 84 are and will continue to be 6.5% of the basic contribution and cannot be decreased or discontinued.

### SECTION 2 – STARTER CONTRIBUTION RATES

For temporary agency personnel or probationary employees hired or utilized for the first time on or after December 10, 2007, the employer shall pay an hourly contribution rate of \$0.10

(including PEER / 84) during the initial period of utilization, but in no case for a period longer than 90 calendar days from an employee's first date of hire (into the bargaining unit) or utilization in the performance of bargaining unit work. Contributions shall be made on the same basis as set forth in Article XVIII, Section 1 of the agreement. After the expiration of the initial period of utilization, or an equivalent period if an individual is utilized as a temporary employee, but in no event longer than 90 calendar days from an employee's first date of hire (into the bargaining unit) or first date of utilization as a temporary employee, the contribution shall be increased to the full contractual rate stated in Article XVIII, Section 1. In no event shall this period be longer than the probationary period provided in Article I, Section 3.

### SECTION 3 – REMITTANCE

The total due for each calendar month shall be remitted in a lump sum not later than the twentieth (20<sup>th</sup>) day of the following month. The Company agrees to abide by such rules as may be established by the Trustees of said Trust Fund to facilitate the prompt and orderly collection of such amounts and the accurate reporting and recording of such amounts paid on account of the employees. Failure to make the payments herein provided within the time specified shall be a breach of this agreement.

### SECTION 4 – TAX APPROVAL

Payments under this Article shall be required only so long as the same are tax deductible and comply with Section 302 of the Taft-Hartley Act.

## ARTICLE XIX – SICK LEAVE PAY

### SECTION 1 – ELIGIBILITY

Effective January 1, 2017:

- a. Each employee with at least ninety (90) calendar days of continuous service on his first (1<sup>st</sup>) day of active work after January 1 of each year, will be eligible for three (3) days (twenty-four (24) hours) sick leave pay in that calendar year.
- b. Newly hired employees will be awarded twenty-four (24) hours of sick leave pay upon completion of ninety (90) calendar days of employment.

### SECTION 2 – PAYMENT

Sick leave shall be payable for each days' loss of straight time work because of illness or accident (including occupational illness or occupational injury). Any unused sick days shall be paid out at the end of the calendar year.

Employees may use sick leave pay in whole or partial day increments where time off is needed for their own illness or for the illness of any family member or related person covered under the California Healthy Workplaces, Healthy Families Act of 2014 ("covered person"). The employee must provide advance notice of such need for sick leave pay due to illness where foreseeable, but

if not foreseeable shall not be required to provide advance notice of need to use sick leave pay for illness of the employee or a covered person.

## ARTICLE XX – MISCELLANEOUS

### SECTION 1 – EQUAL EMPLOYMENT OPPORTUNITY

The Company and the Union shall cooperate in implementing the policies of applicable federal and state laws and regulations prohibiting discrimination for or against any employee with respect to race, ethnicity, color, creed, religion, sex, sexual orientation, gender identity or expression, genetic information, age, national origin, ancestry, physical handicap, mental deficiency, medical condition, marital status, or any other classification protected by law. Similarly, these considerations will be applied to Vietnam era veterans. The Company and the Union also agree to take whatever action is necessary to comply with the Americans with Disabilities Act and will comply with the Family and Medical Leave Act.

### SECTION 2 – SUCCESSORS

The Company shall give notice of the existence of this agreement to any purchaser, transferee, lessee or assignee of the operations covered by this Agreement or any part thereof. Such notice shall be in writing, with a copy to the Union, at the time the Company executes a contract with the purchaser, transferee, lessee or assignee.

### SECTION 3 – TRUCKS

The Company assumes all responsibility for overloaded trucks. A driver shall not be required to operate overloaded or unsafe equipment. For those trucks which are dispatched with a hand truck or dolly, the employee bears the responsibility and cost of replacing a lost hand truck or dolly if the Company has provided a carbon hardened steel or proof chain and lock sufficient to lock the hand truck or dolly. The Company will reimburse commercial drivers for the cost associated with the Hazmat endorsement, but the employee will remain responsible for all other costs related to the CDL and related fingerprinting.

If the Company chooses not to provide such chain and lock, it must bear the responsibility and cost for replacing lost hand trucks or dollies. When on a particular stop, a driver is required to hand carry twenty-six (26) or more cartons which each weigh one hundred fifty-one (151) pounds or more from the truck to the designated place of delivery, the driver may complain to his supervisor upon his return to the Company. The supervisor shall promptly investigate such complaint and shall determine whether or not the circumstances of the stop in question actually required the driver to hand carry such cartons from the truck to the place of delivery. If the supervisor determines that such hand carrying was actually required, then he / she shall select an alternative way to handle the same stop, if it occurs in the future, from the following list:

- a. Change the place of delivery;
- b. Obtain assistance for the driver from the customer's personnel;

- c. Change the mechanical equipment on the truck by providing a hand truck, dolly or other equipment so that hand carrying can be avoided;
- d. Obtain assistance for the driver from the Company's personnel; or
- e. Any other solution agreeable to the Driver or the Union and the Company.

#### SECTION 4 – WAIVERS

The waiver of any breach of, or any term or condition in this Agreement by either party, shall not constitute a precedent for the future waiver of any breach, or such term or condition, or deprive such party of the full benefit of any such term or condition.

#### ARTICLE XXI – SCOPE OF AGREEMENT AND BARGAINING DURING TERM

This agreement and the side letter(s) attached hereto and dated and executed at the same time that the Parties execute this Agreement constitutes the sole and entire Agreement between the parties as of its date of signing. In the event the parties make supplemental agreement(s) during the term of the contract, such agreement(s) shall be reduced to writing and signed by appropriate management and Union representatives. There need be no bargaining during the term of this Agreement and each party waives any such obligation with the other.

#### ARTICLE XXII – WORK PROTECTION

- a. Supervisory personnel will not perform work normally done by employees covered by this Agreement except in cases of emergency, in the course of training and instructing employees, and to protect the safety of employees and equipment.
- b. The Company shall have the right to utilize temporary workers to replace absent employees. The number of temporary workers used on any one (1) day may not exceed the number of absent employees, to a maximum of eight (8) such workers.

Temporary workers shall be the employee of Temporary Agency and considered Outside Labor workers and shall be paid directly by the said Temporary Agency at the contract rate for new employees. The Company agrees not to utilize more than eight (8) such workers at any one time. If the employment of any Outside Labor workers exceeds ninety (90) working days in a six (6) month period, then employment shall automatically be converted to permanent status back to the starting date, provided they pass a drug screen and background investigation. Upon hire of said Outside Labor Worker, benefits will be effective after the ninety (90) working days except for pension contributions which must be paid from the first hour worked at a rate of ten cents (\$0.10) per hour during their first ninety (90) days.

Except as specifically provided herein this Section (b), a temporary worker shall not be covered by Article II, Section 2 and Section 3 (b), V, VI, VII, IX, XII, XIII, XIV, XV, XVI, XVII, and XIX of the labor agreement.

### ARTICLE XXIII – ALCOHOL & DRUG TESTING

The Company is committed to providing a safe workplace for all employees. It is in the interest of the employees, the Company, the Union and the community that the Company facilities remain free from employees reporting to work or working under the influence of illegal drugs, controlled substances or alcohol. Acknowledging the need for action, the following alcohol and drug-testing program will apply:

1. In the event the Company has reasonable cause to believe that an employee is under the influence of alcohol or a controlled substances, the Company may request that the employee submit to an alcohol (breath and / or blood) and / or drug screen test at the Company's expense. If the employee refuses to take the test or, having taken the test registers a positive finding the employee shall be subject to immediate discharge.
2. The above tests shall be administered at an approved facility. The sample shall be put in a sealed container to be signed by the employee. This sample shall then be sent to the approved facility to be tested. The results of the test shall be kept confidential.
3. In the event the Company requests that an employee submit to breath, blood and / or urine tests (or other medically recognized tests for detecting alcohol or controlled substance use) and the employee chooses not to submit to such test or tests, then reasonable cause shall automatically exist to believe that the employee was under the influence and just cause shall exist for immediate discharge.
4. If an employee submits to a test and the test results do not indicate drug abuse or that the employee was under the influence of alcohol, the employee shall receive no discipline under this provision.
5. The Company shall pay the costs of all drug and alcohol tests.
6. Causing or contributing to an industrial accident requiring professional medical attention or resulting in significant property damage is considered cause to invoke this article.

The Union acknowledges their receipt of the Company's Substance Abuse Prevention Policy, dated July 1, 2016, for all company employees at the Veritiv facility. The parties have the right to submit the policy, as well as any discipline imposed under the policy, to the grievance procedure at the time discipline is imposed.

All employees subject to DOT jurisdiction / regulation shall comply with DOT rules and regulations to the fullest extent required by law and with related Company policies to the fullest extent allowed by law. In the event that there is a conflict between DOT rules and regulations and Company policies, DOT rules and regulations shall prevail.

### ARTICLE XXIV – PERIOD OF AGREEMENT

This Agreement shall be in full force and effect from November 1, 2016 to and including October 31, 2020, and shall continue from year to year thereafter unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other at least sixty (60) calendar days prior to the date of expiration, or sixty (60) calendar days prior to any anniversary date.

In the event of an inadvertent failure by either party to give notice set forth in the first paragraph of this Article, such party may give such notice at any time prior to the termination or automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this paragraph, the expiration date of this Agreement shall be the sixty-first (61<sup>st</sup>) calendar day following such notice.

If the parties have not reached an agreement on or before the expiration date, all provisions of this Agreement shall remain in effect, unless specifically terminated in accordance with the provision "Article XXV – Termination of Agreement."

ARTICLE XXV – TERMINATION OF AGREEMENT

At any time after the expiration date, if no agreement on a new or modified contract has been reached, either party may give written notice to the other party of the intent to terminate the Agreement in not less than ten (10) working days.

All the provisions of the Agreement shall remain in full force and effect until the specified time has elapsed. During the period, attempts to reach an agreement may be continued and there shall be no strikes or lockout.

GENERAL TEAMSTERS, AIRLINE,  
AEROSPACE AND ALLIED EMPLOYEES,  
WAREHOUSEMEN, DRIVERS,  
CONSTRUCTION, ROCK AND SAND,  
LOCAL 986

Veritiv – COMMERCE

Signed this date: 3-22-17

By Kevin Harren  
Kevin Harren  
Business Agent

By Elizabeth Richman  
Elizabeth Richman  
Veritiv Corporation

By Merly Garcia  
Merly Garcia  
Territory HR Business Partner

By Shane Rohde  
Shane Rohde  
Logistics Manager