

LABOR AGREEMENT

between

Veritiv - DOWNEY

and

**GENERAL TEAMSTERS, AIRLINE, AEROSPACE AND ALLIED EMPLOYEES,
WAREHOUSEMEN, DRIVERS, CONSTRUCTION, ROCK AND SAND, LOCAL 986, an
affiliate of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS**

**November 1, 2019 to
October 31, 2023**

Table of Contents

ARTICLE 1 - UNION SHOP 1

 Section 1. Union Membership..... 1

 Section 2. Hiring and Notice. 1

 Section 3. Dues Deductions..... 1

 Section 4. Terminations..... 1

 Section 5. D.R.I.V.E..... 1

ARTICLE 2 - WORK ASSIGNMENTS AND DISCHARGES 2

 Section 1. Assignments..... 2

 Section 2. Discharges. 2

 Section 3. Rules and Warning Notices. 2

ARTICLE 3 - WORK STOPPAGES..... 3

 Section 1. Prohibition. 3

 Section 2. Exception..... 3

 Section 3. Damages. 3

ARTICLE 4 - UNION REPRESENTATIVES..... 3

 Section 1. Agent Visitation..... 3

 Section 2. Stewards..... 3

ARTICLE 5 - GRIEVANCE AND ARBITRATION PROCEDURE..... 4

 Section 1. Grievance Steps. 4

 Section 2. Arbitration. 4

 Section 3. Expedited Arbitration. 5

 Section 4. Waiver. 5

 Section 5. Time Limits. 5

ARTICLE 6 - SENIORITY 5

 Section 1. Definition..... 5

 Section 2. Seniority Lists..... 6

 Section 3. Seniority Rights. 6

 Section 4. Annual Bids. 7

ARTICLE 7 - LEAVE OF ABSENCE..... 7

ARTICLE 8 - HOURS..... 7

 Section 1. Workday and Week. 7

 Section 2. Special Days. 8

 Section 3. Starting Times..... 8

| | |
|--|----|
| Section 4. Break Periods..... | 8 |
| Section 5. Night Shifts..... | 8 |
| Section 6. Overtime..... | 9 |
| ARTICLE 9 - WAGES..... | 10 |
| Section 1. Basic Rates..... | 10 |
| Section 2. Change in Classification..... | 10 |
| Section 3. Special Rates..... | 10 |
| Section 4. Paydays..... | 10 |
| Section 5. New Classifications..... | 11 |
| ARTICLE 11 - HOLIDAYS..... | 11 |
| Section 1. Holidays Observed..... | 11 |
| Section 2. Pay and Eligibility..... | 11 |
| ARTICLE 12 - SICK LEAVE PAY..... | 12 |
| Section 1. Eligibility..... | 12 |
| Section 2. Payment..... | 12 |
| ARTICLE 13 - INDUSTRIAL ACCIDENT PAY..... | 12 |
| ARTICLE 14 - VACATIONS..... | 12 |
| Section 1. Vacation Allowance..... | 12 |
| Section 2. Scheduling..... | 13 |
| Section 3. Terminations..... | 14 |
| Section 4. Daily Scheduling..... | 14 |
| ARTICLE 15 - FUNERAL LEAVE..... | 14 |
| ARTICLE 16 - JURY PAY..... | 15 |
| ARTICLE 17 - MEDICAL AND VISION BENEFIT PLANS, DENTAL AND PRESCRIPTION DRUG BENEFIT PLANS..... | 15 |
| Section 1. Payments..... | 15 |
| Section 2. Purpose..... | 16 |
| Section 3. Definition of "Regular Employee"..... | 16 |
| ARTICLE 18 - PENSIONS..... | 16 |
| Section 1. Amount of Contribution..... | 16 |
| Section 2. Remittance..... | 17 |
| Section 3. Tax Approval..... | 17 |
| Section 4. Enhanced Early Retirement (Peer)..... | 17 |
| ARTICLE 19 - COMPANY 401K PLAN..... | 17 |
| ARTICLE 20 - SAFETY..... | 17 |

ARTICLE 21 - DRUG ABUSE..... 18

ARTICLE 22 - MISCELLANEOUS 18

 Section 1. Equal Employment Opportunity..... 18

 Section 2. Successors..... 18

 Section 3. Trucks..... 18

 Section 4. Waivers..... 19

 Section 5. Work Production..... 19

 Section 6. Cooperation..... 19

 Section 7. Scheduling Errors..... 19

 Section 8. Surveillance..... 19

 Section 9. Subcontracting..... 19

 Section 10. Kitting..... 20

 Section 11. Pallet Return Program..... 20

 Section 12. Drivers..... 20

ARTICLE 23 - BARGAINING DURING TERM 20

ARTICLE 24 - SOLE AGREEMENT..... 20

ARTICLE 25 - PERIOD OF AGREEMENT 21

ARTICLE 26 - PART-TIME AGREEMENT 21

ARTICLE 27 - TERMINATION OF AGREEMENT..... 23

Warehouse to Driver Transfer Qualifications..... 25

APPENDIX..... 26

**2019 – 2023
LABOR AGREEMENT**

THIS AGREEMENT is entered into this 1st day of November, 2019, by and between **Veritiv Operating Company - DOWNEY** (hereinafter referred to as the "Company"), and **GENERAL TEAMSTERS, AIRLINE, AEROSPACE AND ALLIED EMPLOYEES, WAREHOUSEMEN, DRIVERS, CONSTRUCTION, ROCK AND SAND, LOCAL 986**, chartered by the International Brotherhood of Teamsters (hereinafter referred to as the "Union").

ARTICLE 1 - UNION SHOP

Section 1. Union Membership. All employees covered by Wage Schedule Article 9 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 2. Hiring and Notice. The Company shall notify the Union in writing within ten (10) calendar days of the name of any employee hired, discharged or laid off.

Section 3. Dues Deductions. The Company shall deduct uniform periodic dues and initiation fees from the first and second paycheck every month from each employee who is a member of the Union and who is actively employed in the bargaining unit by the Company and who has given the Company a voluntary written assignment and authorization hereafter executed by him on an agreed form. The payment will be remitted to the Union at the end of the month. 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 4. Terminations. 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 delinquency.

Section 5. 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 Employer's actual cost for the expenses incurred in administering the payroll deduction plan.

ARTICLE 2 - WORK ASSIGNMENTS AND DISCHARGES

Section 1. Assignments. The Company will honor the classification and the sub-task at the start of each shift. The Company shall have the right to assign employees subject to this Agreement to any work covered by it they are capable of safely performing.

The Company shall have the right to assign employees subject to this Agreement to any work covered by it they are capable of safely performing for purposes of completing a shift, vacation relief, covering absences, fill-in work or temporary fluctuations in work load periods.

The above language supersedes 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 wage rate as a result of the implementation of this provision.

It is the company's intent to honor the current bid seniority system of its employees. If work becomes available for a displaced employee's bid position that has a duration of one (1) hour or more, the displaced employee will return to his/her said position.

When a driver's bid which will consist of start time and general geographic area is eliminated, after sixty (60) calendar days, all driving bids shall be re-bid. Those that shall be qualified to participate in the re-bid process include only current drivers in existing bids.

Any start time changes from one shift (as defined in Article 8 Hours, Section 5) to another will require a warehouse re-bid not later than thirty (30) calendar days. Those that shall be qualified to participate in the re-bid process include only current warehouse employees in existing bids. This does not pertain to the annual bid process or during a layoff situation.

Section 2. Discharges. The Company shall be free to discipline or discharge any employee, except that no employee shall be discharged to avoid his being classified as a regular employee and no regular employee (that is, one with ninety (90) calendar days with the Company) shall be disciplined or discharged without good cause. If a regular employee so requests, he 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 5.

(b) WARNING NOTICES. Except for offenses serious enough to warrant immediate discharge or suspension, no employee shall be terminated without having two (2) written warnings within a three hundred sixty-five (365) day period. In cases where an employee is suspended the next step for the same occurrence may be termination. 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 3 - WORK STOPPAGES

Section 1. Prohibition. There shall be no 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 no employee shall be subject to discharge or discipline for refusing to pass through or enter upon the premises of any other employer when such premises are being picketed in a lawful, primary dispute recognized by the Joint Council of Teamsters No. 42, including such a lawful, primary picket line of the Union. In order to ensure the needs of customers are met, the Union agrees to notify the Employer, in writing or electronically (email, text, etc.) 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 promptly took all reasonable steps necessary to cause the violation to cease.

ARTICLE 4 - UNION REPRESENTATIVES

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 access shall be exercised reasonably and with minimum interference with work. The agent of the Union will be escorted by the Union shop steward, or in his absence, a member of the local Union.

Section 2. Stewards. The Company recognizes the right of the Union to designate job stewards and alternates from the Company's seniority list. The Company need not so recognize such a steward (or his alternate) unless the Company has been advised in writing by the Union within

five (5) calendar days of his 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 regular working hours. 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 5 - 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 provisions 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) calendar days from the arbitration hearing, or the submission of post-hearing briefs, render a decision. If, within one (1) week of selection of the arbitrator, the hearing cannot be scheduled within ninety (90) calendar days of selection, the parties will contact the last arbitrator removed from the list, and check for availability within the same ninety (90) day period. 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 the arbitrator is selected. In addition, any monies received from unemployment or alternate employment will reduce the amount of any award. In the case of an extenuating circumstance, the parties can mutually agree to extend the six (6) months of financial liability by an additional sixty (60) calendar days. 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 3 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) calendar days of the arbitrator's selection. If, within one (1) week of selection of the arbitrator, the hearing cannot be scheduled within sixty (60) calendar 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) calendar 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 6 - 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, unless circumstances make it impossible for the employee to notify the Company.
- (e) Absence beyond approved leave of absence.
- (f) Failure to return when recalled
- (g) Failure, because of layoff or any other reason, to perform any work for the Company for twelve (12) months (twenty-four (24) months for personal medical leave or industrial injury) or a period equal to the employee's seniority at the time he/she last did work for the Company, whichever period is shorter.

Section 2. Seniority Lists. A list of employees, arranged in order of their seniority, shall be posted in a conspicuous place in the warehouse.

Section 3. Seniority Rights. Seniority may be exercised as provided in this Section and Section 2 of Article 14.

- (a) **LAYOFFS AND RECALL.** 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 warehouseman) on layoff status shall have preference over new hires for any job vacancy (warehouseman or driver) for which the employee 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 employee that he is being removed from the seniority roster.

It is the employee's responsibility to keep the Company informed as to their current address and phone number, while actively employed as well as on layoff status.

(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 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.

(ii) In case an employee has been promoted or bids laterally to another classification and it is found that the employee cannot perform the new work, as required, after a trial period of not over thirty (30) calendar days, the employee shall resume his former classification without discrimination, but shall be prohibited from bidding for a three (3) month period on the same classification. An employee who is promoted or bids laterally to another classification shall have the right to return to his prior job within ten (10) working days on the new job, but shall be prohibited from bidding for a three (3) month period. This does not pertain to the annual bid.

(c) **CHANGE OF SHIFT.** Choice of shift shall be allowed on the basis of seniority among employees in a classification when a permanent vacancy occurs in such classification, subject to the Company's work force requirements on each shift.

Section 4. Annual Bids. All classifications within Wage Schedule Article 9 Section1, that the Company deems necessary to fill, shall be posted for bid at least once a year. The bids shall be posted in December and become effective in January. A driver may only bid on a position in a warehouse classification if their bid will not displace an existing employee in a warehouse position.

ARTICLE 7 - LEAVE OF ABSENCE

The Company may grant leaves of absence without affecting an employee's seniority. The employee should provide advance notice of such need for a leave of absence when it is foreseeable. A leave of absence for in excess of two (2) weeks shall be granted only by written approval, with a copy to the Union. For leaves of absence related to FMLA and/or CFRA, the employee must also apply for leave by contacting the Company's designated leave administrator. No leave of absence, including renewals, shall be in excess of ninety (90) calendar days without approval of the Union; provided, however, that such time limit shall not apply to medical leaves. An employee shall suffer a complete loss of seniority and employment rights if he engages in any gainful employment during a leave of absence without the joint approval of the Company and the Union.

ARTICLE 8 - HOURS

Section 1. Workday and Week. Employees shall be given eight (8) hours' work or pay in lieu thereof on each such day an employee reports for work; provided, however, that should an employee report for work after his designated starting time or leave work of his own volition before his regular quitting time, he shall be paid only for the actual hours worked. 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. Regular employees (that is, one with ninety (90) calendar days with the Company) may not be laid off for lack of work except as of a Monday; otherwise, the employee shall be paid a minimum of forty (40) hours for the week, less any hours the employee was voluntarily off work.

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' pay in lieu thereof at the appropriate hourly rate, unless the work shift exceeds four (4) hours, at which time the employee shall receive not less than eight (8) hours' pay; provided, however, if the Company grants an employee's request to cease work prior to the completion of the scheduled working hours, such employee shall be paid only for the time actually worked.

Section 3. Starting Times. Starting times shall be designated by the Company, except that day shift employees' starting times shall be between the 5:00 a.m. and 11.59 a.m. The Company shall give five (5) calendar days' notice before changing the regular starting time of any employee. If an employee is required to start work other than at such regularly scheduled starting time, he shall be compensated at the rate of one and one-half (1-1/2) times his regular straight-time hourly rate for such hours of his day's work actually worked prior to his regularly scheduled starting time, regardless of his achievement of forty (40) hours worked in the same week.

When an employee is required to start work prior to his regularly scheduled starting time, his shift will end after:

- eight (8) hours worked, if requested by the employee, or
- eight (8) hours worked plus voluntary overtime, or
- eight (8) hours worked plus mandatory overtime.

Section 4. Break Periods. Employees shall receive, without loss of pay two (2) fifteen (15) minute rest period each day, one (1) prior to the lunch period and one (1) after the lunch period. Truck drivers shall be allowed a one-half (1/2) hour meal period and other employees shall be allowed not more than a one (1) hour lunch period, without pay, during the employees fourth (4th) and fifth (5th) hour of work. Should an employee work eight hours and fifty (50) minutes consecutively, he shall be entitled to a ten (10) minute break without loss of pay, and if such employee is sent home after eight (8) hours and fifty (50), minutes of work, he shall be paid for ten (10) additional minutes in lieu of his break. If such employee works over twelve (12) consecutive hours, he shall be allowed a thirty (30) minute lunch without pay between the ninth and tenth hour.

Section 5. Night Shifts. Starting time for "swing" shift shall be between 12:00 p.m. and 7:59 p.m., and a premium of Thirty cents (\$.30) per hour will be paid employees assigned "swing" shift. Starting times for "graveyard" shift shall be between 8:00 p.m. and 4:59 a.m., and a premium of Thirty five (\$.35) per hour will be paid employees assigned to "graveyard" (third) shift. Employees working on a graveyard (third) shift (starting on or after 8:00 p.m.) may be started either Sunday or Monday. For purposes of this Article and Article 10, and for an employee assigned to a night shift, "Monday through Friday" shall mean the first five (5) regularly scheduled workdays in the workweek, and "Sunday" shall mean the first day (1st) day of the workweek.

Section 6. Overtime. Hours worked in excess of forty (40) per week, shall be paid at the rate of one and one-half (1 1/2) times the regular straight time rate of pay. Paid time off, in accordance with the provisions in the agreement shall be counted as hours worked when calculating overtime. Daily hours, in excess of eight (8) per day, shall be paid at the overtime rate of one and one-half (1 1/2) 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 of layoff, due to lack of work, or other conditions beyond the control of the Company, such as power failures, fires, floods or similar causes.

Overtime work shall first be offered on the basis of seniority and assigned on the basis of reverse seniority with first preference given or assignment made to employees in the warehouse for warehouse occupation and to drivers for driver occupations.

(a) Each day the Company shall post an overtime sign-up list for each shift. Employees desiring overtime at the end of that shift must sign the list by no later than 11:00 a.m. for day shift, 7:30 p.m. for swing shift, and 2:00 a.m. for night shift. For scheduled weekend overtime, a similar list shall be posted for all shifts for at least twenty-four (24) hours. Employees desiring overtime must sign the list by 5:00 p.m. on Thursday. To be eligible for weekend overtime, an employee's Friday shift must end at least eight (8) hours before the overtime work begins.

(b) An employee who is awarded or assigned overtime work with at least one (1) hour's notice must work the overtime. 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.

(c) In the event the company fails to offer overtime in accordance with the sign-up list, after one prior occurrence has been reported, documented and agreed upon as omissions, the employee omitted from the scheduled overtime, will be made whole by providing said employee an opportunity to work a comparable number of hours equivalent to the hours worked by the less senior employee within thirty (30) calendar days.

ARTICLE 9 - WAGES

Section 1. Basic Rates.

| | Current | 1 st year | 2 nd year | 3 rd year | 4 th year |
|------------------------|---------|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | 11/1/2019 | 11/1/2020 | 11/1/2021 | 11/1/2022 |
| Receiver | \$22.23 | \$22.45 + \$1000 lump sum | \$22.67 + \$1250 lump sum | \$22.90 + \$1000 lump sum | \$23.13 + \$1250 lump sum |
| Warehouse Order Picker | \$22.23 | \$22.45 + \$1000 lump sum | \$22.67 + \$1250 lump sum | \$22.90 + \$1000 lump sum | \$23.13 + \$1250 lump sum |
| Bobtail Driver | \$22.47 | \$23.94 (\$1.00 adj + \$0.47) | \$24.42 | \$24.91 | \$25.41 |
| Semi Driver | \$22.80 | \$24.28 (\$1.00 adj + \$0.48) | \$24.77 | \$25.27 | \$25.78 |
| Line Haul | \$25.39 | \$25.90 | \$26.42 | \$26.95 | \$27.49 |

*Note: All rates are effective at the start of the first full payroll period beginning on or after the dates shown.

The Company will make a one-time lump sum payment of \$1,000 to each active warehouse employee (Receiver or Warehouse Order Picker), following ratification, and as soon as administratively feasible.

New Hire Rates Only:

- A. Warehouse rate: 1st six months – 80% of classification
after 6 months – 100% of classification
- B. Driver Rate: 1st 6 months 95% Classification
after 6 months 100% of classification rate

Section 2. Change in Classification. An employee shall be paid the rate of pay for the work classification to which he is assigned. Should an employee be assigned to a higher work classification on any workday for one (1) hour or more, he 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. Paydays. 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 in the check.

When a non bank holiday falls on a Friday payday, the company will make arrangements to distribute live paychecks on the next business day. The Company and the union 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.

ARTICLE 11 - 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 and, during each calendar year, two (2) floating holidays for each employee on a date mutually agreed to 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. In the event any such full holidays fall on a Sunday, the following Monday shall be observed as the holiday. In the event any of such full holidays fall on a Saturday, the preceding Friday shall be observed as the holiday. The Company may designate the third (3rd) 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 preceding Friday. If Christmas and New Year's are observed hereunder on Friday, the holiday before each shall be observed on the preceding 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 such holidays. An employee to be eligible for such holiday pay must have been in the employ of the Company thirty (30) calendar days prior to the holiday and must have worked the last regularly scheduled workday preceding the holiday and the first regularly scheduled workday following the holiday unless excused by the Company.

ARTICLE 12 - SICK LEAVE PAY

Section 1. Eligibility.

- (a) Each employee with at least one (1) year of continuous service on his first (1) 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 accumulated into a sick leave bank of not more than two hundred (200) hours. In December each year, the Company may, in its sole discretion, permit an employee the option of cashing out his unused sick leave for that year or adding it to the Sick Leave Bank. Any accumulated sick leave hours over the Sick Leave Bank maximum (200 hours) shall be cashed out annually. The Sick Leave Bank will only be paid out 100% upon retirement or discharge. Payment of Sick Leave Bank money will not provide excused absence.

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 13 - INDUSTRIAL ACCIDENT PAY

Any employee sustaining injuries which are compensable under the Workmen's Compensation Act but which do not prevent him from performing his usual duties, but which require that he 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 Workmen's Compensation Act which prevent him from performing all work available to him at the Company's place of business shall suffer no loss of straight-time wages for the balance of the day on which the injury occurred.

ARTICLE 14 - 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 (eighty (80) hours)
- (b) After five (5) years' continuous service, three (3) week's vacation (one hundred twenty (120) hours).

(c) After fifteen (15) year's continuous service, four (4) weeks' vacation (one hundred sixty (160) hours).

(d) After twenty five (25) year's continuous service, five (5) weeks' vacation (two hundred (200) hours).

(e) Employees eligible for three (3), four (4) or 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 week's notice that they wish to cash out the one (1) week of vacation. The pay will be on the next regular paycheck.

Vacation allowances shall continue to be awarded on each employee's anniversary date through December 31, 2020. As of January 1, 2021, vacation will be awarded on January 1 of each year, and will be earned in the twelve (12) months preceding. In those years in which an employee is transitioning from 2 to 3 weeks, 3 to 4 weeks, or 4 to 5 weeks of vacation, the additional week will be available on January 1.

In order to transition from anniversary date vacation awards to annual vacation awards on January 1, employees who have at least one year of service on January 1, 2021, shall be awarded vacation earned from their anniversary date through December 31, 2020, calculated at one-twelfth (1/12) of their annual award for each full month between their anniversary date and December 31. These vacation awards shall be in eight (8) hour increments, with extraneous amounts paid on the first full pay cycle in January, 2021. In addition, any amounts awarded that are, when added to the employee's existing vacation balance, greater than one week more than their annual award (based on their years of service), will be paid out on the first full pay cycle in January, 2021.

For employees who were hired since January 1, 2020, the amount awarded on January 1, 2021, shall be prorated, based on the employee's hire date and attaining seniority.

An employee who is compensated for fewer than fifteen hundred (1500) hours during any calendar year will have their vacation award on the next occurring January 1st calculated based on one-twelfth (1/12) of the specified vacation award for each one hundred twenty-five (125) hours compensated during the previous calendar year.

An employee who has completed a year's continuous service shall have their vacation pay computed on the basis of one fifty-second (1/52) of his prior calendar year's earnings as shown on their prior W-2 tax form, to a maximum of twenty percent (20%) over the employee's current base rate, for each week of vacation to which they are entitled under this Section, if such amount is greater than the amount to which he would be entitled under subsections (a), (b), (c) or (d). Amounts falling due hereunder on shall be paid on regularly scheduled paydays and deductions from gross vacation earnings shall be made as though the employee were working during their vacation period.

Section 2. Scheduling. After the Annual Bids are settled the Company will post a vacation calendar and the calendar will remain posted for two weeks. During the two weeks the

employees will sign for their vacation in seniority order. After all employees have completed the bidding process for all available full weeks of vacation, then employees may schedule up to five (5) single days of vacation. Only after all available full weeks of vacation are scheduled will single days of vacation be available for scheduling by seniority. After the two week period, vacations will be awarded on a first come first served basis in accordance with Section 4 of this Article for remaining single days. The vacation calendar will be subject to the following: no more than 15% of the day shift warehouse, 10% of the night shift warehouse, 10% of the third shift warehouse, and 10% of the drivers will be permitted to sign up for vacation. The percentage limits will be calculated using the total headcount at the time vacation is selected, and rounded up to the next whole number if .50 or higher, down if .49 or lower. Additional opening may be awarded as business needs allow at the sole discretion of the Company. 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 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. Terminations. In case of termination of employment, the employee shall be paid for vacation earned but not used, prorated on the basis of one-twelfth (1/12) of his vacation allowance for each full month worked since his last award.

Section 4. Daily Scheduling. Employees may elect to take one week of vacation a day at a time.

- Single days can not be used the day before or the day after holidays unless approved by management.
- Single day vacation awards cannot exceed the total allowed to take vacation as outlined in Section 2 of this Article.
- Single day vacations can be scheduled at the time of the annual vacation bids, but only after all employees have scheduled full week vacations. If not scheduled at the time of the annual vacation bids, single day vacations must be scheduled for a day mutually agreed to by the Company and the affected employee, and at least two (2) weeks in advance of the requested single vacation day.
- Single day vacation requests will be approved or denied within five (5) working days of receipt.

ARTICLE 15 - FUNERAL LEAVE

In the event of a death in the immediate family of any employee, the employee shall receive time off with pay, not to exceed three (3) working days. If the employee needs more than three (3) days off, they should discuss this need with their manager, in consultation with the Human Resources representative. (Documentation of the death will be required).

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.

ARTICLE 16 - JURY PAY

Any regular employee with one (1) year or more 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 lost for his/her jury fee for each such day, for a maximum of fifteen (15) days in any calendar year. Employee will keep any money provided to jurors. 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 is released from jury duty except when he is released after lunch. Employees who are 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 is subpoenaed by the Company to appear in any legal action shall be compensated at his regular straight-time hourly rate for time actually lost from work up to eight (8) hours per day.

ARTICLE 17 - MEDICAL AND VISION BENEFIT PLANS, DENTAL AND PRESCRIPTION DRUG BENEFIT PLANS

Section 1. Payments. Effective November 2019, the Company shall pay the Teamsters' Miscellaneous Security Fund (hereinafter referred to as the "Miscellaneous Fund") for each regular employee, as described in Section 3 hereof the following amounts:

\$1539.00 for Plan A1 Composite for medical care, family vision care and prescription drug benefits and \$65.00 for Standard LDP100 Liberty Dental Composite for dental coverage.

Effective November 1, 2019, the Company will contribute 83% of the total cost, and the Employee will contribute 17% of the total cost.

Effective November 1, 2022 the Company will contribute 82% of the total cost, and the Employee will contribute 18% of the total cost.

Employee contributions will be on a pre-tax basis.

The initial payment for each new employee shall be made on the first (1st) day of the month following completion of thirty (30) calendar days of employment with the Company. Thereafter, the payment shall be made for each regular employee the first (1st) day of each month that he continues in the employ of the Company. For purposes of this Article, continuity of service shall not be interrupted by absence of less than one (1) full calendar month. In the event all of the Company participants of the Miscellaneous Fund are required to increase payments on excess of the amounts in Section 1 above during the term of this Agreement to maintain present benefits, such increased contribution in excess of the company contribution shall be withheld from the employees pay and (subject to the provision of Article 9 Section 1) become a part of this Agreement until the termination date thereof. 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.

Nothing in the Article and / or the wages Schedule shall negate the Company's obligation to make the entire contribution to the Trust(s) for the employee's benefit for the term of the Agreement.

Section 2. Purpose. Such contributions shall be used for the purpose of providing life and A. D. & D. insurance policies for employees, a multiple-choice hospital and medical plan, a vision care plan, a dental plan and a prescription drug plan for employees and their dependents. The parties hereto agree to be bound by all the terms and provisions of the Trust Agreements establishing the Miscellaneous Fund with respect to the benefits provided under this Article.

Section 3. Definition of "Regular Employee". As used in this Article only, the term "regular employee" shall mean any person:

- (a) who on the first (1st) day of the calendar month for which the Company and a member of the Union as described in Article 1, Section 1, hereof; and
- (b) who on said day has completed not less than one (1) calendar month of continuous employment on the payroll of the Company within the bargaining unit of said Union (counting time on layoff and leave of absence for an employee who has retained his seniority); provided, however, that the requirements of this subparagraph (b) shall be waived as to any such employee who was formerly covered by the Miscellaneous Fund as an employee of another company which is a party to a labor agreement with the Union identical hereto which has adopted the Miscellaneous Fund and who was hired by the Company within thirty (30) days after he left the employ of such other company.

ARTICLE 18 - PENSIONS

Section 1. Amount of Contribution. The Company shall pay monthly into the Western Conference of Teamsters Pension Trust Fund, for the account of each employee working under this Agreement, an appropriate amount according to the following:

(a) Effective November 1, 2015:

- (1) For each employee on the payroll during the full calendar month who has performed one hundred sixty (160) hours or more of work during such month, Five Hundred Six Dollars and Twelve Cents (\$506.12).
- (2) For each employee who, for a period during a calendar month, is not covered by (1) above and who is on the payroll one (1) or more full calendar weeks during a calendar month, One Hundred Sixteen Dollars and Eighty Cents (\$116.80) for each week in which such employee performed forty hours or more of work from Monday through Friday of each such week.
- (3) For each employee who, for a period during a calendar month, is not covered by (2) above and who is on the payroll one (1) or more days during such period, the amount due under (2) above, plus Two Dollars and Ninety Two Cents (\$2.92)

for each full hour of work performed by such employee, up to a maximum of eight (8) hours, during any normal working day, Monday through Friday, occurring during such period of a calendar month not covered by (2) above.

For purposes of this Section 1 only, "hour of work" shall be deemed to include time paid for but not worked on account of holiday pay, vacation pay, sick leave pay, industrial accident pay, funeral leave pay and jury duty pay, but shall exclude all other time paid for but not worked and all payment for any overtime hours.

Section 2. Remittance. The total amount due for each calendar month shall be remitted in a lump sum not later than the twentieth (20th) 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 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 3. 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.

Section 4. Enhanced Early Retirement (Peer). Effective November 1, 2015, the company will continue its contributions required to provide the Program for Enhanced Early Retirement (Peer) and will not be taken into consideration for benefit accrual purposes under the Plan. The additional contributions for PEER must at all times be 6.5% of the basic contribution, and cannot be decreased or discontinued at any time.

Section 5. Break-in Rate. For probationary employees hired on or after January 1, 2020, the Employer shall pay an hourly contribution rate of \$0.10 (including PEER/84) during the probationary period as defined in Article 2, Section 2, but in no case for a period longer than ninety (90) calendar days from an employee's first date of hire into the bargaining unit. Contributions shall be made on the same basis as set forth in Article 18, Section 1 of the Agreement. After the expiration of the probationary period as defined in Article 2, Section 2, but in no event longer than ninety (90) calendar days from the employee's first date of hire into the bargaining unit, the contribution shall be increased to the full contractual rate.

ARTICLE 19 - COMPANY 401K PLAN

The Company will continue the Veritiv savings plan for Bargaining Unit employees. Employees will be able to participate in a 401K savings program. Details of the plan are in the SPD.

ARTICLE 20 - SAFETY

It is agreed that careful observation of safe working practices and Company safety rules is a primary duty of all employees. The Company has included \$0.07 (\$0.02 increase in 2011) in the hourly base rate of the wage section of this agreement as a shoe allowance. Employees are responsible for wearing safety shoes which meet the Company guidelines. The employees are

required to utilize and/or wear designated safety equipment, including “high visibility” apparel and/or safety vests.

All drivers shall be required to wear Company issued uniforms and apparel. The Driver Uniform Policy presented to the Union during negotiations shall be incorporated herein for reference.

The Company will implement safety programs including OSHA/VPP designed to recognize and promote effective safety and health management among all employees. The Union will encourage the Union members to participate in the safety programs, including OSHA/VPP, and work with management to assure a safe and healthful workplace.

ARTICLE 21 - DRUG ABUSE

The parties agree to take appropriate steps necessary to create and maintain a Drug Free Workplace. These steps would include “for cause, random and post-incident” testing of all employees. (to the extent allowed by law)

The parties understand that the above language will be interpreted to mean that if the current law is changed to allow Random Substance testing, the policy implemented in the bargaining unit will be the same as the policy implemented for the non bargaining unit employees and administered the same.

Updated Substance Abuse Prevention Policy Revised December 1, 2018.

ARTICLE 22 - 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. 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 determined that such hand carrying was actually required, then he 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 of 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, nor deprive such party of the full benefit of any such term or condition.

Section 5. Work Production. 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.

Section 6. Cooperation. The International Brotherhood of Teamsters, Local Union No. 986, will encourage its members to actively and constructively participate in positive job related activities, including but not limited to, safety, quality, and training.

Section 7. Scheduling Errors. 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 within thirty (30) calendar days. Penalty payments will not be permitted in settlement of such grievances.

Section 8. Surveillance. The Company reserves the right to undertake investigations which could involve the use of surveillance cameras and/or undercover investigators and/or such other means or devices deemed necessary by the Company. It is currently not the intent of the Company to use hidden cameras. The Company reserves the right to install any such devices including, but not limited to, truck monitoring devices, and/or 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.

Section 9. Subcontracting. With respect to products delivered from the facility, the Company agrees that unless all active regular drivers and laid off are working or have been given an

opportunity to work, the Company will not use a third party contractor. It is understood that drivers on layoff will not be recalled unless there is a job vacancy: Ref: Article 6 Sect 3a.

Section 10. 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 1, 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.

Section 11. Pallet Return Program. The Company will utilize a Driver Pallet Return Program at a level no less than the amount of \$1.50 per block usable pallet, \$1.00 per NCR usable pallet, and \$.50 for all other usable pallets. The Company may discontinue this program any time upon its discretion.

Section 12. Drivers. The Company will reimburse CDL drivers for the HME renewal fee, TSA background check fee, and DOT physical fee. The company will pay for time spent for the DOT physical only.

ARTICLE 23 - BARGAINING DURING TERM

Complete Agreement This Agreement contains the full and complete Agreement on all bargaining issues between the parties. Any side agreements or past practices have been incorporated into this agreement.

ARTICLE 24 - SOLE AGREEMENT

This Agreement constitutes the sole and entire agreement between the parties and supersedes all prior agreements. The same may be supplemented or amended, and any term, provision, or condition herein may be waived only by a written agreement executed by both parties hereto. The Company shall not enter into any agreement or contract with its employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement, and any such agreement shall be null and void.

ARTICLE 25 - PERIOD OF AGREEMENT

This Agreement shall be in effect November 1, 2019, and shall remain in full force and effect for the stated duration of November 1, 2019 through October 31, 2023, and from year to year thereafter, unless either party to this Agreement gives notice as provided herein. If either party wishes to modify or terminate this Agreement, it shall provide written notice to the other sixty (60) calendar days prior to the expiration date or subsequent anniversary date.

In the event of an inadvertent failure by either party to give notice as set forth, each 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 this provision, the expiration date of this agreement shall be the sixty-first (61st) day following such notice.

ARTICLE 26 - PART-TIME AGREEMENT

1. **Definition.** Part-time employees shall be those who normally work less than forty (40) hours in any one (1) week. In case of emergency, influx in business, or replacing full-time employees while on vacation, or sick leave, etc., a part-time employee may work forty (40) hours in a week. It shall be the Company's sole discretion as to whether to employ any part-time employees.

2. **Scheduling.** The Company shall give preference to full-time employees for eight (8) hours in any one (1) shift or forty (40) hours in any given week before it employs part-time or extra help. If such work is first offered to full-time employees, and they are not available, the Company shall have the right to employ any needed number of part-time or extra help. Part-time employees may work day or night shift. The Company will have NO obligation to bring full-time night shift employees up to the day shift to replace absent full-time day shift employees.

3. **Seniority.** Part-time employees shall accrue seniority separately from full-time employees. Part-time seniority shall begin on the first day of actual part-time work, but part-time employees shall be on probation and subject to discharge without recourse for one hundred twenty (120) calendar days. There will be two (2) separate part-time employee seniority lists--one (1) for the warehouse and one (1) for delivery. A part-time employee can be identified on one (1) list only.

4. **Conversion to Full-Time Status.** Part-time employees shall convert to full-time status upon, (i) completing one year or 1,600 hours as a part-time employee, (ii) successfully bidding on a full-time position (which shall be offered to part-time employees in preference to new hires), or (iii) in accordance with paragraph 5. Upon becoming a full-time employee, the employee's full-time seniority date shall be the date on which the full-time work commenced. If full-time employee is reclassified to part-time status, his seniority date as a part-time employee will be his original date of hire (as part-time or full-time).

5. **Replacement of Full-Time Employees.** If the Company decides to replace an employee who takes a medical leave of absence that is expected to last more than six (6) months, the senior qualified part-time employee shall be temporarily changed to full-time status during the period of the leave. If the employee on leave returns to work at the end of the leave, the replacement shall be returned to part-time status, but shall thereafter retain the full-time wage rate and shall retain

insurance benefits for the calendar month in which he returns to part-time status and the next calendar month, and the time worked as a full-time employee shall count as time worked as a part-time employee solely for the purpose of paragraph 4 (i).

6. Compensation and Benefits

(a) Except as provided in paragraph 5, the starting hourly rate for part-time employees shall be eighty (80) percent of the full time warehouse rate of pay. Hourly rate for part-time drivers shall be ninety (90) percent of the full time drivers' rate.

(b) The Company shall pay pension contributions in accordance with Article 18 of the Labor Agreement for all hours worked by part-time employees.

(c) Part-time employees shall NOT be entitled to vacation, holiday, health and welfare, dental, vision care, prescription drugs, funeral leave or any other benefits.

(d) Part-time employees shall earn sick pay in accordance with Article 12 – Sick Leave Pay, provided they meet the eligibility requirements. Part-time employees will NOT accumulate a sick bank, nor will they be paid any accumulated but unused sick pay.

(e) Part-time employees shall be entitled to a Sixty-Cent (\$.60) differential in lieu of benefits, which shall be administered as follows:

(1) Except as provided below in paragraph (4), the differential shall be earned and paid only upon completion of one full year as a part-time employee.

(2) After the one full year, the employee shall be retroactively paid Sixty-Cents (\$.60) per hour for all hours worked as a part-time employee in that year.

(3) A part-time employee who leaves for any reason during the year shall not be entitled to any differential for that year.

(4) An employee who converts to full-time status (temporarily or permanently) during the year shall immediately receive the differential for all hours worked as a part-time employee in that year prior to the conversion.

(5) "Hours Worked as a part-time employee" excludes any hours worked in a calendar month for which the Company made any benefit plan contributions of behalf of the employee under Articles 17 or 18 of the Labor Agreement.

7. Ratio to Full-Time Employees. Except as provided in paragraph 8, the ratio of part-time employees actually working to full-time employees covered by this Agreement shall not be more than fifteen percent (15%) of the warehouse and fifteen percent (15%) of the drivers, unless mutually agreed to between the Company and the Union. The total number of part-time employees, however, may exceed this percent.

8. **Special Projects.** Part-time employees, including warehousemen and drivers, may be used for all special project work, e.g., large scale and moving of product between warehouses, physical inventories and all other projects that are unusual and not considered routine operations work, without regard to the limitation in paragraph 7.

9. **Reporting Procedure.** In order to verify whether work is available, part-time employees must call the Company between 6:00 a.m. and 7:00 a.m. for day shift, 6:30 a.m. and 7:30 a.m. for drivers, and 4:00 p.m. and 5:00 p.m. for evening shift. If a more senior part-time employee call in late and the work has been assigned to a less senior part-time employee who call in on schedule, the more senior employee will have no recourse. A part-time employee who fails to call in as scheduled on three (3) days within any thirty (30) calendar day period will be dropped to the bottom of the part-time seniority list. A part-time employee who fails to so call on six (6) days within a one hundred eighty (180) calendar day period will be terminated.

ARTICLE 27 - TERMINATION OF AGREEMENT

At any time after the expiration date of this Agreement, if the questions at issue have not been settled satisfactorily, either party may give written notice to the other party of its intent to terminate the Agreement. Termination may take place only after a lapse of at least ten (10) working days from the date of notification to terminate. All 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 no agreement is reached before the specified time has elapsed, all obligations under this Agreement shall be automatically canceled.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 8th day of February, 2020.

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

Veritiv – DOWNEY

Signed this Date: 2-27-2020

By R Holliday
Rene Holliday
Business Agent

By EBrennan
Elizabeth Brennan
Veritiv Corporation

By Jeff Eastwood
Jeff Eastwood
Committee Member

By Honey Rivers
Honey Rivers
HR Business Partner

By Anthony Wall
Anthony Wall
Shop Steward

By Christine Hendrix
Christine Hendrix
Distribution Manager

By Jonathan Montalvo
Jonathan Montalvo
Committee Member

Warehouse to Driver Transfer Qualifications

Employees in a Warehouse classification who hold a CDL Class A license, and who wish to transfer to a Driver classification, must meet all the following expectations in order to be eligible to bid into an open driver position:

- Be at least 21 years of age,
- Have Commercial driving experience equal to:
 - Twelve (12) materially consecutive months' verifiable experience within the past two (2) years, or
 - Two (2) materially consecutive years' experience within the past five (5) years, or
 - Five (5) materially consecutive years' experience within the past ten (10) years.
- Successfully complete and provide all applicable Commercial Driver qualification documents.
- Pass a DOT drug screening and background check which includes a verification of previous employment, drugs and alcohol testing, and safety performance review.
- Hold a Hazardous Materials Endorsement if the Commercial Driver will transport Hazardous Materials.
- Pass a DOT physical and be in possession of a Medical Examiner's Certificate which has been correctly registered with the state of domicile.
- Have no disqualifying offenses on his/her driving records as described in 49 CFR Part 383 and applicable regulations.
- Have no more than 14 MVR Violation Points or 14 CSA Violation Points on his/her driving records as scored in accordance with the CSA Safety Measurement System (SMS) Methodology and the Veritiv MVR scoring methodology.
- Pass a Road Test administered by a Driver Examiner.