

WORKING AGREEMENT

Between

**VERITIV
Rogers, MN**

**MISCELLANEOUS DRIVERS, HELPERS & WAREHOUSEMEN'S
UNION LOCAL NO. 638, I.B.T.**

Effective August 1, 2018 through July 31, 2021

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THIS AGREEMENT is entered into between Veritiv Operating Company, hereinafter referred to as the Employer, and the Miscellaneous Drivers, Helpers and Warehousemen's Union, Local No. 638, I.B.T., hereinafter referred to as the Union for itself and on behalf of the employees of the Employer covered by this Agreement.

The parties of this Agreement will not discriminate 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.

ARTICLE 1 : UNION SHOP

1.01 The Union shall be the sole representative of those classifications of employees covered by this Agreement in collective bargaining with the Employer. There shall be no discrimination against any employee because of Union affiliation. All employees in the classifications herein noted shall be members in good standing in the Union. All new employees shall become members of the Union after ninety (90) calendar days of date of employment, signing of this Agreement or effective date of this clause whichever is later.

1.02 "Membership in good standing" shall mean either: (a) full voting membership or (b) the obligation to pay initiation fees and periodic dues generally required for full voting membership or (c) the obligation to pay that portion of initiation fees and periodic dues generally required of employees to the extent attributable to collective bargaining and other duties involving labor management issues.

1.03 It is understood that the function of supervisors is the supervision of employees and not to perform the bargaining unit work of employees they supervise. Supervisors will not perform bargaining unit work until all reasonable efforts have been exhausted to have the work covered by bargaining unit employees.

ARTICLE 2 : DUES CHECK - OFF

2.01 An employee may authorize the Employer to deduct the standard monthly union membership dues from his/her current accumulated monthly earnings by the signing of the appropriate Payroll Deduction Authorization form and submitting it to the Employer. The Employer shall promptly remit such dues each month by an agreed upon date to the Financial Secretary of Local 638.

2.02 The Union shall indemnify and save the Employer harmless against any and all claims, demands, suits or other forms of liability that shall arise out of or by reason of action taken or not taken by the Employer in reliance upon the authorization furnished to the Employer by the Union or employee for the purpose of complying with this provision.

2.03 The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to D.R.I.V.E. D.R.I.V.E. shall notify the Employer of the

amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to D.R.I.V.E. National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's social security number and the amount deducted from that 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 weekly payroll deduction plan.

ARTICLE 3 : JOB STEWARD

3.01 The Employer recognizes the right of the Union to elect or select a Job Steward from the employees in the bargaining unit to handle such Union business as may from time to time be delegated to him/her by the Union. The name of such Job Steward shall be furnished to the Employer, and any changes in Job Steward shall be reported to the Employer within ten (10) calendar days of the appointment of a new Job Steward. The Employer also recognizes the right of the Job Steward to elect or select a night or shift representative from the employees in the bargaining unit.

ARTICLE 4 : GRANTING OF TIME OFF

4.01 Upon at least 30 calendar days' notice, the Employer agrees to grant the necessary time off, without pay and without discrimination, to any employee designated by the Union to attend a Labor Convention provided, however, that any key employee needed for the efficient or uninterrupted running of the business must obtain the written consent of the Employer.

ARTICLE 5 : INDIVIDUAL AGREEMENT

5.01 The Employer agrees not to enter into any agreement or contract with employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement.

ARTICLE 6 : GRIEVANCES

6.01 A grievance is a dispute between the Employer and the Union as to any matter involving the interpretation, application or violation of any provision of this Agreement. All grievances must be specific and must be filed in writing within ten (10) working days of the alleged violation by either the Union or the Employer. No complaint will be acted upon unless such complaint is filed in writing with the Employer and the Union within ten (10) working days of the alleged violation.

6.02 If the matter is not resolved between the Employer and the Union within ten (10) working days after it has been filed in writing, the grievance may be referred to arbitration under Article VII by the Union or the Employer. No grievance may be referred to arbitration unless a written request for arbitration is presented to the Union and the Employer within fifteen (15) working days of the alleged violation.

ARTICLE 7 : ARBITRATION

7.01 If the grievance cannot be adjusted through the above procedure, it shall be referred to arbitration. Arbitration shall be commenced by the Union notifying the Employer in writing of its intent to move the issue to third party resolution. The Union shall request a panel of seven (7) arbitrators from the Federal Mediation and Conciliation Service (F.M.C.S.) all of whom are members of the National Academy of Arbitrators. Once the list is provided, parties shall choose an arbitrator by alternately striking from the list provided the names of individuals until only one name remains. That individual shall be the arbitrator. The first party to strike a name from the list shall be determined by a coin toss.

7.02 The arbitrator so chosen shall have jurisdiction and authority in rendering a decision on the grievance, but shall not have jurisdiction or authority to add to, detract from, or alter in any way the provisions of the agreement. The parties agree that from the inception of the dispute the subject matter of the grievance shall not be changed once the grievance has been submitted in writing.

7.03 The decision of the arbitrator shall be rendered within forty-five (45) calendar days after the close of the hearing or submission of post-hearing briefs, and shall be final and binding on the parties. The expense incident to the services of the arbitrator shall be shared equally by the Union and the Employer. Each party shall share the expense of the arbitrator including facilities for the arbitration hearing, but shall be solely responsible for the expenses of their participants in the hearing.

7.04 It is recognized that the prompt and expedient settlement of disputes is compatible with desires of both parties, and therefore the time limits set forth in this Article shall only be waived by a specific and written agreement between the parties. In no case will the financial liability on any grievance extend beyond six (6) months from the date of the selection of the arbitrator. In addition, any monies received from unemployment will reduce the amount of any award.

ARTICLE 8 : STRIKE OR LOCKOUT

8.01 The Union and the Employer agree that there shall be no strike, sympathy strike or lockout during the term of this agreement.

ARTICLE 9 : DRIVERS AND TRUCKING DEFINITIONS

9.01 The term “driver” shall be construed to mean the operator of a commercial motor vehicle (“CMV”) as defined by the U.S. Department of Transportation used for merchandise delivery purposes and/or vans used solely for merchandise delivery.

ARTICLE 10 : SURVEILLANCE

10.01 The Company and the Union agree that it may be necessary for the Company to undertake investigations, which could involve the use of hidden surveillance cameras, and/or undercover investigators and/or such other means or devices deemed necessary by the Company. The Company reserves the right to install any such devices including, but not limited to, truck monitoring devices, and/or hidden cameras and/or to use such means deemed necessary by the

Company, including but not limited to the use of undercover investigators. Surveillance and/or undercover investigation will not be used to monitor productivity or for routine surveillance inside the facility. 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.

10.02 The Company further agrees that it will not engage in or direct any surveillance and/or undercover investigation in any areas where the employee has a reasonable expectation of privacy (e.g. lockers, bathrooms, personal effects, vehicles) unless the Company has probable cause to suspect that the employee(s) has been or is engaging in violations of law or rules.

ARTICLE 11 : UNIFORMS

11.01 The Employer agrees that if the employee is required to wear any kind of uniform, the uniform shall be wash and wear and be furnished by the Employer free of charge. Uniforms shall be washed by the employee. Should the employee have a physical problem with the uniform provided, another type uniform will be provided by the Employer with the employee paying any difference in cost.

ARTICLE 12 : LOSS OR DAMAGE

12.01 The Employer shall not arbitrarily charge employees for any loss or damage. The Employer may prefer charges against an employee for alleged negligence resulting in loss or damage. The Union shall make immediate investigation of the charges and a settlement of the case shall be made as provided under Article VII of this Agreement.

ARTICLE 13 : PREMIUM ON BOND

13.01 Should the Employer require any employee to give bonds, the premium on same shall be paid by the Employer.

ARTICLE 14 : INJURY COMPENSATION

14.01 The Employer agrees to cooperate in securing prompt payment of injury compensation claims by the compensation insurance carrier as required by the Minnesota Worker's Compensation Act.

14.02 The Employer and the Union recognize their responsibility to comply with the requirements of the Americans with Disabilities Act, including those requirements relating to reasonable accommodation, and the Union agrees to cooperate fully with the Employer in achieving such compliance.

ARTICLE 15 : PICKET LINE

15.01 It shall not be a violation of this agreement, and shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon property at another location

involved in a legal primary labor dispute or refuses to go through or work behind a legal primary picket line at another location conditioned upon the Employer receiving twenty-four (24) hours advance written notice of the labor dispute from the Union whenever possible.

ARTICLE 16 : VACATIONS

16.01 Vacation allowances shall be computed as of January 1 each year. For vacation eligibility purposes only, the current January 1 shall be recognized as the first vacation eligibility anniversary date of an employee who has completed at least six (6) months of employment as of that January 1, and the following January 1 as the second vacation eligibility anniversary date, and so on. Vacation allowances shall not be cumulative from year to year and vacation granted must be scheduled and taken prior to January 1 of the following year or otherwise forfeited.

16.02 Employees with less than one year of service shall effective January 1st following their hire date receive 1/12th (to a maximum of 10 days) for each month of continuous service prior to January 1 of the year hired.

16.03 Employees who have completed between one and seven years of service as of January 1st shall receive two weeks (10 days) vacation.

16.04 Employees who have completed between eight and fourteen years of service as of January 1st shall receive three weeks (15 days) vacation.

16.05 Employees who have completed between fifteen and twenty-five years of service as of January 1st shall receive four weeks (20 days) vacation.

16.06 Employees who have completed twenty-five or more years of service as of January 1st shall receive five weeks (25 days) vacation.

16.07 Pro-rata - After an employee's first anniversary date, an employee must work at least 1680 hours in the prior calendar year to receive his/her full vacation allotment in the following calendar year. If an employee fails to work 1680 hours in the prior year, the employee shall receive a pro-rata share based on the hours worked measured against the 1680 hour minimum (for example, an employee working 840 hours would receive 50% of their vacation allotment).

16.08 Only full years of accrued service as of January 1st of each year will determine vacation entitlement except in the case of a new hire as stated above. Employees will be entitled to schedule an additional week of vacation in the vacation year that their anniversary date entitling them to additional vacation falls. If an employee leaves employment prior to earning vacation previously taken (by reaching their anniversary date), the Company may subtract the amount of unearned vacation time taken from the Employee's final paycheck.

16.09 In conjunction with the annual posting of vacation schedules, the company will post a notice which will solicit interest from employees for day shift assignments for the purpose of vacation relief during the months of June, July, and August. During this period up to a maximum of two (2) employees will be assigned to day shift assignments from shifts other than day shift. Selection for such assignment shall be made based on seniority provided the employee submits a bid and is qualified to perform the work. It is understood that should day shift demands diminish,

and therefore the need for vacation relief also diminishes, the employees selected for vacation relief shall be returned to their regular shift in order of their seniority. It is further understood that once the company has assigned up to two (2) employees to the assignment described above, it may utilize employees from any shift or temporary employees to fill vacancies, including vacancies created by the transfer of the employees under the posting procedure outlined in this subsection.

16.10 Vacation pay shall be based on 8 hours per day at the employee's straight time hourly rate.

16.11 The Employer shall post a vacation schedule during the period from November 1 to December 1 for the purpose of scheduling vacation in the next calendar year. Such schedule shall indicate the maximum number of employees on each shift who can be scheduled for vacation at one time. The senior employees shall designate their choice of scheduled vacation periods and so on down the list. All employees shall be allowed to sign for up to 3 weeks' vacation. After all employees have had a chance to sign for up to three weeks of vacation, if they have that many coming, the signing up for vacation will go back down the classification seniority list for those employees with more than 3 weeks' vacation. More than three weeks can be signed up for the first time down the seniority list under special circumstances with the approval of the Employer. Full weeks of vacation shall take preference over one day vacations during June, July, and August. An employee who wishes to cancel a scheduled week of vacation in June, July, or August must cancel the entire scheduled week.

16.12 An employee with an annual entitlement of four (4) or five (5) weeks of vacation may, during the vacation scheduling period for the next year, request that one (1) week be paid out on the second paycheck after January 1 of the new year. This request may only be made during the annual vacation scheduling period.

16.13 The Employer agrees to pay pro rata vacation pay to employees retiring, entering military service, or quitting, provided employee gives one (1) weeks' notice (no less than seven (7) calendar days) in writing to quit, before January 1 of each year. Pro rata vacation pay shall be calculated based on vacation earned from the previous January 1 to the date of leaving the employment of the Employer. Employees retired either before or after January 1 of each year and who elect to work up to their date of retirement, shall receive all vacation credits at the time as terminal pay. An employee who quits and gives one (1) weeks' notice will be required to work all scheduled time, including mandatory overtime, during the final week of employment in order to qualify for the payment of pro rata vacation.

ARTICLE 17 : SENIORITY RIGHTS

17.01 Seniority rights shall prevail in all matters relating to employment except where special qualifications or training is required. The senior qualified person shall have first preference on the job. The most senior qualified person on the job from point of service shall be given the regular job and shall be provided full time work, if work is available.

Subject to the special qualification or training requirements set forth above, in reducing the personnel because of lack of work or other legitimate cause, separate shift seniority shall prevail

and the last person hired on the shift shall be the first person laid off, and in returning people to work, the last person laid off on the shift shall be the first person rehired. It is recognized that there is one master seniority list and nothing in this paragraph shall limit the rights of employees to displace junior employees on other shifts.

17.02 New employees shall be placed on the seniority list after having been employed a total of ninety (90) calendar days. The probationary period for any new employee may be extended up to an additional sixty (60) calendar days upon mutual written agreement between the Union and the Employer. Once the probationary period is met, seniority will be the first date of employment. A copy of the seniority list shall be posted by the time clock.

Seniority as used in this agreement means the length of continuous service with the Company. A copy of this list will be posted on the bulletin board and furnished to the Union. Any employee who believes he has been listed improperly as to seniority must request an adjustment within thirty calendar days of the date of posting or the stated seniority date will be considered valid.

17.03 Except as provided in Article 17.05 (7), an employee shall not lose his seniority rights because of sickness or injury, provided, however, that any employee who is, or becomes disabled so that he/she can no longer perform his/her normal duties in a satisfactory manner, may be retired from service or may be retained to do some other work which he/she is capable of doing, in which event his/her seniority standing and rate of pay for that employment shall be subject to readjustment as mutually agreed upon between the employee involved, the Employer and the Union. Should a controversy arise concerning the above provisions, it shall be settled as provided for in Article 13 of this Agreement.

17.04 When a job becomes open for any reason in any classification of work covered by the Agreement, it shall be posted by the Employer in writing for three (3) working days. In the event an employee becomes disqualified in a particular job classification, he may bid on openings for which he is qualified in any other classification. Job assignment shall be made in accordance with Section 16.01. The employee receiving the posted job shall not be eligible to bid on another posted job during his three (3) week qualifying period for non Class A CDL positions unless the posted job is a promotion for the employee in wages or working hours. A reasonable extension period will be granted by mutual consent of both parties. Following posting, the job will be awarded within seven calendar days with the selected employee assuming the new job as soon as practical. If not moved within 14 calendar days from being awarded the job, the employee will be paid the higher of the two rates (existing or new).

17.05 All driver job classification bids and re-bids will be made as provided under this Article. In addition, seniority rights will prevail in all driver job bids and contract re-bids to include bidding on start times and areas assigned within the start time bid on. Start times, area makeup and assignment of areas to start times will continue to be established as required by the Company for efficient and uninterrupted running of the business.

17.06 Seniority shall be lost and the employment relationship terminated when the employee:

Voluntarily quits

Retires

Is discharged for just cause

Fails to report for his/her regular work shifts for two (2) consecutive work days without notification to the Employer unless the employee has an explanation acceptable to the Employer.

Fails to notify the Employer of his/her intent to return from layoff within two (2) days after he/she receives official recall notification and/or fails to report for work within five (5) work days after receipt of such notice. Official recall notification shall be by overnight courier or certified mail.

Fails to report to work upon the termination of an approved leave of absence.

Performs no work (off the payroll) due to layoff for eighteen (18) months.

Performs no work due to injury or illness (work related or non-work related) for twenty-four (24) months.

ARTICLE 18 : LEAVE OF ABSENCE

18.01 Any employee desiring a leave of absence from the job shall secure written permission from both the Union and the Employer. Failure to comply with this provision or to return to work on time shall result in the complete loss of seniority rights of the employee involved. For leaves of absence related to the Family Medical Leave Act (FMLA), the employee must also apply for leave by contacting the Employee Service Center.

ARTICLE 19 : DISCHARGE CLAUSE

19.01 The Employer shall not discharge any employee without just cause which is defined as a major rule violation such as theft, sabotage, fighting, insubordination, illegal drug and alcohol abuse, falsifying of records and reckless conduct which endangers the safety of other employees and the public. However, disciplinary action short of discharge may be taken against any employee at the Employer's discretion whenever an employee's conduct or performance warrants. Except for verbal warnings, such disciplinary action shall be documented in writing and given to the employee. A copy of such written notice shall be mailed or otherwise be delivered to the Union. Any sustained warning notice shall not be considered valid after one (1) year from date of issuance. It is understood however, that repeated violations occurring within a one (1) year period could lead to discharge through the process of progressive discipline.

ARTICLE 20 : POSTING OF WORKING RULES

20.01 The Employer may discipline any employee for alleged violation of properly posted working rules which do not conflict with any of the terms and provisions of this Agreement. The Union may grieve discipline issued under this Article as provided under Article 7.

ARTICLE 21 : DAILY AND WEEKLY HOURS: OVERTIME

21.01 The regular work week shall be forty (40) hours. To service customer demands, the Employer may schedule contiguous forty (40) hour weeks which include work on either Saturday or Sunday. Any such work weeks shall be staffed through seniority bid. The Employer agrees to meet and confer with the Union in advance of any significant changes in work week schedules. Hours worked in excess of forty (40) per week, shall be paid at the rate of one and one-half (1 ½) times the regular straight time rate of pay. Daily overtime for all hours worked in excess of eight (8) hours per day as described herein, shall be paid at the rate of one and one-half times (1½x) the employee's straight time hourly rate, when an employee is prevented from completing his/her scheduled work week due to lack of work, fires, floods, equipment failures, or other unforeseen emergencies. All paid time except vacation not approved in advance shall be considered as hours worked for overtime purposes.

21.02 It is agreed that current pay, break and lunch practices and benefits will not be reduced during the term of this Agreement unless specifically provided herein or mutually agreed upon by the parties.

21.03 There shall be no pyramiding of overtime on overtime or premium time pay.

21.04 The regular lunch period each day shall be one-half (1/2) hour. When an employee is expected to work more than one hour beyond eight continuous hours, he shall be given a 10 minute break at the end of the eight hours. If an employee is expected to work more than one hour beyond 10 continuous hours, he will be given a 10 minute break at the end of the 10 hour period.

21.05 There shall be no split shifts. When called to work, regular employees shall be guaranteed a minimum of four (4) hours work.

21.06 To operate effectively, we must maintain our CDL drivers' ability to drive up to their DOT weekly 60-hour limit. Employees in CDL driver positions will not be offered warehouse overtime during the regular workweek until after all their delivery assignments are complete, because hours worked in non-driving classifications decrease the driving hours available in a 7-day period, under DOT regulations. Whenever warehouse overtime is posted for Friday evening, Saturday or Sunday, a driver will be permitted to bid this overtime based on plant seniority provided the employee has a minimum of four (4) hours "on duty" time available to work and provided the employee has the ability to do the work for which the overtime is posted. Drivers will be given the opportunity to become certified in forklift operation and must be certified to work in the warehouse classification.

21.07 Mandatory overtime will be required as determined by management, not to exceed 4 hours in a single shift. If additional overtime is necessary, it will be on a voluntary basis.

ARTICLE 22 : HOLIDAYS

22.01 Holidays will include New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve Day, and Christmas Day, or days celebrated as such. All time worked on holidays will be paid for at the rate of time and one-half in addition to eight (8) hours holiday pay provided he/she otherwise qualifies. All employees on the main seniority list will be entitled to two (2) floating holidays per year. The Company reserves the right, prior to January 15 of each calendar year, to adjust the holiday schedule, which 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. All requests for floating holidays shall be taken between January 1st and December 31st and are subject to the existing vacation rules and restrictions currently posted. All employees on the seniority list who appear on the payroll during the week in which any of the above named holidays occur shall receive eight (8) hours straight time pay for such holidays, provided that the employee works his/her last regularly scheduled work day before the holiday and his/her first regularly scheduled work day after the holiday. Absence on either of the scheduled work days referred to above due to proven bona-fide illness shall not deprive any employee who is otherwise qualified of his/her holiday pay. The Employer agrees further that it will uniformly grant a day's pay or a day off in lieu thereof for each holiday that falls on Saturday.

ARTICLE 23 : GUARANTEE FOR SENIOR EMPLOYEES

23.01 The senior employees shall be the first to work the full weekly regular hours. There shall be no favoritism shown to junior employees. Overtime opportunities will be offered to employees by seniority. Overtime that occurs during the regular work week above and beyond the employees' normal scheduled hours will be offered by classification seniority, not overall seniority. Available weekend overtime hours will be posted. Weekend overtime will be awarded based on overall seniority, to individuals able to perform the necessary duties of the overtime work available. The Union shall have the right to examine the payroll records relating to a dispute regarding this provision.

ARTICLE 24 : PAY DAY

The company will maintain a bi-weekly payroll (every two weeks), with pay periods ending with Saturday and paydays on Fridays. Sixty (60) calendar days advance notice will be given prior to any change in payroll practices. For overtime and wage purposes, the work week shall be defined as Sunday through Saturday. Within 60 days of ratification of this agreement, the Union will encourage all employees to enroll in direct deposit for payroll processing.

ARTICLE 25 : RIDERS

25.01 No driver will be permitted to allow anyone other than the employees of the Employer to ride on his truck.

ARTICLE 26 : WAGES

26.01 Minimum rates of pay in the various classifications shall be as follows:

	<u>Current</u>	<u>Effective Date</u>		
		<u>8/1/18</u>	<u>8/1/19</u>	<u>8/1/20</u>
Driver	\$22.08	\$22.52	\$22.97	\$23.43
Warehouse	\$21.55	\$21.98	\$22.42	\$22.87

The following minimum rates of pay shall apply to all employees hired into the warehouse classification after August 1, 2015:

	<u>Current</u>	<u>Effective Date</u>		
		<u>8/1/18</u>	<u>8/1/19</u>	<u>8/1/20</u>
Warehouse	\$17.50	\$18.36	\$18.73	\$19.10

26.02 The following hourly pay rates and time intervals will apply during the first year of employment for employees hired in the warehouse classification.

Hire	92% of standard rate for classification
1 st day following completion of 6 months continuous service	96% of standard rate for classification
1 st day following completion of 12 months continuous service	100% of standard rate for classification

26.03 Any employee whose regular shift start time is after 11:00 a.m. shall receive an additional fifty cents (\$0.50) per hour.

26.04 An employee that works in a higher wage classification for greater than 4 hours shall be paid at the higher rate of pay.

26.06 Each active employee on the payroll at the time of ratification shall receive a one-time \$2,500 ratification bonus (less required statutory deductions).

ARTICLE 27 : JURY PAY

27.01 It is agreed that the Employer shall pay all employees for the necessary time spent serving on the petit jury while in such service for up to a maximum of 30 working days. Any employee released from duty by or before noon on any day shall report back to work the balance of the day.

ARTICLE 28 : FUNERAL LEAVE

28.01 Employees who lose time on scheduled work days on account of death of members in their immediate family will be paid for working time lost as a result of making arrangements

and/or attendance at the funeral. Pay for such time as is necessary but not to exceed three (3) days will be based on an eight (8) hour day at straight time. The Company shall be promptly notified of the absence hereunder and the reason therefore, and documentation may be required.

28.02 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. Immediate family does not include aunts, uncles, nieces, or nephews. *Includes domestic partner's equivalent relatives as listed above.

ARTICLE 29 : APPEARING ON COMPANY PROPERTY

29.01 It is understood and agreed that whenever it becomes necessary for a representative of the Union to take up with employees any routine Union business, such as collection of Union dues, a representative of the Union may enter the property of the Employer for this purpose only during the lunch hour and not during the regular working hours unless agreed to by the Employer.

29.02 In the event that it becomes necessary for a representative of the Union to present grievances to the Employer, the representative of the Union shall present the same directly to the Employer and it shall then be the responsibility of the Employer to arrange for the necessary conference for the adjustment of such grievances. It is mutually understood and agreed that all matters of this character are to be handled in a manner such as will not disturb the regular operation of the business more than is absolutely necessary.

ARTICLE 30 : WORK ASSIGNMENT

30.01 Any employee receiving a work assignment from his Employer shall accept and perform such assignment regardless of classification or seniority. If the employee feels such assignment is not proper he shall notify the Steward, or the Union business agent who will process the grievance as provided in Article 6 and Article 7 and in such manner as not to result in an interference with or an interruption of the regular operation of the business.

ARTICLE 31 : NOTICE OF SEPARATION

31.01 Regular employees shall be entitled to one (1) week's written notice of layoff or the Employer shall pay one (1) week's salary in lieu thereof. Such one (1) week's notice or pay in lieu thereof may be split up between notice time and pay, so long as the employees receive a total of at least one (1) week notice or in pay. Employees terminating their employment with their Employer voluntarily shall advise the Employer in writing, one (1) week (no less than seven (7) calendar days) in advance, and, if this is not done, shall forfeit any claims to any vacation or vacation pay that may be due them in accordance with Article 15 hereof. This Article shall only apply to employees who have had six (6) months or more of continuous employment with their Employer and shall not apply in cases of layoff of less than one (1) week's duration.

ARTICLE 32 : HEALTH AND WELFARE

32.01 Effective August 1, 2015, the Employer shall contribute directly to the Minnesota Teamsters Health and Welfare Plan (the "Health and Welfare Plan") an amount equal to 80% of the total cost of the coverage for each employee for each week the employee appears on the

payroll after completing six full weeks of work performing bargaining unit work. Employees shall pay 20% of the total cost of coverage for the Health and Welfare Plan, with such employee contributions to be collected through payroll deductions.

Any calendar year increase in contributions after 12/31/15 required by the Health and Welfare Plan, not to exceed \$20.00 per week each year of the contract, will be shared by the parties as noted above. The amount contributed by the employees for the duration of this Agreement will be made through the regular payroll deduction process.

ARTICLE 33 : PENSION PLAN

33.01 Effective the Monday of the week following receipt of this signed collective agreement by the Central States Pension Fund (the "Termination Date"), the Local Union and Company agree that (i) the Company will cease participation in the Central States Southeast and Southwest Pension Fund (the "Central States Fund") and (ii) employees in the bargaining unit who participate in the Central States Fund will cease accruing benefits thereunder. All benefits accrued under the Central State Fund prior to the Termination Date will continue to be administered by the Central States Fund.

33.02 Effective December 1, 2018, all individuals whose employment is governed by this Agreement and who are employed with the Company (except those who were accruing a benefit under the Grocery/Storage Pension Fund/Minneapolis Food Distributing Industry Pension Plan (the "Grocery Fund") and who are listed on Exhibit A), (collectively, "Pension Plan Eligible Employees") will participate in the Veritiv Pension Plan (the "Pension Plan").

The Pension Plan is incorporated herein by reference. As soon as practicable following ratification, the Company will amend the Veritiv Pension Plan to reflect the terms of this Section 33. For avoidance of doubt, the terms of the new Exhibit to the Veritiv Pension Plan that is adopted pursuant to this Section 33, as amended from time to time, will control with respect to all Pension Plan Eligible Employees during the term of this Agreement, subject in all cases to applicable law and the express terms of this Agreement.

- Pension Plan Eligible Employees who are active and in the bargaining unit as December 1, 2018 will be immediately vested under the Pension Plan. Employees who are hired or become active in the bargaining unit after said date shall become Pension Plan Eligible Employees and shall be vested under the terms of the Pension Plan.
- Pension Benefit Amount: Pension Plan Eligible Employees will accrue a Normal Retirement Benefit (as defined in the Pension Plan) as follows:
 - \$53.00 per month for each year of Benefit Service for the period December 1, 2018 through December 31, 2019.
 - \$54.00 per month for service from January 1, 2020 through December 31, 2020.
 - \$55.00 per month for service from January 1, 2021 through December 31, 2021.For avoidance of doubt, Benefit Service will not include periods during which an individual whose employment is governed by this Agreement accrued a benefit under the Central States Fund.
- The Pension Plan neither requires nor accepts employee contributions.

Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned thereto under the terms of the Pension Plan.

33.03 Individuals whose employment is governed by this Agreement and who were accruing a benefit under the Grocery/Storage Pension Fund/Minneapolis Food Distributing Industry Pension Plan (the “Grocery Fund”) immediately before the ratification date hereof due to employment at the Kasota Ave. (Minneapolis) location and the Long Lake Road (Roseville) are listed in Exhibit A. To the extent those employees remain employed with the Company subject to this Agreement, they will continue to be eligible to accrue benefits under the terms of the Grocery Fund. The Company shall contribute to the Grocery Fund \$147.62 per week for each of these employees who has attained seniority rights under Article 17.02 during the term of this Agreement. Such contributions shall be payable for each week in which the employee shows earnings on the Company’s payroll except as provided above.

ARTICLE 34 : 401(K) PLAN

34.01 Individuals who were participants in the Veritiv Retirement Savings Plan, the Company’s 401(k) plan (the “Savings Plan”), immediately before the term of this Agreement will continue to participate in the Savings Plan. All individuals who become employees of the Company, active in the bargaining unit and subject to this Agreement during the term hereof will be eligible to participate in the Savings Plan in accordance with the terms thereof, as modified by this Agreement

A. Each Plan Year, an Eligible Employee whose employment is governed by this Agreement may elect to make Before-Tax Contributions and/or Roth 401(k) Contributions to the Savings Plan in an aggregate amount not to exceed 85% of the employee’s Compensation for such Plan Year.

B. Each Eligible Employee whose employment is governed by this Agreement and who is actively on the Company’s payroll at the time of ratification will have one or more nonelective employer contribution(s) totaling up to \$7,500 in the aggregate credited to a Savings Plan Account established for the Eligible Employee, according to the following schedule:

Eligible Employee Age on Date of Ratification	Nonelective Employer Contribution Timing
Age 58 or older	\$7,500 credited within 30 days after ratification of this Agreement
Less than age 58	<ul style="list-style-type: none"> • \$3,500 credited within 30 days after ratification of this Agreement; plus • An additional \$1,500 credited if the Eligible Employee remains an employee of the Company and active in the bargaining unit on the first anniversary of the date of ratification; plus • An additional \$2,500 credited if the Eligible Employee remains an employee of the Company and active in the bargaining unit on the second anniversary of the date of ratification

Individuals who are not employees of the Company and active in the bargaining unit on the ratification date of this Agreement are not eligible for the nonelective contribution(s).

Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned thereto under the terms of the Savings Plan.

ARTICLE 35 : INJURY ON THE JOB

35.01 The Employer agrees to pay the employees their regular straight time rate of pay for any time lost from their regular work shift due to time spent obtaining a doctor's medical care for any physical injury sustained and reported while at work on the original day of injury. The above shall also apply to visits for doctor's medical care after the original day of injury provided that the visit does not exceed one (1) hour unless the doctor certified that more than one (1) hour was necessary. A verification from the doctor will be required to support each visit.

ARTICLE 36 : EXAMINATIONS

36.01 Physical examinations required by a government body or the Employer, shall be promptly complied with by the employees and paid for by the Employer. Employees will not be required to take examinations during their working hours unless paid by the Employer for all time spent. Employees shall be given reasonable notice of dates of examinations. The Employer reserves the right to select its own medical examiner or physician and the Union may, if it believes an injustice has been done an employee, have said employee re-examined at the employee's expense. If the two (2) physicians disagree, the Employer and the Union shall mutually agree upon a third physician within ten (10) working days, whose decision shall be final and binding on the Employer and the Union and the employee. Neither the Employer nor the Union will attempt to circumvent the decision of the third physician and the expense of the third physician shall be equally divided between the Employer and the Union.

36.02 The Employer shall reimburse drivers for fees incurred for securing necessary clearance pursuant to the Department of Homeland Security fingerprinting and background check.

ARTICLE 37 : KITTING

37.01 The Parties agree that for the Employer to attract additional business it may be required to hire temporary workers or contractors to perform work not traditionally performed by members of the bargaining unit. An example of such non-traditional work would be the assembly of "kits", in which temporary workers or part-time contractors are assigned to perform specific duties for specific customer/jobs at specific times. Temporary workers or contractors performing non-traditional work shall not be covered by the terms of the Agreement. Work historically performed by employees in the bargaining unit, including unloading products from trucks, loading products into trucks, and operating power material handling equipment, will continue to be performed by bargaining unit employees.

37.02 The Parties further acknowledge that the Employer may lease space within its warehouse facilities to unrelated third parties to perform services which may include warehousing/logistics services. The parties agree that nothing in this Agreement creates obligations for the Employer or

any third party with respect to the terms and conditions of employment for employees engaged by third parties. The Employer agrees that it shall not rely on this Letter to circumvent the terms of this Agreement or to reduce the size of the bargaining unit.

ARTICLE 38 : SUCCESSORS CLAUSE

38.01 The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc., of the operation covered by the Agreement or any part thereof. Such notice shall be in writing with a copy to the Union not later than the effective day of sale.

ARTICLE 39 : MANAGEMENT RIGHTS

39.01 The Employer has and shall retain the full responsibility of management of its facility and operations, except as limited by those provisions herein agreed upon. Among the Employer's rights and responsibilities, but not limited to, are the following:

- a. The right to plan, direct, control, increase, decrease, transfer, consolidate or discontinue operations;
- b. The right to determine operational structure and to sell or organize, in whole or in part, any of its business or assets;
- c. The right to determine products, processes and merchandise to be transported or distributed.

39.02 The Employer shall be the sole judge of applicants for employment, their qualifications, and physical fitness-giving full and unbiased opportunity to all applicants without regard to sex, race, religion, national origin, veteran status, age or disability.

39.03 The Employer shall have the right to adopt and enforce reasonable working and safety rules for said employees; to assign work and duties in accordance with its determination as to what constitutes good and efficient practice and operation; to establish reasonable production requirements for each operation or job classification; and to arrange schedules of operation.

39.04 The Employer retains the right to temporarily assign any employee to any work within the employee's job classification which the employee is capable of performing or to transfer temporarily employees from one shift to another to meet operational requirements; and, to establish and change procedures for the selection and training of employees.

39.05 The functions of management referred to in this Article are not all inclusive, but indicate the type of rights and responsibilities which belong solely to management. The failure of the Employer to exercise any of its rights in any one or more instances shall not be deemed a waiver of such right, nor shall the manner in which the Employer exercises its management function in any instance preclude or prevent the Employer from changing the manner in which such right or function may be exercised or accomplished in the future, nor shall such practice be binding on the Employer in any way as a precedent. Rights of management shall not be exercised so as to conflict with the terms of this Agreement or prevailing laws.

ARTICLE 40 : CHANGE OR MODIFICATION OF AGREEMENT

40.01 This Agreement shall be in effect from the date of notice of ratification and acceptance and shall remain in effect for the life of this agreement unless terminated in accordance with the provisions below.

40.02 If either party shall desire to change any provisions of this agreement, it shall give written notice of such desire to the other at least sixty (60) calendar days prior to the expiration date of this agreement, midnight, July 31, 2021.

40.03 The giving of notice provided in Section 2, above, shall constitute an obligation upon both parties to negotiate in good faith on all proper questions at issue with the intent of reaching a mutual agreement.

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

ARTICLE 41 : TERMINATION OF AGREEMENT

41.01 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) calendar days.

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

IN WITNESS WHEREOF, the parties hereto have caused these present to be duly executed this 12th day of December, 2018.

VERITIV OPERATING COMPANY

BY EBrennan
Elizabeth Brennan
Veritiv Operating Company

**MISCELLANEOUS DRIVERS, HELPERS
& WAREHOUSEMEN'S UNION, LOCAL
NO. 638, I.B.T.**

BY [Signature]
Trevor Lawrence
Secretary-Treasurer

BY Karen Sporny
Karen Sporny
HR Business Partner

BY Steve Seviola
Steve Seviola
Business Agent

BY Michael Wessel
Michael Wessel
Distribution Manager