

AGREEMENT BETWEEN  
VERITIV OPERATING COMPANY  
WESTAMPTON, NJ

AND

HIGHWAY TRUCK DRIVERS AND HELPERS  
LOCAL 107 OF THE INTERNATIONAL BROTHERHOOD  
OF TEAMSTERS, CHAUFFEURS, WAREHOUSEMEN  
AND HELPERS OF AMERICA

AUGUST 1, 2018

TO

JULY 31, 2021

## TABLE OF CONTENTS

SECTION 1 – RECOGNITION	3
SECTION 2 – UNION SECURITY	3
SECTION 3 – HIRING ADDITIONAL EMPLOYEES	3
SECTION 4 – PROVISIONS CONTRARY TO LAW	3
SECTION 5 – CHECK OFF	4
SECTION 6 – STEWARDS	4
SECTION 7 – TIME OFF FOR UNION ACTIVITIES	4
SECTION 8 – SENIORITY	5
SECTION 9 – NO STRIKE – NO LOCKOUTS	6
SECTION 10 – GRIEVANCE PROCEDURE	7
SECTION 11 – SHIFT CHANGES	8
SECTION 12 – DESIGNATION OF UNION OFFICIALS	8
SECTION 13 – DISCHARGE OR SUSPENSION	8
SECTION 14 – PAY PERIOD	10
SECTION 15 – TIME RECORDS	10
SECTION 16 – DEATH IN FAMILY	10
SECTION 17– COMPENSATION	10
SECTION 18 – WORK IN OTHER CLASSIFICATIONS	12
SECTION 19 – VACATION	12
SECTION 20 – HOLIDAYS	14
SECTION 21 – LEAVE OF ABSENCE AND SICK LEAVE	15
SECTION 22 – HEALTH AND WELFARE AND PENSION	16

SECTION 23 – HOURLY SAVINGS PLAN	17
SECTION 24 – SUPPLEMENTAL LIFE INSURANCE	17
SECTION 25 – TRANSFER OF COMPANY TITLE OR INTEREST	17
SECTION 26 – UNION BULLETIN BOARD	18
SECTION 27 – MILITARY CLAUSE	18
SECTION 28 – UNION ACTIVITIES	18
SECTION 29 – SEPARATION OF EMPLOYMENT	18
SECTION 30 – SEPARABILITY AND SAVINGS CLAUSE	18
SECTION 31 – MANAGEMENT RIGHTS	19
SECTION 32 – PROTECTION OF RIGHTS	19
SECTION 33 – EQUAL EMPLOYMENT OPPORTUNITY	19
SECTION 34 – FULL OPPORTUNITY TO PRESENT DEMANDS: ELIMINATION OF PAST PRACTICES	20
SECTION 35 – JURY DUTY PAY	20
SECTION 36 – SUBCONTRACTING	20
SECTION 37 – SAFETY	21
SECTION 38 – JURISDICTIONAL	21
SECTION 39 – DRUG FREE WORKPLACE	22
SECTION 40 – SURVEILLANCE	22
SECTION 41 – CONTRACT CANCELLATION OR TERMINATION NOTICE	22

Agreement made as of this 1<sup>st</sup> day of August, 2018 between the Westampton, New Jersey division of Veritiv Operating Company hereafter referred to as “the Employer”, and Highway Truck Drivers and Helpers Local 107 of the International Brotherhood of Teamsters, Chauffeurs, Warehouseman and Helpers of America, hereinafter referred to as “the Union”.

SECTION 1  
RECOGNITION

The Employer recognizes and acknowledges that the Union is the exclusive representative for all permanent full time employees of Employer employed by Employer in its warehouse at 1200 Highland Drive, Westampton, New Jersey, in the following job classification of work: Warehousemen, for the purpose of collective bargaining as provided by the National Labor Relations Act.

The employees covered by this Agreement are hereafter sometimes referred to collectively as “employees” and individually as “employee.”

SECTION 2  
UNION SECURITY

The present employees who are members of the Union on the effective date of this Agreement shall remain members of the Union in good standing as a condition of employment. All present employees who are not members of the Union and all employees who are hired hereafter shall become and remain members in good standing of the Union as a condition of employment on and after the 31<sup>st</sup> working day following the beginning of their employment or on and after the 31<sup>st</sup> day following the effective date of this Agreement, whichever is later.

SECTION 3  
HIRING ADDITIONAL EMPLOYEES

The Company has the sole discretion in hiring new employees. When the Employer needs additional employees, it shall give the Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Union.

Temporary Labor: Workers who are not full-time employees shall be paid through a temporary agency designated by the Company. This will in no way affect terms of consideration for hiring, rate of pay, call in, benefits as provided within this agreement or any other provision specified in this agreement. Nothing set in this article shall obligate the Employer to provide benefits for any workers in the temporary classification. Temporary workers will automatically be considered for a full-time position after one hundred eighty (180) calendar days. All temporary workers shall be required to pay a service fee to the Union each month or partial month worked. Such fee shall be equal to regularly monthly union dues of the member of Local 107.

SECTION 4  
PROVISIONS CONTRARY TO LAW

No provisions of this Agreement shall apply in any state to the extent that it may be prohibited by state law. If, under any applicable state law, additional requirements must be made before any such provisions may become effective, such additional requirement shall be first made.

SECTION 5  
CHECK OFF

The Employer agrees to deduct from the first two pays of the month of all employees covered by this Agreement the dues, initiation fees and/or uniform assessments of the Union and agrees to remit to the Union all such deductions prior to the end of the month for which the deduction is made, provided that Employer has received from each employee written authorization to make such deductions in form and content satisfactory to Employer.

The Union shall certify to the employer in writing each month a list of its members working for the Employer who have furnished to the Employer the required authorization together with an itemized statement of dues, initiation fees (full or installment), or uniform assessments owed and to be deducted from each pay of the month, for such month, from the pay of such employees. The Employer shall add to the list submitted by the Union the names of all regular Union Members hired since the last list was submitted and delete the name of employees who are no longer employed. Where an employee who is check-off is not on the payroll during the week in which the deduction is to be made, or has no earnings or insufficient earnings during that week, or is on leave of absence, the employee must make arrangements with the Union to pay such dues in advance.

SECTION 6  
STEWARDS

Employer recognizes the right of the Union to designate not more than one (1) job steward from the Employer's seniority list. The Steward shall be treated as having the greatest seniority of any employee for purposes of layoff. The authority of job steward designated by the Union shall be limited to, but shall not exceed, the following duties and activities:

1. The investigation of grievances with his Employer or the designated company representative in accordance with the provisions of this Agreement;
2. The collection of dues when authorized by appropriate Union action;
3. The transmission of such messages and information, which shall originate with, and are authorized by the Union, or its officers, provided such message and information:
  - a. Have been reduced to writing; or
  - b. If not reduced to writing, are of a routine nature and do not involve stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer's business.

SECTION 7  
TIME OFF FOR UNION ACTIVITIES

Employer agrees to grant to not more than one (1) employee at a time the necessary and reasonable time off, not to exceed ten (10) days in any calendar year, without discrimination or loss of seniority rights (including vacation and holiday eligibility as provided in this Agreement) and without pay, to any employer designated by the union to attend a labor convention or serve in any capacity on other official Union business, provided seven (7) days' written notice is given to the employer by the Union, specifying the approximate length of time he may be off. The union agrees, in making its request for time off for Union activities, there shall be no disruption of the Employer's operations due to lack of available employees.

SECTION 8  
SENIORITY

Seniority rights for employees shall prevail. Seniority is defined as length of continuous service with Employer from the date on which the employee was last hired.

1. Regular employee – An employee who has obtained seniority with the Employer.
2. Probationary employee – An employee shall be a probationary employee until he has worked for an Employer at least sixty (60) days during any one hundred twenty (120) work days. Any days worked as a replacement for any regular employee who is absent for any reason other than one who has been out for over six (6) consecutive months shall not count towards probationary time. After he/she has worked such period, the probationary employee will be first hired when there is an opening for a regular employee. The Employer shall not be permitted to deprive a qualified employee of the right to gain seniority status by any subterfuge or by any refusal to hire such qualified employee when work is available. During the sixty (60) work days in any one hundred twenty (120) work days, the employee shall work under the provisions of this agreement and shall be employed only on a trial basis during which period they may be terminated without recourse.
3. The probationary period shall not be used to avoid hiring additional regular employees.
4. Temporary employees shall not be used as a subterfuge to deprive regular employees of overtime.
5. Seniority shall be terminated only by:
  - a. Discharge;
  - b. Voluntary quit;
  - c. Two year layoff;
  - d. Failure to respond to notice of recall as set forth herein;
  - e. Failure to attain or comply with leave of absence provisions as set forth herein; and
  - f. In the case of a non-work related injury – continuous absence for a period of eighteen (18) months. In the case of a work related injury – continuous absence for a period of thirty-six (36) months.
6. Within thirty (30) days after signing this Agreement, and at least annually thereafter, the Employer shall post in a conspicuous place in Employer's warehouse, and shall mail to the Union, a list of the employees covered by this Agreement arranged according to their seniority. Protest to any employee's seniority date of position on such list must be made, in writing, to the Employer within thirty (30) days after such seniority date or position first appears, and if no protests are timely made, the dates and positions as posted shall be deemed correct. Any such protest which is timely made may be submitted to the Grievance Procedure.
7. Any employee on the seniority list who is absent because of a non-work related injury illness or injury shall continue to accrue seniority during such absence to a period of eighteen (18) months for the purpose of determining his place on the seniority list. Any employee on the seniority list who is absent because of a work related injury illness or injury shall continue to accrue seniority during such absence up to a period of thirty-six (36) months for the purpose of determining his place on the seniority list. However, upon being able to return to work, he shall immediately inform the Employer of his return date. In the event of a layoff, an employee, so laid-off, shall be given seven (7) days notice of recall. Such notice shall be sent to his last known address reflected on the company Payroll records, by registered or certified mail with verification of Shop Steward. A copy of such notice shall be sent to the union in a similar manner. The employee must notify

the Employer within the three (3) days (excluding Saturday, Sunday or holidays) after receipt thereof as to whether or not he intends to report for work and must actually report for work within seven (7) days after receipt thereof, unless otherwise mutually agreed to. In the event the employee fails to comply with the above, he shall lose all seniority rights under this Agreement. The employee is responsible for providing a current address to the Company.

8. All permanent vacancies or openings in existing job classifications, or newly created classifications, shall be posted for three (3) working days so that each qualified employee who is interested in the job may be considered for it.

Any employee who has completed his probationary period and has the required skills and ability to perform the job shall have the right to bid for the job during the period it is posted by notifying the Employer in such reasonable manner as Employer shall determine. The Employer shall fill the vacancy with the employee having the greatest seniority who applies for the job and has the skills and ability required to perform the job.

If an employee who bids for a job which has been posted is awarded the job, such employee shall be on a trial period during the first thirty (30) working days he is performing the new job. If, during such period, he is unable to perform the work satisfactorily, he will be returned to his former job and the next senior employee bidding the job who has the skills and ability to perform the job shall be put on the job (subject to the same trial period).

If no employee bids for the job, or if the employees bidding for the job do not have the skills and ability required for the job, or prove during their trial period to be unable to perform the job, then the Employer shall have the right thereafter to fill the job with a new employee, and in such event, the job shall not be deemed to have been filled and need not be reported by Employer unless and until Employer has hired a new employee to fill the job and such new employee has completed the probationary period.

9. Layoff and Recall to work shall be based upon the employee's seniority, provided that the employee has the skills and ability required to perform the work which is available.

When it becomes necessary to reduce the workforce, the last person hired shall be laid off first, provided the remaining employees have the qualifications and certifications and can perform the work safely. When the workforce is increased, the employees are to return in the reverse order in which they are laid off according to the seniority list. All warehouse employees will be offered the opportunity to be certified in lift truck operations.

#### SECTION 9 NO STRIKES – NO LOCKOUTS

The Employer agrees that during the term of this Agreement there shall be no lockouts.

The Union agrees that during the term of this Agreement there will be no strikes, work stoppages or work slowdowns of any kind by Union or any of the employees.

SECTION 10  
GRIEVANCE PROCEDURE

1. Should any difference arise between the Employer and the Union or an employee as to the meaning or application of, or compliance with, the provisions of this Agreement (except the provisions of Section 11 to which this grievance procedure shall not have application), the difference shall be settled in the following manner:

Step 1: Within three (3) calendar days excluding Saturdays and Sundays, after the occurrence of the grievance, it shall be taken up between the employee, his immediate supervisor and the appropriate Union Steward. If no satisfactory disposition of the grievance is reached, then

Step 2: Within two (2) calendar days after the decision of the supervisor under step 1 above has been received by the Union, the grievance shall be reduced to writing and presented by the aggrieved employee and the appropriate Union Steward to such representative of the Employer as the Employer may designate. If no satisfactory disposition of the grievance is reached, then

Step 3: Within five (5) calendar days after the decision of the representative of the Employer under Step 2 has been received by the Union, it shall be discussed in a meeting between the Union Steward involved, one additional representative designated by the Union and, at the option of the Union, a representative of International Union and representatives designated by the Employer. If no satisfactory disposition of the grievance is reached, then

Step 4: Within five (5) calendar days after the decision of the Employer following the meeting held in Step 3, the grievance shall be discussed between the President of the Local Union and representative of the head of the Company. If no satisfactory disposition of the grievance is reached, then

Step 5: Within ten (10) calendar days after the decision of the Employer following the meeting held in Step 4, the grievance may be submitted to a federal Mediator at the option of either party. The decision by a Federal Mediator may be appealed by either party to Step 6 which is arbitration.

Step 6: Within twenty (20) calendar days after the decision of the Mediator following the meeting held in Step 5, the grievance may be submitted to arbitration at the option of either party. If the grievance is submitted to arbitration, the arbitrator shall be selected and the arbitration conducted in accordance with the rules of the American Arbitration Association (AAA) or the Federal Mediation Conciliation Service (FMCS) in effect. The AAA and FMCS agencies shall be used on an alternating basis. The party desiring to submit a matter to arbitration shall notify the other party in writing of its intention to do so and of the issue to be arbitrated at least three (3) calendar days prior to the time the request for arbitration is submitted to the American Arbitration Association or Federal Mediation Conciliation Service. The expense of the arbitrator shall be borne equally by Employer and Union. All other expenses shall be borne by the party incurring the expense. The decision of the arbitrator shall be final and binding upon the parties hereto, but the arbitrator shall not have the power or authority to alter or modify the terms and conditions of this Agreement.

2. If the Employer fails to answer a grievance within the time requirements set forth above, the Employer shall be conclusively presumed to have agreed to grant the remedy requested in the grievance. If the Union fails to proceed with the prosecution of a grievance in compliance with

the time requirements set forth above, the Union shall be conclusively deemed to have accepted the Employer's answer and withdrawn the grievance.

Unless otherwise mutually agreed upon, a grievance not appealed to the succeeding step of the grievance procedure within the time limits set forth herein shall be considered settled on the basis of the decision last made and shall not be eligible for further appeal. In no case will the financial liability on any grievance extend beyond six (6) months from the date of the selection of the arbitrator. It is not the intent of the parties to delay the timeliness of processing grievances. The timeline can be extended by mutual agreement.

#### SECTION 11 SHIFT CHANGES

When changing the starting time of an individual or entire shift, the change will be bid. The Company may change the starting time of any shift or individual(s) two times per year by up to one (1) hour without rebidding. All shift bids will be posted once per year during the first week of March. The bid will be posted for a minimum of three (3) days so that Senior employees may have an opportunity to bid on said change, except when the cause of the shift change is an Act of God or otherwise beyond the control of the Employer.

#### SECTION 12 DESIGNATION OF UNION OFFICIALS

1. It is further mutually agreed that the Union will, within two (2) weeks of the date of the signing of this Agreement serve upon the Employer a written notice, which notice will list the Union's authorized representatives who will deal with the Employer, make commitments for the Union generally, and in particular have the sole authority to act for the in calling or instituting strikes or any stoppages of work, and the Union shall not be liable for any activities unless so authorized. It is further agreed that in all cases of an unauthorized strike, slowdown, walkout, or any unauthorized cessation of work in violation of this Agreement, the Union shall not be liable for damages resulting from such unauthorized acts of its members.
2. While the Union shall undertake every reasonable means to induce such employees to return to their jobs during any such period of unauthorized stoppage of work mentioned above, it is specifically understood and agreed that the Employer may, during the first twenty-four (24) hour period of the unauthorized stoppage of work, enforce discipline up to and including discharge and such Union members shall not be entitled to or have any recourse to any other provisions of this Agreement.

After the first twenty-four (24) hour period of stoppage, and if such stoppage continues, however, the Employer shall have the sole and complete right to immediately discharge any Union member participating in any unauthorized strike, slowdown, walkout or any other cessation of work such Union members shall not be entitled to or have any recourse to any other provision of this Agreement.

#### SECTION 13 DISCHARGE OR SUSPENSION

The Employer shall not discharge nor suspend an employee except for just cause except where the provisions of this Section provide for immediate discharge. All employees shall comply with Company Work Rules. The Union recognizes the rights of the Company to adopt, modify, communicate, and

enforce Company rules and regulations. The Union and the employees shall be notified of rule changes and shall have an opportunity to discuss them with the Company prior to implementation. Copies of any such rules shall be made available to the Union and the employees prior to implementation.

In all cases involving discharge or suspension of any employee, the Company must immediately notify the employee in writing of his discharge or suspension and the reason therefore. Such written notice shall also be given to the Shop Steward and a copy mailed or electronically delivered to the Local Union, within one (1) working day from the time of the discharge or suspension.

Discipline shall be progressive in nature. However, certain offenses may merit discipline up to and including discharge without regard to the progressive disciplinary process.

1. (a) Discharge or suspension must be for just cause and written notice of such discharge or suspension must be given by the Employer to the employee, and a copy of such written notice given to the Local Union.  
  
(b) In respect to discharge or suspension, the Employer shall give at least one (1) written notice of such complaint against such employee to the employee and a copy of same to the Local Union except that no warning notice need to be given to an employee before he is discharged, if the cause of such discharge is:
  - i. Any no call or no show for three (3) consecutive work days will be considered job abandonment or voluntary quit.
  - ii. Calling an unauthorized strike or walkout.
  - iii. Drunkenness, drinking during working hours (including lunch time) or being under the influence of liquor or drugs during working hours (including lunch time) or violation of Substance Abuse Policy.
  - iv. Unprovoked assault on the Employer or the Employer's representative during working hours.
  - v. Fighting or verbal assault toward a fellow employee, customer or vendor on company property, customer or vendor property or Company time including lunch or break time.
  - vi. Carrying unauthorized passengers in Employer's vehicle.
  - vii. Consistent with the provisions of New Jersey's state laws and company policy, it is illegal to carry firearms on Company property.
  - viii. Theft, dishonesty or willful or malicious destruction of any property on Company premises.

The foregoing Rules and Regulations have been formulated to serve as guideposts for the employee. It is to be understood that in describing certain offenses and penalties therefore, the Employer has not limited the violations for which it may discipline an employee to the offenses covered in these Rules and Regulations. The Employer may exert discipline in other types of cases should the situation warrant.

2. (a) The warning notice as herein provided shall not remain in effect for a period of more than twelve (12) months from the date of such warning notice.  
  
(b) An employee may request an investigation as to his discharge, suspension or warning notice. Should such investigation prove that an injustice has been done, the employee shall be reinstated as provided for in this Agreement. Appeal from discharge must be taken within ten (10) calendar days of such discharge by written notice to the Employer. Such discharge shall be subject to the

grievance procedure set forth in Section 10 hereof, commencing at Step 3. The meeting provided in Step 3 shall be held within five (5) calendar days after the Employer has received notice of the appeal.

SECTION 14  
PAY PERIOD

Employees shall be paid biweekly, payable on Friday for the two weeks ending the prior week. When the regular payday falls on a bank holiday, the preceding workday shall be payday. The Employer shall furnish each employee with 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.

SECTION 15  
TIME RECORDS

A daily time record shall be maintained by the Employer at its place of business. All Employers who employ five (5) or more people shall have time clocks unless otherwise mutually agreed to.

SECTION 16  
DEATH IN FAMILY

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 days off, they should discuss this need with their manager, in consultation with the Human Resources Representative (documentation of the death may be required).

One (1) additional day shall be paid if services require out of town travel in excess of 500 miles. It being understood that immediate family means your wife, husband, son, daughter, stepson, stepdaughter, mother, father (or nearest relative that acted in a parental capacity to the employee), brother, sister, grandparents and grandchildren, mother-in-law and father-in-law, spouses of children and spouses of stepchildren and includes domestic partner.

SECTION 17  
COMPENSATION

1. Hours of Work. The regular work week shall consist of five (5) days of eight (8) hours each, exclusive of the meal period, Monday through Friday. The Company shall designate the start times, except that day shift employees starting times shall be between 5:00 AM to 10:59 AM. The second (2<sup>nd</sup>) shift shall be between 11:00 AM and 7:59 PM and third (3<sup>rd</sup>) shift shall be between 9:00 PM and 4:59 AM. The Company shall have the right to establish and/or discontinue such shifts as it determines it requires.
2. Shift Differential. Employees who work second (2<sup>nd</sup>) and third (3<sup>rd</sup>) shift shall receive an additional thirty-five cents (\$0.35) per hour added to his/her wage rate in effect.

3. Wages. Employee will receive \$0.48 in each year effective August 1, 2018

Hire Date	Classification	Current	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year
Pre 6/10/85	Warehouse Worker	\$23.87	\$24.35	\$24.83	\$25.31
Post 6/10/85	Warehouse Worker	\$22.81	\$23.29	\$23.77	\$24.25
Post 8/1/02	Warehouse Worker	\$21.78	\$22.26	\$22.74	\$23.22

- a) New Hire Progression Rates for employees hired after 08/01/02:

	<u>Start</u>	<u>6 months</u>	<u>12 months</u>
Warehouse Worker	85%	90%	Rate

- b) Company has right to designate and assign "Group Leader" at its discretion. It is understood that in this position the lead person will have the responsibility to direct the workforce and report operational problems to management in addition to their regular duties, but they will not be permitted to hire, fire or recommend disciplinary actions. It is further understood that in recognition of their additional responsibilities, the lead person will be paid a seventy-five cent (.75) premium per hour over the existing contractual wage rate, including any shift premium applicable. This position will not be subject to the bidding process and will be selected by management based on experience and qualifications.
4. 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.

Any employee who is scheduled to work and starts to work on any day, shall be guaranteed eight (8) hours pay or work; provided that if Union supplies help not having experience in the particular type of work for which supplied, and such help shall prove unsatisfactory after less than eight (8) hours of work, Employer shall be obligated to pay such employee only for time actually worked.

Any employee called in before his/her regular start time shall be paid for all time worked before said regular start time, however, the employee must work until the end of his regular shift unless agreed to mutually otherwise.

Any employee needed for overtime must be offered same at least one half hour before it begins unless because of the presence of extreme circumstances.

The Company has the right to fill its overtime needs by first utilizing volunteers by seniority. If unable to meet its needs, the Company can require qualified employees to work in reverse order of seniority. The Company has the right to require reasonable overtime.

5. Employees required to report to work on Saturday or Sunday or on the sixth (6th) and/or seventh (7th) consecutive day of work in a work week will receive four (4) hours pay. Employees

required to work more than four (4) hours on a Saturday or Sunday or on the sixth (6th) and/or seventh (7th) consecutive day of work in a work week will be paid a minimum of eight (8) hours' pay.

6. Any employee sustaining injuries which are compensable under the Workmen's Compensation Act which does not prevent him from performing his usual duties, but requires that he visit the offices of Employer's designated physician during his regular working hours for the purpose of obtaining further examination or treatment, shall receive his regular rate of pay for time spent during his regular working hours for such visit, provided he/she shall not receive more than eight (8) hours' pay in any such day unless he actually works more than eight (8) hours on that day.
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. Penalty payments will not be permitted in settlement of such grievances. This shall not exclude payment of back pay in appropriate circumstances such as management abuse.
8. The Company will not pay the Union Bargaining Committee for negotiations.

#### SECTION 18 WORK IN OTHER CLASSIFICATIONS

When an employee is requested to do work in higher rated classification, he shall receive the higher rate of pay for the entire day in which such work is performed. When an employee is requested to work in a lower rated classification, he shall receive his regular rate of pay for all such lower rated work performed.

#### SECTION 19 VACATION

1. Every regular employee who has been continuously in the employ of Employer shall, if he meets the other qualifications set forth herein, receive paid vacation as set forth below. The qualifying period for vacation shall be measured from an employee's anniversary date.

The vacation period will run from January 1<sup>st</sup> through December 31<sup>st</sup>. The Employer shall post a Vacation Schedule. For the period of March 15<sup>th</sup> and March 21<sup>st</sup>, employees shall select vacations based on seniority. After March 31<sup>st</sup>, vacations not scheduled will be awarded on a first come-first served basis.

Scheduling of time off will be conducted as follows: No more than one Warehouse Worker per shift may be scheduled for vacation at the same time.

Management retains the right to review and approve all requests for vacation.

Vacation can be scheduled, or rescheduled, by submitting a "Request For Time Off" form to the supervisor at least two (2) weeks prior to the day(s) you are requesting off. Such requests shall be granted on a first come first service basis. If more than one person submits a form on the same day requesting the same day(s) off, scheduling shall be done by seniority. All requests to reschedule vacation shall be given consideration, though requests may be denied if no time is available under the guidelines set forth above. Supervisors will notify the employee of the status

of their request in writing three (3) days of receiving the request, unless he/she is unable to do so for legitimate business reasons.

<u>Years of Continuous Service</u>	<u>Weeks of Vacation</u>
1 year	1
2 years	2
10 years	3
15 years	4
*20 years	5

\*Employees hired after 8/1/02 will not be eligible for the 5<sup>th</sup> week vacation.

- To qualify for a vacation an employee in addition to having been continuously employed by the Employer for the specified number of years must not have been absent from work by the Employer provided that absence caused by legitimate illness, or an accident, shall not be counted.
- By “continuously” the following is meant: If an employee works one thousand three hundred (1,300) or more hours, the employee shall be entitled to their full vacation with pay. Partial vacation pay shall be determined on a pro rata basis. Upon permanent layoff, discharge, quit or retirement, any employee on the seniority list with one (1) or more years of service shall be entitled to vacation pay on a pro rata basis. Such pro rata vacation shall be computed as follows:

The total number of hours worked (including days for which he was paid holidays and for the previous year’s vacation) shall be divided by 1300. The resulting figure, when multiplied by the vacation amount he would have been entitled to if not off, is the prorated vacation due.

Example: If an employee normally entitled to \$352.35 as a week’s vacation  
Pay worked only 1120 hours, his vacation is as follows:

$$\begin{aligned}
 &1120 \text{ (hours worked)} / 1300 \text{ (total possible hours)} \\
 &= .86 \text{ (factor)} \\
 &\$352.35 \times .86 = \$303.02 \text{ (pro rata vacation due)}
 \end{aligned}$$

- The Employer shall have the right to schedule the number of employees in each classification who shall receive vacations at a particular time. Employees within a particular classification must select their vacations according to their seniority, unless otherwise mutually agreed to by the Union and the Employer.

The vacation period of each qualified employee shall be set with due regard to the desire, seniority and preference of the employees, consistent with the efficient operation of the Employer’s business.

- The Employer shall have, at its sole discretion, the option of buying the fifth (5<sup>th</sup>) week of an employee’s vacation. Upon mutual agreement between the Employee and the Employer, the Employer will have the option of buying the fourth (4<sup>th</sup>) week of vacation.

Vacations may be taken in consecutive weeks provided, however, that as to any employee who is entitled to more than two (2) weeks' vacation, the Employer may schedule the weeks in excess of two (2) separate from the other two (2) weeks of vacation.

6. If, in the future, Employer and Union agree that a manpower shortage has developed, an employee may be required to work during vacation period, but in such event he shall receive in addition to his earnings for that week, the pay to which he would have been entitled had he been on vacation.
7. If an employee's vacation falls in a week in which a holiday recognized by this Agreement falls, the employee shall receive an additional day's vacation or a day's pay at straight time rates in lieu thereof to be determined by the Employer.
8. Employees shall be paid forty (40) straight time hours at their regular rate for each week of vacation which they become eligible during the term of this Agreement, except that employees who received forty-five (45) hours pay for a vacation week prior to April 1, 1994, shall continue to receive forty-five (45) hours at applicable straight times rates.

One week's vacation pay for any eligible employee shall not exceed the amount provided above for the employee's classification.

9. Scheduled vacation dates will only be changed by the Company as a last ditch effort to satisfy customer demands. The Company will explore all available options before an employee's vacation plans are disturbed. Once a vacation has been scheduled, it can only be changed by the Company with a minimum notification period of fifty (50) days.
10. Single days of vacation may be scheduled subject to specific request and written approval from Company. Employees shall be paid straight time at eight (8) hours for a single day of vacation. Those employees eligible for forty-five (45) hours of pay for a vacation week prior to April 1, 1994 under Section 22.8 of this agreement shall be paid straight time at nine (9) hours for a single day of vacation.

#### SECTION 20 HOLIDAYS

1. Regular employees shall not be required to work on the following holidays:

New Year's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Eve
Labor Day	Christmas Day

The Company has the right to change Holidays to conform to the customers' requirements.  
The Company shall provide eight (8) holidays.

When the Company declares an additional stated holiday, the employee may use a sick leave day, vacation day, or take the day off without pay

2. All employees ordered to work on any of the above listed holidays shall be paid a minimum of eight (8) hours pay at straight time rate. Any regular employee who qualifies for holiday pay shall also receive such holiday pay.
3. Starting time and shifts shall not be changed to circumvent application of the above provisions relating to holiday pay.
4. If a holiday falls on Sunday and is celebrated on Monday, Monday shall be considered as the holiday.
5. If an employee's vacation falls in a week in which a holiday recognized by this Agreement falls, the employee shall receive an additional day's vacation or a day's pay at the straight time rates in lieu thereof to be determined by the Employer.
6. Probationary employees are not eligible for holiday pay during the probationary period.
7. In order to qualify for eight (8) hours of straight time pay for holidays not worked, it is provided that regular employees must work the regular scheduled workday which immediately precedes and follows the holiday, except in cases of proved illness or unless the absence is mutually agreed to.
8. A regular employee is entitled to holiday pay if the holiday falls within the thirty (30) day period following an employee's layoff due to lack of work, and such employee is also recalled to work during the same thirty (30) day period, but did not receive any holiday pay, then in such case he shall receive an extra day's pay for each holiday in the week in which he returns to work. Said extra day's pay shall be equivalent to eight (8) hours at the straight time hourly rate specified in the Agreement. An employee who was laid off because of lack of work and is not recalled to work within the aforementioned thirty (30) day period is not entitled to the extra pay upon his return. Under no circumstances shall the extra pay referred to herein be construed to be holiday pay nor shall it be considered as hours worked for the weekly overtime.
9. Senior employees may refuse to work on a holiday; however, all jobs must be covered by seniority.
10. The holiday shall be computed at eight (8) hours determining the hours in such week for which the employee is entitled to be compensated at the overtime rate, except in any week in which the holiday falls on the employee's day off.

SECTION 21  
LEAVE OF ABSENCE AND SICK LEAVE

1. Any employee desiring leave of absence from his employment without discrimination or loss of seniority rights and without pay, shall secure written permission from the Employer. The maximum leave of absence shall be for ninety (90) days and may be extended for like periods. Permission for same must be secured from the Employer. During the period of absence, the employee shall not engage in gainful employment. Failure to comply with this provision shall result in the complete loss of seniority rights for the employee(s) involved. Inability to work because of proven sickness or injury shall not result in the loss of seniority rights except as noted

in Section 8. Employee is responsible for paying Health & Welfare and Pension payments prior to leave of absence. Employee will contact the Union or Steward.

2. The employee must make suitable arrangements for continuation of health and welfare and pension payments and life insurance payments, if any at his expense before the leave or any extension thereof may be approved by either the Union or the Employer.
  - a. Sick Days- All employees are eligible for five (5) sick days per calendar year.

SECTION 22  
HEALTH AND WELFARE AND PENSION

The Employer agrees to make contributions to the Teamsters Health and Welfare, and Pension Fund, Philadelphia Area and Vicinity.

1. Contributions to the Pension Fund:

- a. The current Employer contribution amount, to said Fund, is as follows:

Effective August 1, 2018 Pension - \$68.36/shift

For the term of this contract, the Alternative Schedule of the 2010 Funding Improvement Plan adopted by the Pension Fund shall apply (i.e., contributions increase by 5% per year).

2. Contributions to Health & Welfare:

The Employer shall contribute the sum of \$71.98/day effective August 1, 2018 for each employee who has worked, or reported for work on one (1) day of such calendar month. New hires shall receive contributions for Health & Welfare, after thirty-one (31) days of employment. The Employer will contribute up to a maximum of 10% to Health and Welfare premium increases annually.

The union and the company agree that the employees will contribute a portion of the total premium for their Health & Welfare benefit per the following schedule:

8/01/2018- 7/31/2019	18%
8/01/2019- 7/31/2020	19%
8/01/2020- 7/31/2021	20%

3. Contributions set forth herein shall continue to be made by the Employer for one (1) calendar month after layoff for employees who are laid off.
4. Contributions set forth herein shall continue to be made by the Employer for two (2) calendar months for employees who are on sick leave.
5. Contributions set forth herein shall continue to be made by the Employer for six (6) calendar months for employees who are absent due to a compensable injury or illness.

6. The Employer shall not be obligated to contribute for employees after termination where such employees voluntarily terminate or are discharged for just cause.
7. Diversion of Wages to Health & Welfare:  
There will be no diversion of wages to Health & Welfare for the term of this agreement.
8. Diversion of Wages to Pension:  
There will be no diversion of wages to pension for the term of this agreement.
9. The following former Local 107 employees are grandfathered in the Teamsters pension plan:  
Lewis Davis.

SECTION 23  
HOURLY SAVINGS PLAN

The location participates in the Veritiv Hourly Savings Plan 401(k) described in the summary plan description entitled "Savings Plan", with no Company matching contributions. All plan provisions are indexed to the core company plan, with exception of Company match.

SECTION 24  
SUPPLEMENTAL LIFE INSURANCE

The Company will continue to provide, under the existing terms and conditions, optional Supplemental Life Insurance. Employees can elect to purchase additional coverage for themselves and dependent

SECTION 25  
TRANSFER OF COMPANY TITLE OR INTEREST

This Agreement shall be binding upon the parties hereto, their successors, administrators, executors and assigns. In the event an operation is sold, leased, transferred, or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings such operation shall continue to be subject to the terms and conditions of this Agreement for life thereof. It is understood by this Article that the parties hereto shall not use any leasing device to a third party to evade this Agreement.

In the event the Employer fails to require the purchaser, transferee, or lessee to assume the obligation of its Agreement, the Employer (including partners thereof) shall be liable to the Local Union and to the employees covered for all damages sustained as a result of such failure to require assumption of the terms of this Agreement, but shall not be liable after the purchaser, the transferee or lessee has agreed to assume the obligations of this Agreement. The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, etc. of the operation covered by this Agreement. Such notice shall be in writing with a copy to the Local Union, at the time of the seller, transferor, lessor executes a contract or transaction as herein described. The Local Union shall also be advised of the exact nature of the transaction not including financial details.

In the event the Employer absorbs or acquires and operates business or other Company or is party to merger, the seniority of the employees who are affected thereby shall be determined by mutual agreement between the Employer and Local Unions involved. It is immaterial whether the transaction is called merger, purchase, acquisition, sale etc. or whether it involves merely the purchase of stock of one corporation by another with two separate corporations remaining in existence.

SECTION 26  
UNION BULLETIN BOARD

The Employer agrees to provide suitable space for the Union Bulletin Board in Employer's warehouse. Posting by the Union on such boards are to be confined to official business of the Union.

SECTION 27  
MILITARY CLAUSE

Employees enlisting or entering the military or naval service of the United States, pursuant to the provisions of the Selective Service Act of 1948, shall be granted all rights and privileges provided by the Act.

The Employer shall pay the Health and Welfare and Pension Fund contributions on employees on leave of absence for training in the military reserves on National Guard, but not to exceed fourteen (14) days, providing such absence affects his credits or coverage for Health and Welfare and/or Pension.

SECTION 28  
UNION ACTIVITIES

1. Any employee member of the Union acting in any official capacity whatsoever shall not be discriminated against for his act as such officer of the Union so long as such acts do not interfere with the conduct of the Employer's business, nor shall there be any discrimination against any employee because of union membership or activities.
2. Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating work conditions, collection of dues and ascertaining that the Agreement is being adhered to, provided, however, that there is no interruption of the Employer's working schedule.

SECTION 29  
SEPARATION OF EMPLOYMENT

Upon discharge, the Employer shall pay all money due to the employee. Upon quitting the Employer shall pay all money due to the employee as soon as administratively possible, but no later than two payroll periods.

SECTION 30  
SEPARABILITY AND SAVINGS CLAUSE

If any Section or Paragraph of this Agreement or any Supplements or Rider thereto should be held invalid by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any Section or Paragraph should be restrained by such tribunal pending a final determination as to its validity, the remainder of this Agreement and or any Supplements or Rider thereto, or the application of such Section or Paragraph to person or circumstances other than those as to which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

In the event that any section of paragraph is held invalid or enforcement of or compliance with which has been restrained, as above set forth, the parties affected thereby shall enter into immediate collective bargaining negotiations after receipt of written notice of desired amendments by either Employer or Union for the purpose arriving at a mutually satisfactory replacement for such Section or Paragraph during period of invalidity or restraint. There shall be no limitations of time for such written notice. If the parties do not agree on a mutually satisfactory replacement within sixty (60) days after receipt of the stated written notice, either party shall be permitted all legal or economic recourse in support of its demand notwithstanding any provisions of this Agreement to the contrary.

### SECTION 31 MANAGEMENT RIGHTS

Subject only to the limitations herein expressly set forth, it is recognized that all management functions whether heretofore or thereafter exercised and regardless of the frequency or infrequency of that exercise are vested solely in the Employer, including, but without limitation thereto, the full and exclusive control, direction and supervision of the employees, the right to make such rules and regulations not inconsistent with the terms of this Agreement as the Employer shall deem advisable, and their right to hire, suspend, discharge, demote or otherwise discipline an employee for violation of the rules and regulation or for other proper and just cause, to promote to better position, to maintain discipline and efficiency of employees, to determine schedules of work for an employee or employees from one job to any other. Non Bargaining unit employees may use material handling equipment for duties other than production, order picking, truck loading, put away stock or receiving. All employees operating equipment must have the proper certifications.

### SECTION 32 PROTECTION OF RIGHTS

It shall not be a violation of this Agreement, and it shall not be caused of discharge or disciplinary action in the event that an employee refuses to go through or behind any picket line at Employer's place of business at 1200 Highland Drive, Westampton, New Jersey, established on behalf of employees working at such location by a Union certified by the National Labor Relations Board as representing such employees; provided that this Paragraph shall not apply to, or protect any employee who refuses to cross or go behind any picket line established by Union or employees in violation of the provisions of this Agreement.

### SECTION 33 EQUAL EMPLOYMENT OPPORTUNITY

Neither the Employer nor the Union will discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, ethnicity color, creed, religion, sex, sexual orientation, marital status, gender identity or expression, genetic information, national origin or age (nor will they limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities due to race, ethnicity color, creed, religion, sex, sexual orientation, marital status, gender identity or expression, genetic information, national origin or age). In addition, there shall be no discrimination against any qualified handicapped or disabled employee as defined in the Rules and Regulations relative to Section 504 of the Rehabilitation Act of 1973 or the Americans with Disabilities Act of 1990 or any qualified disabled veteran or veteran of the Vietnam era or any other classification protected by law.

### SECTION 34

FULL OPPORTUNITY TO PRESENT DEMANDS:  
ELIMINATION OF PAST PRACTICES

1. It is understood that the Company and the Union discussed this issue during negotiations. The Union realizes that the Company has a right to operate their business in an efficient, cost effective way. This may include new technology and other aspects of movement within the warehouse.

If the Union believes that there is some past practice that may exist outside these needs of the Company, it may request a meeting to address these issues with the Company.

An example of a current past practice would be working through lunch practice that has been in effect. In any case, the Union and Company agree to mutually work through any such issue that arises.

2. Complete Agreement

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

SECTION 35  
JURY DUTY PAY

An employee who has worked for the Employer for at least one year and who is called to and reports for jury duty shall be paid by the Employer for each day spent in performing jury duty, if the employee otherwise would have been scheduled to work for the Employer and does not work, the employee's regular straight-time hourly rate of pay for the number of hours up to eight (8), that he otherwise would have been scheduled to work. In order to receive payment under this Section, the employee must give the Employer prior notice that he has been summoned for jury duty promptly after he receives such summons and must furnish satisfactory evidence that he performed jury duty on the day when claims such payment.

An employee who is called for jury duty will receive pay for up to ten (10) days. If an employee is required to be a witness in matters on behalf of the Company, he/she will be permitted the necessary time off to fulfill this obligation without loss of pay, regardless of the duration of the obligation. Except where required by law, any other witness service is unpaid unless the employee opts to use other available paid time off.

SECTION 36  
SUBCONTRACTING

1. The Company will continue to subcontract the cutting function as agreed to in the previous labor agreement.
2. The Company retains the right to determine from which facility it shall service customers. If the Company decides to utilize a third party, the third Party shall take the employee(s) formerly employed by the Company and assign them to the work. Company employees shall hold seniority with the subsequent employer on Company work only. Such employees shall be covered by the terms of the current labor agreement. The Company agrees that in doing so it will not take work presently performed by the collective bargaining unit and "divert" it to non-bargaining unit employees or to any other mode of operation, unless specifically provided for and permitted in this Agreement.

3. 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. 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 Section 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 37 SAFETY

It is agreed that careful observation of safe working practices and Company safety rules is the primary duty of all employees. The Company agrees to provide necessary safety equipment. Employees are responsible for providing safety shoes which meet the published Company guidelines. The employees are required to utilize and/or wear designated safety equipment.

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

Employees are expected to actively participate in job related activities, including but not limited to, safety, quality programs, training etc. The Union will encourage employee participation and not interfere with the same.

Effective February 2019, employees will be afforded an annual payment of \$175.00 towards the purchase of safety shoes when accompanied by a receipt. Safety shoe transactions will be executed in the month of February only. Employees will be reimbursed as soon as administratively possible in the next scheduled pay period.

### SECTION 38 JURISDICTIONAL

There will be no jurisdictional restrictions between any classification in the facility including warehouse functions and delivery. Any employee may be assigned to perform any work which they are qualified to safely perform.

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.

SECTION 39  
DRUG FREE WORKPLACE

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.

SECTION 40  
SURVEILLANCE

The Company and the Union agree that it may be necessary for the Company to undertake investigations which could involve the use of hidden surveillance cameras and/or undercover investigators and/or such other means or devices deemed necessary by the Company. The Company reserves the right to install any such devices including, but not limited to, truck monitoring devices, and/or hidden cameras and/or to use such means deemed necessary by the Company, including but not limited to the use of undercover investigators. If the use of any surveillance information can lead to discipline, the Company will share the relevant information with the Union Representative and will provide copies of the tapes and investigative reports prior to taking final disciplinary action. If employees are found to have engaged in misconduct as a result of such investigation, discipline up to and including discharge pursuant to the provisions of the labor agreement will be imposed.

SECTION 41  
CONTRACT CANCELLATION OR TERMINATION NOTICE

This Agreement shall be in full force and effect from August 1, 2018 to July 31, 2021 and shall continue from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

Where no such cancellation or termination notice is served and the parties desire to continue with said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to July 31, 2021 or July 31<sup>st</sup> of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

10 Day Notification of Termination

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

IN WITNESS WHEREOF, the parties hereto have caused these present to be executed by their duly authorized officers, intending to be legally bound thereby, the day and year first above written.

FOR THE COMPANY:

FOR THE UNION:

*Mark Lewis*  
NAME (Signature)

*Mike Nugent*  
NAME (Signature)

Mark Lewis  
NAME (Please Print)

MIKE NUGENT  
NAME (Please Print)

DIRECTOR, LABOR + Emp. Relations  
9/5/18

Business Agent  
9/5/18

Veritiv Operating Company – Westampton

Teamsters Local 107

Contract Negotiations

MEMORANDUM OF UNDERSTANDING

The parties agree that as a result of the announcement to move the Westampton warehouse to a Burlington facility, employees at the current Westampton facility will be moved and allowed to carry with them their seniority, benefits and contract language negotiated in this agreement.