SUMMARY OF TENTATIVE

TEAMSTERS AND
AIR EXPRESS INTERNATIONAL, U.S.A., INC.
("AEI")
MASTER
AGREEMENT

For the Period of
April 1, 2014
through
DECEMBER 31, 2016

Covering:

operations in, between and over all of the states, territories and possessions of the United States, and operations into and out of all contiguous territory.

Local Union Leadership Update, Thursday June 26, 2014

- The parties reserve the right to correct inadvertent errors and omissions
- ***Additions*** and new language are underlined and in red
- ***Deletions*** are shown with a
- Agreed non-substantive typographical or cross reference corrections are not shown
- Where no reference is made to a specific Article or Section thereof, such Article and Section are to continue as in the current Agreement
- New section number system and changes in Article numbers where required are reflected
- Table of Contents will be added in final document
- Separate Addendum appears at the end of this document

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The AIR EXPRESS INTERNATIONAL U.S.A., INC. (hereinafter referred to as the "EMPLOYER" or "Company" or "AEI") and the TEAMSTERS NATIONAL UNION NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union Nos. 25, 295, 299, 500, 705, 745, 769, 856, 926, and 986 which Local Union is an affiliate of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement.

ARTICLE 1
PARTIES TO THE AGREEMENT

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Section 1.1 - Employer Covered

The Employer is signatory to this AEI Master Agreement and Supplemental Agreements as hereinafter set forth.

Section 1.2 - Unions Covered

[NO CHANGE]

TA

Section 1.3 - Transfer of Company Title or Interest

The Employer's obligations under this Agreement including Supplements shall be binding upon its successors, administrators, executors and assigns. The Employer agrees that the obligations of this Agreement shall be included in the agreement of sale, transfer or assignment of the business. In the event an entire active or inactive operation, or a portion thereof, or rights only, are sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings, such operation or use of rights shall continue to be subject to the terms and conditions of this Agreement for the life thereof. Transactions covered by this provision include stock sales or exchanges, mergers, consolidations, spinoffs or any other method by which a business is transferred.

It is understood by this Section that the Employer shall not sell, lease or transfer such run or runs or rights to a third party to evade this Agreement. In the event the Employer fails to require the purchaser, transferee, or lessee to assume the obligations of this Agreement, as set forth above, the Employer (including partners thereof) shall be liable to the Local Union(s) and to the employees covered for all damages sustained as a result of such failure to require the assumption of the terms of this Agreement until its expiration date, but shall not be liable after the purchaser, the transferee or lessee has agreed to assume the obligations of this Agreement. The obligations set forth above shall not apply in the event of the sale, lease or transfer of a portion of the rights

comprising less than all of the Employer's rights to a another company unless the purpose is to evade this Agreement. Corporate reorganizations by the Employer, occurring during the term of this Agreement, shall not relieve the Employer or the reorganized Employer of the obligations of this Agreement during its term.

The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, or other entity involved in the sale, merger, consolidation, acquisition, transfer, spinoff, lease or other transaction by which the operation covered by this Agreement or any part thereof, including rights only, may be transferred. Such notice shall be in writing, with a copy to the Local Union, at the time the seller, transferor or lessor makes the purchase and sale negotiation known to the public or executes a contract or transaction as herein described, whichever first occurs. The Local Union shall also be advised of the exact nature of the transaction, not including financial details.

ARTICLE 2
SCOPE OF AGREEMENT

Section 2.1 - Master Agreement

[NO CHANGE]

Section 2.2 - Supplements to Master Agreement

[NO CHANGE]

Section 2.3 - Non-covered Units

[NO CHANGE]

TA

Section 2.4 - Card Check Recognition

(a) When a majority of the eligible employees performing work covered by an Agreement designated by the National Negotiating Committee to be Supplemental to the National Master Agreement execute a card authorizing a signatory Local Union to represent them as their collective bargaining agent at the terminal location, then, such employees shall automatically be covered by this Agreement and the applicable Supplemental Agreements. If an Employer refuses to recognize the Union as above set forth and the matter is submitted to the National Labor Relations Board or any mutually agreed upon process for determination, and such determination results in certification or recognition of the Union, all benefits of this Agreement and applicable Supplements shall be retroactive to the date of demand for recognition, unless otherwise agreed.
The parties agree that a constructive bargaining relationship is essential to efficient operations and sound employee relations. The parties recognize that organizational campaigns occur in bargaining relationships and that both parties are free to accurately state their respective

positions concerning the organization of certain groups of employees. However, the parties also recognize that campaigns must be waged on the facts only.

Accordingly, neither party will engage in the following conduct during the course of any campaign:

- Personal attacks against any past or current Union or Employer representatives
- Misrepresentation of facts
- Attacks against the Union or the Company as an institution
- Use of facts which intentionally cast a bad light on either party relating to improper activity.

[Note – this last sentence was deleted because it already appears in the first paragraph]

Section 2.5 - Single Bargaining Unit

[NO CHANGE]

Section 2.6. Riders

[NO CHANGE]

ARTICLE 3
RECOGNITION, UNION SHOP AND CHECKOFF

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Section 3.1 - Recognition

(a) The Employer recognizes and acknowledges that the designated National Union Committee and Local Unions affiliated with the International Brotherhood of Teamsters are the exclusive representatives of all employees in the classifications of work covered by this Master Agreement, and those Supplements thereto approved by the National Negotiating Committees for the purpose of collective bargaining as provided by the National Labor Relations Act.

Subject to Section 2.3 - Noncovered Units - this provision shall apply to all present and subsequently acquired operations and terminals of the Employer.

This provision shall not apply to wholly-owned and wholly independently operated subsidiaries which are not under contract with local IBT unions.

Union Shop

(b) All present employees who are members of the Local Union on the effective date of this Subsection or on the date of execution of this Agreement, whichever is the later, shall remain members of the Local Union as a condition of employment. Union membership, for purposes of this Agreement, is required only to the extent that employees must pay either (i) the Union's initiation fees and periodic dues or (ii) service fees which in the case of a regular service fee payer shall be equal to the Union's initiation fees and periodic dues, and in the case of an objecting service fee payer shall be the proportion of the initiation fees and dues corresponding to the portion of the Union's total expenditures that support representational activities. All present employees who are not members of the Local Union and all employees who are hired or added to the bargaining unit hereafter, shall become and remain members of the Local Union as a condition of employment on and after the thirty-first (31st) calendar day following the beginning of their employment in the bargaining unit or on and after the thirty-first (31st) calendar day following the effective date of this Subsection or the date of this Agreement, whichever is the later. An employee who has failed to acquire, or thereafter maintain, membership in the Union as herein provided, shall be terminated seventy-two (72) hours after his/her Employer has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be, offered to such employee on the same basis as all other members and, further, that the employee has had notice and opportunity to make all dues or initiation fee payments. This provision shall be made and become effective as of such time as it may be made and become effective under the provisions of the National Labor Relations Act, but not retroactively.

For purposes of this Article, "present employees" and "employees who are hired hereafter" shall include "casual employees" as defined in Section 3.3 of this Agreement. Such "casual employees" will be required to join the Union on or before the thirty-first (31st) calendar day following their first (1st) day of employment by the Employer.

Hiring

(c) When the Employer needs additional employees, it shall give the Local Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Local Union. Violations of this subsection shall be subject to the Grievance Committee.

Any employment examination for applicants must test skills or physical abilities necessary for performance of the work in the job classification in which the applicant will be employed. Violations of this subsection shall be subject to the Grievance Committee.

State Law

(d) No provision of this Article shall apply in any state to the extent that it may be prohibited by state law. If under applicable state law additional requirements must be met before any such provisions may become effective, such additional requirements shall be first met.

Agency Shop

(e) If any agency shop clause is permissible in any state where the provisions of this Article relating to the Union Shop cannot apply, the following Agency Clause shall prevail:

(1) Membership in the Local Union is not compulsory. Employees have the right to join, not join, maintain, or drop their membership in the Local Union, as they see fit. Neither party shall exert any pressure on, or discriminate against, an employee as regards such matters.

(2) Membership in the Local Union is separate, apart and distinct from the assumption by one of his/her equal obligation to the extent that he/she receives equal benefits. The Local Union is required under this Agreement to represent all of the employees in the bargaining unit fairly and equally without regard to whether or not an employee is a member of the Local Union. The terms of this Agreement have been made for all employees in the bargaining unit and not only for members in the Local Union, and this Agreement has been executed by the Employer after it has satisfied itself that the Local Union is the choice of a majority of the employees in the bargaining unit. Accordingly, it is fair that each employee in the bargaining unit pay his/her own way and assume his/her fair share of the obligations along with the grant of equal benefits contained in this Agreement.

(3) In accordance with the policy set forth under subparagraphs (1) and (2) of this subsection (e), all employees shall, as a condition of continued employment, pay to the Local Union, the employee's exclusive collective bargaining representative, an amount of money equal to that paid by other employees in the bargaining unit who are members of the Local Union, which shall be limited to an amount of money equal to the Local Union's regular and usual initiation fees, and its regular and usual dues. For present employees, such payments shall commence thirty-one (31) days following the effective date or on the date of execution of this Agreement, whichever is the later, and for new employees, the payment shall start thirty-one (31) days following the date of employment or transfer into the bargaining unit.

Savings Clause

(f) If any provision of this Article is invalid under the law of any state wherein this Agreement is executed, such provision shall be modified to comply with the requirements of state law or shall be renegotiated for the purpose of adequate replacement. If such negotiations shall not result in mutually satisfactory agreement within sixty (60) days of a written notice requesting such negotiations, or mutually agreed extensions thereof, then the matter shall be promptly submitted to and resolved by the National Grievance Committee, which shall issue a decision implementing one of the parties' final offers. The No Strike/No Lockout provisions of Article 7 shall remain in full force and effect in the event of such negotiations.

Employer Recommendation

(g) In those instances where subsection (b) hereof may not be validly applied, the Employer agrees to recommend to all employees that they become members of the Local Union and maintain such membership during the life of this Agreement, to refer new employees to the Local Union representative, and to recommend to delinquent members that they pay their dues since they are receiving the benefits of this Agreement.

Business agents shall be permitted to attend new employee orientations in right-to-work states. The sole purpose of the business agent's attendance is to encourage employees to join the Union.

No Violation of Law

(h) Nothing contained in this Section shall be construed so as to require the Employer to violate any applicable law.

Section 3.2. Probationary and Casual Employees

[NO CHANGE]

TA

Section 3.3 - Checkoff

The Employer agrees to deduct from the pay of all employees covered by this Agreement the dues, initiation fees and/or uniform assessments of the Local Union having jurisdiction over such employees and agrees to remit to said Local Union all such deductions. Where laws require written authorization by the employee, the same is to be furnished in the form required. The Local 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 for such month from the pay of such member. The Employer shall deduct such amount within two (2) weeks following receipt of the statement of certification of the member and remit to the Local Union in one (1) lump sum within three (3) weeks following receipt of the statement of certification. The Employer shall add to the list submitted by the Local Union the names and Social Security numbers of all regular new employees hired since the last list was submitted and delete the names of employees who are no longer employed. Checkoff shall be on a monthly or quarterly basis at the option of the Union. The Local Union and Employer may agree to an alternative option to deduct Union dues bi-monthly.

When an Employer actually makes a deduction for dues, initiation fees and assessments, in accordance with the statement of certification received from an appropriate Local Union, the Employer shall remit same no later than three (3) weeks following receipt of the statement of certification and in the event the Employer fails to do so, the Employer shall be assessed ten percent (10%) liquidated damages. All monies required to be checked off shall become the property of the entities for which it was intended at the time that such checkoff is required to be made. **[Note – deleted sentence was repetitive of the sentence in front of it]**

Where an employee who is on checkoff 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 Local Union and/or the Employer to pay such dues in advance.

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement

voluntary contributions to DRIVE. DRIVE shall notify the Employer of 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 DRIVE 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.

The Employer will recognize authorization for deductions from wages, if in compliance with state law, to be transmitted to Local Union or to such other organizations as the Union may request if mutually agreed to. No such authorization shall be recognized if in violation of state or federal law. No deduction shall be made which is prohibited by applicable law.

In the event that an Employer has been determined to be in violation of this Article by the decision of an appropriate grievance committee, and if such Employer subsequently is in violation thereof after receipt of seventy-two (72) hours' written notice of specific delinquencies, the Local Union may strike to enforce this Article. However, such strike shall be terminated upon the delivery thereof.

Errors or inadvertent omissions relating to individual employees shall not constitute a violation.

Upon written request of an employee, the Employer shall make payroll deductions for the purchasing of U. S. Savings Bonds.

The Employer hereby agrees to participate in the Teamsters National 401(k) Savings Plan (the "Plan") on behalf of all employees represented for purposes of collective bargaining under this agreement. The Employer is not required to participate in the Teamsters National 401(k) if Teamster employees were eligible to participate in an Employer sponsored 401(k) as of January 1, 1998.

The Employer will make or cause to be made payroll deductions from participating employees' wages, in accordance with each employee's salary deferral election subject to compliance with ERISA and the relevant tax code provisions. The Employer will forward withheld sum to State Street Bank or its successor at such time, in such form and manner as required pursuant to the Plan and Declaration of Trust (the "Trust").

The Employer will execute a Participation Agreement with the designated National Union Negotiating Committee and the Trustees of the Plan evidencing Employer participation in the Plan effective prior to any employee deferral being received by the Plan.

Section 3.4 - Work Assignments

[NO CHANGE]

Section 3.5 – Local Union Defined; Multi-Union Unit/Single Contract

[NO CHANGE]

TA

Section 3.6 – Electronic Funds Transfer

If the Employer institutes an electronic funds transfer (EFT) system, employees may participate. All employees hired after the date of ratification shall be required to have their payroll deposited directly into a personal checking or savings account via electronic funds transfer (EFT) system. Deposit statements reflecting the balance deposited and withholdings, deductions and other information normally found on one's pay stub will be made available to employees each pay period.

ARTICLE 4
STEWARDS

[NO CHANGE]

ARTICLE 5
SENIORITY, LAYOFF AND RECALL

TA

Section 5.1 – Seniority Rights

(a) The application of seniority which has been accrued herein shall be established in the Supplemental Agreements.

(b) Seniority shall be broken only by discharge, voluntary quit, retirement, or more than a five-(5) year layoff (3 years for employees hired after January 1, 2014).

(c) This Section shall apply to all Supplemental Agreements.

Section 5.2 – Mergers of Companies - General

[NO CHANGE]

Section 5.3 – Intent of Parties

[NO CHANGE]

Section 5.4 – Equipment Purchases

[NO CHANGE]

TA

Section 5.5 - Posting Seniority List

(b) The Employer shall give the Local Union a seniority list at least every six (6) months, upon request. The Employer shall also post a seniority list at least once every six (6) months and shall maintain a current seniority roster at the terminal. Protest of any employee's seniority date or 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 posted shall be deemed correct. Any such protest which is timely made may be submitted to the grievance procedure.

ARTICLE 6
MAINTENANCE OF STANDARDS

TA

Section 6.1 – Maintenance of Standards

The Employer agrees, subject to the following provisions, that all conditions of employment in his/her individual operation relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement**,** except as affirmatively and specifically provided elsewhere in this National agreement that a specific term shall control over any contrary term in any local supplement and/or prior practice and the conditions of employment shall be improved whenever specific provisions for improvement are made elsewhere in this Agreement.

Local Standards

(a) The Local Unions and the Employer shall, within one hundred eighty (180) days following ratification of this Agreement, identify and reduce to writing, and submit to the appropriate Regional Joint Area Committee, those local standards and conditions practiced under this Article. Such standards and conditions when submitted in accordance with this Section shall be currently dated. Those local standards and conditions previously practiced hereunder which

are not so submitted shall be deemed to have expired.

The appropriate Regional Joint Area Committee shall, not later than ninety (90) days following ratification, adopt a procedure to consider the disposition of the local standards and conditions submitted including the right to appoint a subcommittee to make recommendations. The Regional Joint Area Committee shall provide to the parties the opportunity to present their views. The Regional Joint Area Committee shall have the sole discretion to determine the disposition of the submitted local standards and conditions which determination shall be final and binding.

(b) The Employer may during the life of this Agreement file with the appropriate Regional Joint Area Committee and request review of those individual standards and conditions claimed or practiced under this Article which exceed the provisions of this Agreement and Supplemental Agreements.

The Regional Joint Area Committee shall develop a procedure to review the filing including the right to appoint a subcommittee to make recommendations. The Committee shall make every effort to adjust the matter. If the Committee reaches agreement concerning the disposition of the individual standards or conditions, the decision of the Committee shall be final and binding. In the event of deadlock, the submitted standards and/or conditions shall continue as practiced.

General

(c) It is agreed that the provisions of this Article shall not apply to inadvertent or bona fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement. Such bona fide errors may be corrected at any time.

Any disagreement between the Local Union and the Employer with respect to this matter shall be subject to the grievance procedure.

This provision does not give the Employer the right to impose or continue wages, hours and working conditions less than those contained in this Agreement.

Section 6.2 – Workweek Reduction

[NO CHANGE]

TA

Section 6.3 – New Equipment

Where new types of equipment and/or operations for which rates of pay are not established by this Agreement are put into use after April 1, 2003, within operations covered by this Agreement,

rates governing such operations shall be subject to negotiations between the parties.

In the event agreement cannot be reached within sixty (60) days after date such equipment is put into use, the matter may be submitted to the National Grievance Committee for final disposition. Rates agreed upon or awarded shall be effective as of the date equipment is put into use unless mutually agreed otherwise.

Employees expected to use new equipment, technology and related work flow processes will be trained to use them and will be paid for all training time. Employees expected to use new equipment, technology and related work flow processes will be given sufficient time to learn to use them.

ARTICLE 7
GRIEVANCE AND ARBITRATION PROCEDURE

Section 7.1 – Definition

[NO CHANGE]

Section 7.2 – Procedure

Step 1

[NO CHANGE]

Step 2

[NO CHANGE]

Step 3 (RGC)

[NO CHANGE]

Step 4 (NGC)

[NO CHANGE]

Section 7.3 – Arbitration

[NO CHANGE]

Section 7.4 – Advance Level Filing in the Case of National Disputes

[NO CHANGE]

Section7.5 – Grievant's Bill of Rights

[NO CHANGE]

Section 7.6 – Time Limit for Filing

[NO CHANGE]

TA

Section 7.7 – Authority of Arbitrator

The decision of the arbitrator on any matter which shall have been submitted in accordance with the provisions of this Agreement shall be final and binding on the Employer, Union and the employees, and the decision of the Union not to proceed to arbitration shall also be binding on the employees. The arbitrator shall have no authority to add to, subtract from or otherwise alter the provisions of this Agreement.

In the event the Employer fails to comply with a written decision rendered by a grievance committee, the Local Union shall give the Employer a seventy-two (72) hour (excluding Saturday, Sunday and holidays) prior written notice of the Local Union's authorization of strike action, which notice shall specify the basis for the compliance failure. If the Employer believes that it is in compliance or that there is a clarification needed in order to comply, the matter of compliance and/or clarification shall be submitted to the grievance committee or arbitrator that decided the case. The question of compliance or clarification shall be determined by the grievance committee or arbitrator within forty-eight (48) hours after receipt of the Employer request. The forty-eight (48) hour period for the grievance committee or arbitrator to determine the question of compliance or clarification shall run concurrently with the seventy-two (72) hour notice prior to a strike. The grievance committee or arbitrator may meet telephonically to consider and decide questions of compliance or clarification.

Section 7.8 – Timely Payment of Grievances

[NO CHANGE]

Section 7.9 – No Strike/No Lockout

[NO CHANGE]

Section 7.10 – Union Responsibility in the Event of Unauthorized Strike

[NO CHANGE]

Section 7.11 – Disciplinary Penalties for Violation of No Strike Clause

[NO CHANGE]

Section 7.12 – Delinquent Health & Welfare and Pension Obligations

[NO CHANGE]

ARTICLE 8
MANAGEMENT RIGHTS

[NO CHANGE]

ARTICLE 9
PROTECTION OF RIGHTS

Section 9.1 - Picket Lines: Sympathetic Action

[NO CHANGE]

Section 9.2 - Struck Goods

[NO CHANGE]

Section 9.3 – Continuance of Service

[NO CHANGE]

ARTICLE 10
LOSS OR DAMAGE

Section 10.1.

[NO CHANGE]

Section 10.2.

[NO CHANGE]

ARTICLE 11
BONDS AND INSURANCE

TA

Should the Employer require any employee to give bond, cash bond shall not be compulsory, and any premium involved shall be paid by the Employer. The primary obligation to procure the bonds shall be on the Employer. If the Employer cannot arrange for a bond within ninety (90) days, it must so notify the employee in writing. Failure to so notify shall relieve the employee of the bonding requirement. If proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make his/her own bonding requirements, standard premiums only on said bond to be paid by the Employer. A standard premium shall be that premium paid by the Employer for bonds applicable to all other of its employees in similar classifications. Any

excess premium is to be paid by the employee. Cancellation of a bond after once issued shall not be cause for discharge unless the bond is cancelled for cause which occurs during working hours, or due to the employee having given a fraudulent statement in obtaining said bond.

Every driver must maintain a valid CDL/chauffeur's license and be covered by insurance. If an Employer cannot cover a driver under an existing fleet policy, the Employer will promptly apply to the state assigned riskpool to provide any comparable coverage. During the pendency of the application and until insurance is obtained, the driver will not be terminated, but will be taken out of driving service. When any comparable insurance is obtained, the employee will be responsible for paying any excess over the standard charges.

ARTICLE 12
UNIFORMS

[NO CHANGE]

ARTICLE 13
PASSENGERS

[NO CHANGE]

ARTICLE 14
COMPENSATION CLAIMS

Section 14.1 – Compensation Claims

[NO CHANGE]

TA

Section 14.2 – Modified Work

(a) The Employer may establish a modified work program designed to provide temporary opportunity to those employees who are unable to perform their normal work assignments due to a disabling injury. Recognizing that a transitional return-to-work program offering both physical and mental therapeutic benefits will accelerate the rehabilitative process of an injured employee, modified work programs are intended to enhance workers compensation benefits. They are not to be utilized as a method to take advantage of an employee who has an industrial injury, nor are they intended to be a permanent replacement for regular employment.

An active employee, who is injured on the job, qualifies for worker's compensation benefits and is subsequently laid off, will continue to receive compensation payments and benefits for the period provided by his/her supplement.

(b) Implementation of a modified work program shall be at the Employer's option and shall be in

strict compliance with applicable federal and state worker's compensation statutes. Modified work assignments will be for a period up to eight (8) weeks; however, the Employer may extend such assignments for up to an additional four (4) weeks if the employee's condition is improving and the employee has a return to work expectation within twelve (12) weeks from the beginning of the modified work assignment. In no event shall a modified duty assignment exceed twelve (12) weeks, unless otherwise required by applicable disability law. Acceptance of modified work shall be on a voluntary basis at the option of the injured employee. However, refusal to accept modified work by an employee, otherwise entitled to worker's compensation benefits, may result in a loss or reduction of such benefits as specifically provided by the provisions of applicable federal or state worker's compensation statutes. Employees who accept modified work shall continue to be eligible to receive "temporary partial" worker's compensation benefits as well as all other entitlements as provided by applicable federal or state worker's compensation statutes. Employees who need additional medical and/or physical therapy, may go for such treatments during scheduled hours for modified work whenever practical and reasonable.

c) At facilities where the Employer has a modified work program in place, temporary modified assignments shall be offered in seniority order to those regular full time employees who are temporarily disabled due to a compensable worker's compensation injury and who have received a detailed medical release from the attending physician clearly setting forth the limitations under which the employee may perform such modified assignments. Once a modified work assignment is made and another person is injured, the second person must wait until a modified work opening occurs, regardless of seniority. All modified work assignments must be made in strict compliance with the physical restrictions as outlined by the attending physician. All modified work program candidates must be released for eight (8) hours per day, five (5) days per week. The Employer at its option, may make a modified work offer of less than eight (8) hours per day where such work is expected to accelerate the rehabilitative process and the attending physician recommends that the employee works back to regular status or up to eight (8) hours per day by progressively increasing daily hours. A copy of any release for modified work must be given to the employee before the modified work assignment begins.

It is understood and agreed that those employees who, consistent with professional medical evaluations and opinion, may not be expected to receive an unrestricted medical release, or whose injury has been medically determined to be permanent and stationary, shall not be eligible to participate in a modified work program.

In the event of a dispute related to conflicting medical opinion, such dispute shall be resolved pursuant to established worker's compensation law and/or the method of resolving such matters as outlined in the applicable Supplemental Agreement. In the absence of a provision in the Supplemental Agreement, the following shall apply:

When there is a dispute between two (2) physicians concerning the release of an employee for modified work, such two (2) physicians shall immediately select a third (3rd) neutral physician within seven (7) days, who shall possess the same qualifications as the most qualified of the two selecting physicians, whose opinion shall be final and binding on the Employer, the Union and the employee. In the event the availability of a qualified physician is in question, the Local

Union and the Employer shall resolve the matter by selecting the third (3^{rd}) physician whose opinion shall be final and binding. The expense of the third (3rd) physician shall be equally divided between the Employer and the Union. Disputes concerning the selection of the neutral physician or back wages shall be subject to the grievance procedure.

For locations where the Employer intends to implement a modified work program or has a modified work program in place, the Local Union shall be provided with a copy of the current form(s) being used for employee evaluation for release and general job descriptions. This information shall be general in nature, not employee specific.

When a modified work assignment is made, the employee shall be provided with the hours and days he/she is scheduled to work as well as the nature of the work to be performed in writing. A copy of this notice shall also be submitted to the Local Union.

An employee who is placed in a modified work position may be subject to medical evaluation(s) by a physician selected by the Employer to determine if the modified work being performed is accelerating the rehabilitative process as anticipated by Section 2 above. In the event such medical evaluation(s) determine that the rehabilitative process is not being accelerated, the employee shall have the right to seek a second opinion from a physician of his choosing. Any disputes regarding conflicting medical claims shall be resolved in accordance with the provisions outlined above. The employee may be removed from the modified work program based upon final medical findings under this procedure. Employees so removed shall not have their workers compensation benefits affected because of such removal. In the event the employee's temporary disability workers compensation benefit is subject to reduction by virtue of an applicable Federal or State statute, the Employer shall pay the difference between the amount of the reduced temporary workers compensation benefit and the amount of the full temporary workers' compensation benefit to which the employee would be entitled.

(d) Modified work shall be restricted to the type of work that is not expected to result in a re-injury and which can be performed within the medical limitations set forth by the attending physician. In the event the employee, in his/her judgment, is physically unable to perform the modified work assigned, he/she shall be either reassigned modified work within his/her physical capabilities or returned to full "temporary total" worker's compensation benefits. In the event a third (3rd) party insurance carrier refuses to reinstate such employee to full temporary total disability benefits, the Employer shall be required to pay the difference between the amount of the benefit paid by such third (3rd) party insurer and full total temporary disability benefits. Determination of physical capabilities shall be based on the attending physician's medical evaluation. Under no conditions will the injured employee be required to perform work at that location subject to the terms and conditions of the National Master Agreement or its Area Supplemental Agreements. Prior to acceptance of modified work, the affected employee shall be furnished a written job description of the type of work to be performed.

(e) The modified workday and workweek shall be established by the Employer within the limitations set forth by the attending physician. However, the workday shall not exceed eight (8) hours, inclusive of coffee breaks where applicable and exclusive of a one-half (1/2) hour meal period and the workweek shall not exceed forty (40) hours, Monday through Friday, or Tuesday

through Saturday, unless the nature of the modified work assignment requires a scheduled workweek to include Sunday. Whenever possible, the Employer will schedule modified work during daylight hours, Monday through Friday, or during the same general working hours and on the same workweek that the employee enjoyed before he/she became injured. In the case of an employee whose workdays and/or hours routinely varied, the Employer will schedule the employee based on the availability of the modified assignment being offered. Any alleged abuse of the assignment of workdays and workhours shall be subject to the grievance procedure.

(f) Modified work time shall be considered as time worked when necessary to satisfy vacation and sick leave eligibility requirements as set forth in the National Master Agreement and/or its applicable Area Supplemental Agreements. In addition to earned vacation pay as set forth in the applicable Area Supplemental Agreements, employees accepting modified work shall receive prorated vacation pay for modified work performed based on the weekly average modified work pay. The only time modified work is used in prorating vacation is when the employee did not qualify under the applicable Supplemental Agreement.

Holiday pay shall first be paid in accordance with the provisions of the applicable Supplemental Agreement as it relates to on-the-job injuries. Once such contractual provisions have been satisfied, holidays will be paid at the modified work rate which is the modified work wage plus the temporary partial disability benefit.

Sick leave and funeral leave taken while an employee is performing modified work will be paid at the modified work rate, which is the modified work wage plus the temporary partial disability benefit. Unused sick leave will be paid at the applicable contract rate where the employee performed modified work and qualified for the sick leave during the contract year.

(g) The Employer shall continue to remit contributions to the appropriate health & welfare and pension trusts during the entire time period employees are performing modified work. The payment of health & welfare and pension contributions while the employee is on modified work is not included in the health & welfare and pension contributions required by the Supplement when an employee is off work on workers' compensation. Continuation of such contributions beyond the period of time specified in the Supplemental Agreement for on-the-job injury shall be required. Provisions of this Section shall not be utilized as a reason to disqualify or remove an employee from the modified work program.

(h) Employees accepting modified work shall receive temporary partial benefits as determined by each respective state workers' compensation law, plus a modified work wage when added to such temporary partial benefit, shall equal not less than eighty-five percent (85%) of forty (40) hours' pay he/she would otherwise be entitled to under the provisions of the applicable Area Supplemental Agreement. Modified work assignments beginning or ending within a workweek shall be paid on a prorated basis; one (1) day equals one-fifth (1/5th).

(i) Employees accepting modified work shall not be subject to disciplinary action provisions of the Supplemental Agreements unless such violation involves an offense for which no prior warning notice is required under the applicable Supplemental Agreement (Cardinal Sins). Additionally, the provisions of Article 35, Section 3(a), shall apply.

(j) Alleged abuses of the modified work program by the Employer and any factual grievance or request for interpretation concerning this Article shall be submitted directly to the Regional Joint Area Committee for the making of a record only, after which it shall be immediately referred to the National Grievance Committee. Proven abuses may result in a determination by the National Grievance Committee that would withdraw the benefits of this Article from that Employer, in whole or in part, in which case affected employees shall immediately revert to full worker's compensation benefits.

Section 14.3 – Americans with Disabilities Act

[NO CHANGE]

ARTICLE 15
MILITARY CLAUSE

TA

Employees in service in the uniformed services of the United States, as defined by the provisions of the Uniform Services Employment and Reemployment Rights Act (USERRA), Title 38, U.S. Code Chapter 43, shall be granted all rights and privileges provided by USERRA and/or other applicable State and Federal laws. This shall include continuation of health coverage to the extent required by USERRA, and continuation of pension contributions for the employee's period of service as provided by USERRA. Employees shall be subject to all obligations contained in USERRA which must be satisfied for the employees to be covered by the statute.

In addition to any contribution required under USERRA, the Employer shall continue to pay health & welfare contributions for regular active employees involuntarily called to active duty status from the military reserves or the National Guard for military-related service, excluding civil domestic disturbances or emergencies. Such contributions shall only be paid for the maximum period provided by applicable law, but no less than eighteen (18) months.

ARTICLE 16
EQUIPMENT AND SAFETY

Preamble

[NO CHANGE]

Section 16.1 – Safe Equipment

[NO CHANGE]

TA

Section 16.2 – Dangerous Conditions and Unsafe Acts

[NO CHANGE]

Section 16.3 – Accident Reports

[NO CHANGE]

Section 16.4 – Equipment Reports

[NO CHANGE]

Section 16.5 – Qualifications on Equipment

[NO CHANGE]

TA

Section 16.6 – Equipment Requirements

(a) All tractors must be equipped as necessary to allow the driver to safely enter and exit the cab, and hook and unhook the air hoses. All equipment used as city peddle trucks, and equipment regularly assigned to peddle runs, must have steps or other similar device to enable drivers to get in and out of the body. All trailers used in LTL pick-up and delivery operation with roll up doors shall be equipped with a hand hold and a DOT bumper which may serve as a step. Any vehicles will, at a minimum, comply with applicable state and federal standards.

(b) The Employer shall install heaters and defrosters on all trucks and tractors.

(c) There shall be first-line tires on the steering axle of all road and local pickup and delivery power units.

(d) All road equipment regularly assigned to the fleet shall be equipped with an air-ride seat on the driver's side. Such equipment shall be maintained in reasonable operating condition. All new air ride seats shall oscillate and have an adjustable lumbar support, height, backrest and seat tilt.

(e) All company trailers shall be marked for height.

(f) No driver shall be required to drive a tractor designed with the cab under the trailer.

(g) All road and city equipment shall have a speedometer operating with reasonable accuracy.

(h) The following minimum measurements for fuel tank placement shall apply to tractors added to the fleet after March 1, 1981, with the understanding that there shall be no retrofit of equipment currently in use: (1) front of fuel tank to rear of front tire—not less than 4 inches; (2) rear of fuel tank to front of duals—not less than 4 inches; (3) bottom of fuel tank to ground—provide clearance not less than 7.5 inches, measured on a flat surface; and (4) all fuel tank

measurements as stated herein include brackets, return lines, etc. in determining clearance.

Any alleged violation of the above requirements shall not be cause for refusal of the equipment, but shall be subject to the grievance procedure as a safety and health issue.

(i) The following shall apply to shock absorbers on tractor front axles with the purchase of newly manufactured tractors which are placed in service after March 1, 1981, and with the understanding that there shall be no retrofit of equipment currently in use:

Where the manufacturer recommends and provides shock absorbers as standard equipment with the tractor front suspension assembly, properly maintained shocks on such new equipment shall be considered as a necessary and integral part of that assembly. Where the manufacturer does not recommend and provide shock absorbers as standard equipment with the tractor front suspension assembly, shocks shall not be considered as a necessary or integral part of that suspension system.

Any alleged violation of the above, including maintenance of existing equipment, shall not be cause for refusal of equipment but shall be subject to the grievance procedure as a safety and health issue.

(j)(1) There will be a moratorium on the purchase of diesel powered forklifts and sweepers.

a.. Should the National Institute for Occupational Safety and Health (NIOSH) conclude that diesel is or can be made as safe and healthy as alternative combustible fuels, the Employer reserves the right to resume purchasing diesel powered forklifts.

(2) It shall be standard work practice that every diesel-powered sweeper shall be shut off whenever the operator leaves the seat. Under no circumstances shall diesel-powered sweepers be allowed to idle when not attended.

(3) Diesel-powered sweepers shall be tuned and maintained in accordance with schedules recommended by their manufacturers. The Employer shall provide copies of such recommendations to the Union upon request.

(4) Improperly maintained diesel-powered sweepers may produce visible emissions after start-up. Therefore, any such diesel-powered sweeper that is found to be smoking shall be taken out of service as soon as possible until repairs are made and that condition corrected.

(5) The Employer agrees to cooperate with those government and/or mutually agreed private agencies in such surveys or studies designed to analyze the use and operation of diesel-powered sweepers and diesel-powered sweeper emissions.

(k) As new equipment is ordered or existing equipment requires brake lining replacement, all brake linings shall be of non-asbestos material where available and certifiable.

(1) All new diesel tractors and new yard equipment shall be equipped with vertical exhaust

stacks.

(2) All road and city tractors shall be equipped with large spot mirrors (6" minimum) on both sides of the tractor or other devices (such as cameras) that provide equal or better rear-view and side vision.

(3) All road tractors and switching equipment shall be equipped with an operable light of sufficient wattage on the back of the cab.

(4) All new road and city equipment shall have operable sun visors.

(5) Seats on forklifts and sweepers shall be maintained in good repair.

(l) All newly manufactured city tractors regularly assigned to the city pickup and delivery operation shall be equipped with power steering and an air-ride seat on the driver's side.

(1) All new road and yard equipment shall have power steering.

(2) All new forklifts and sweepers shall be equipped with power steering.

(m) All hand trucks and pallet jacks shall be maintained in good repair.

(n) All portable and mechanical dock plates shall be maintained in good working condition.

(o) Employees will not be required to climb on unguarded trailer roofs for snow removal.

Section 16.7 – National Safety and Health Committee

[NO CHANGE]

Section 16.8 – Hazardous Materials Program

[NO CHANGE]

Section 16.9 – Union Liability

[NO CHANGE]

Section 16.10 – Government Required Safety & Health Reports

[NO CHANGE]

Section 16.11 – Facilities

[NO CHANGE]

ARTICLE 17
PAY PERIOD

TA

The National Grievance Committee and the Employer may, by mutual agreement, waive the provisions of Local Supplements dealing with pay periods upon a satisfactory showing of necessity by the Employer, provided such waiver is not a violation of a state or federal law or regulation.

ARTICLE 18
OTHER SERVICES

[NO CHANGE]

ARTICLE 19
POSTING

TA

Section 19.1 – Posting of Agreement

A copy of this Agreement shall be available at each facility that is a reporting location for bargaining unit employees.

TA

Section 19.2 – Union Bulletin Boards

The Employer agrees to provide suitable space for the union bulletin board in each facility where bargaining unit employees report to work. Postings by the Union on such boards are to be confined to official business of the Union. All Union bulletin boards must be glass encased and the steward and Business Agent given a key.

ARTICLE 20
UNION AND EMPLOYER COOPERATION

Section 20.1 – Fair Day's Work for Fair Day's Pay

[NO CHANGE]

Section 20.2 – Teamsters-AEI Joint Development Committee

[NO CHANGE]

Section 20.3 – Benefits Joint Committee

[NO CHANGE]

ARTICLE 21
UNION ACTIVITIES

[NO CHANGE]

ARTICLE 22
OWNER OPERATORS

[NO CHANGE]

ARTICLE 23
SEPARATION OF EMPLOYMENT

TA

Upon discharge, the Employer shall pay earned wages due to the employee in accordance with the provisions of the Supplement. Vacation pay for which the discharged employee is qualified shall be paid no later than the next payroll following final determination of the discharge unless otherwise required by state law.

Upon a permanent facility closing and/or cessation of operations, the Employer shall pay all money due to the employee during the first (1st) payroll department working day following the date of the facility closing and/or cessation of operations.

Failure to comply shall subject the Employer to pay liquidated damages in the amount of eight (8) hours' pay for each day of delay. Upon quitting, the Employer shall pay all money due to the employee on the next regular payday for the week in which the resignation occurs.

ARTICLE 24
INSPECTION PRIVILEGES AND EMPLOYER IDENTIFICATION

TA

Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, collection of dues, and ascertaining that the Agreement is being adhered to; provided, however, there is no interruption of the firm's working schedule. In all circumstances, the authorized agent of the Union will comply with all applicable TSA and other regulatory requirements with regard to security and facility access, including mandatory sign-in provisions when visiting the premises.

Company representatives, if not known to the employee, shall identify themselves to employees

prior to taking disciplinary action.

Safety or other company vehicles shall be identified when stopping company equipment.

The employer will execute and pay for all non-CDL related identification, documents, proof of citizenship or any other means, including time spent, required by the Employer and/or the Employer's customer(s) to ensure that the employee shall have access to any job location he/she is being dispatched to. This paragraph does not apply to any citizenship, immigration papers or other documents that are required as a condition of hire.

No employee will be required to have their driver's license reproduced in any manner except by their employer, law enforcement agencies, government facilities and facilities operating under government contracts that require such identification to enter the facility.

ARTICLE 25
SEPARABILITY AND SAVINGS CLAUSE

[NO CHANGE]

ARTICLE 26
TIME SHEETS, TIME CLOCKS, AND VIDEO CAMERAS

TA

Section 26.1 – Time Sheets and Time Clocks

A daily time record shall be maintained by the Employer at its place of business. All stations shall have time clocks or other time recording devices.

Employees shall clock in/out their own time.

The Employer may substitute updated time recording equipment for time cards and time sheets. However, a paper trail shall be maintained.

The Employer may computerize the sign-in and sign-out records. However, at all times, the Union shall have reasonable access to a paper record of the sign-in and sign-out records .

Section 26.2 – Use of Video Cameras for Discipline and Discharge

[NO CHANGE]

TA

Section 26.3 – Computer Tracking Devices

GPS, RFID, and similar devices that are used by the Employer to manage, direct and monitor the Employer's work force, to direct the work in the most efficient manner, to support safety initiatives, and for other legitimate business purposes, may also be used to support disciplinary action (but may not be used as the sole basis for disciplinary action).

ARTICLE 27
EMERGENCY REOPENING

[NO CHANGE]

ARTICLE 28
DISCIPLINE AND DISCHARGE

[NO CHANGE]

TA to cross this out in new contract

ARTICLE 29
JURISDICTIONAL DISPUTES

[NO CHANGE]

ARTICLE 30
WAGES

Open – wage proposal represents Employer's final offer

Wage rates in effect for full time employees shall be increased as set forth below:

April 1, 2014 .....$0.50
January 1, 2015.....$0.50
January 1, 2016.....$0.50

Wage rates for part-time and casual employees shall be addressed in local supplements.

The new entry rates will be governed by the terms of the applicable Supplemental Agreement.
[*Note – this last sentence was moved from former Article 36 (New Entry (New Hire) Rates) which has been deleted. This was the only sentence in Article 36, and it fits better as part of the Wage Article.*]

ARTICLE 31

SUBCONTRACTING

Section 31.1 – Work Preservation

[NO CHANGE]

Section 31.2 – Diversion of Work Parent or Subsidiary Companies

[NO CHANGE]

Section 31.3 – Subcontracting

[NO CHANGE]

Section 31.4 – Expansion of Operations

[NO CHANGE]

Section 31.5 – Special Circumstances

[NO CHANGE]

Section 31.6 – Access to Grievance Procedure

[NO CHANGE]

ARTICLE 32.COST-OF-LIVING (COLA)
TA

All regular full-time employees shall be covered by the provisions of a cost-of living allowance as set forth in this Article. This COLA clause does not apply to wages for part-time employees or casual employees.

The amount of the cost-of-living allowance shall be determined as provided below on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers", CPI-W (Revised Series Using 1982-84 Expenditure Patterns), All Items (1982-84=100), published by the Bureau of Labor Statistics, U.S. Department of Labor and referred to herein as the "Index".

Effective April 1, 2014, and every April 1 thereafter during the life of the agreement (with the final adjustment being April 1, 2016), a cost-of-living allowance will be calculated on the basis of the difference between the Index for January, 2013 (published February 2013) and the Index for January, 2014 (published February 2014) with a similar calculation for every year thereafter, as follows:

For every 0.2 point increase in the Index over and above the base (prior year's) Index plus 3.0%, there will be a 1 cent increase in the hourly wage rates payable on April 1, 2014, and every April

1 thereafter. These increases shall only be payable if they equal a minimum of five cents ($.05) in a year. Further, the maximum COLA increase that will be payable in any given year is ten cents ($0.10), and there will be no carry-over for future year COLA adjustments as a result of the operation of this cap on COLA increases; each year will be evaluated independently and on a stand-alone basis under the formula set forth above.

All cost-of-living allowances paid under this agreement will become and remain a fixed part of the base wage rate for all job classifications. A decline in the Index shall not result in the reduction of classification base wage rates.

This Article 32 expressly supersedes and overrides any COLA provision in any local supplement.

TA to delete this article in its entirety

ARTICLE 33
BAIL AND LICENSING

Section 33.1 – Employee's Bail

[NO CHANGE – formerly appeared as Article 35, Section 1]

Section 33.2 – Suspension or Revocation of License

[NO CHANGE – formerly appeared as Article 35, Section 2]

ARTICLE 34
DRUG AND ALCOHOL TESTING

TA

In order to eliminate the safety risks which result from alcohol and drug use, the parties have agreed to a Drug and Alcohol Testing Program as set forth in ***Appendix A*** and incorporated herein by reference. It is the intent of the parties that the provisions of Appendix A be updated as necessary during the term of this Agreement to comply with any changes in the minimum federal DOT drug and alcohol testing regulations.

[*Note – the old Article 35, Sections 1 and 2 now have their own article – Article 33 above on Bail and Licensing. The text of what was formerly Article 35, Section 3, now appears as Appendix A. It is not reproduced here as there are no substantive changes to the Drug and Alcohol Abuse Program as formerly set forth in Article 35, Section 3 – the text is simply moved to Appendix A in the new agreement]*

[*Note – text was moved to Article 30 (Wages) (last sentence of that Article) –this Article to be deleted as a result*]

ARTICLE 35
NON-DISCRIMINATION

[NO CHANGE]

ARTICLE 36
LEAVES OF ABSENCE

Section 36.1 - Sick Leave

[NO CHANGE]

Section 36.2 – Jury Duty

[NO CHANGE]

Section 36.3 – Family and Medical Leave Act

[NO CHANGE]

ARTICLE 37
HEALTH & WELFARE & PENSION

TA

Existing health and welfare and pension plans/retirement saving programs shall remain the same for the term of this Agreement except as changed through local negotiations. The Company shall continue to participate in such health and welfare and pension/retirement savings plans and execute necessary participation agreements and other documents required as a condition of participation in such plans.

Contributions to such plans for eligible employees shall be based on monthly, weekly, daily and/or hourly contribution formulas in accordance with plan documents and past practice.

Effective starting with rate change dates in 2014, the Company shall increase contributions by the rate of one dollar ($1.00) per hour per eligible employee for each year of the contract (total $3.00 increase over life of the contract) to be allocated as between the applicable Taft-Hartley health & welfare plan and Teamsters-sponsored union pension plan as determined by the Union and the Company based upon recommendations from the Funds. The allocation of the $1.00 per hour increase shall be in accordance with established practices and if the amount should exceed the $1.00 the parties will handle as discussed in the paragraph below.

In making such allocation, the Union and the Company agree that a sufficient portion of this $1.00 per hour shall be allocated to fully cover additional contributions required by reason of the Pension Protection Act. To the extent that such additional contributions required by the Pension Protection Act are made prior to the ratification of this Agreement, such additional contributions shall be credited against the Employer's $1.00 per hour increase for the first year of this Agreement. If for any reason the $1.00 per hour is insufficient to cover additional contributions required for a given pension plan in a given year by reason of Pension Protection Act funding requirements, then the Union and the Employer shall promptly meet to negotiate changes in this Agreement to generate sufficient savings to cover the cost of such increased contributions. Agreement shall not be unreasonably withheld. Such negotiation shall be treated as an Emergency Reopening under Article 27. If such negotiations result in a revised schedule of benefits, the applicable Fund shall be obligated to accept the schedule as if it was the beginning of the term of a new labor agreement.

In those Locals where either the health & welfare or pension plan/retirement savings program is not a union-affiliated plan, then the Employer shall pay the actual increased costs of such plans at current benefit levels, not to exceed the $1.00 per hour annual increase. If such cost exceeds the $1.00 per hour, the parties shall meet and negotiate as set forth above in the preceding paragraph of this Article.

ARTICLE 38
DURATION

TA

Section 38.1 – Duration and Notice of Termination

This Agreement shall be in full force and effect from April 1, 2014 to and including December 31, 2016 and shall continue from year to year thereafter unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

When notice of cancellation or termination is given under this Section, the Employer and the Union shall continue to observe all terms of this Agreement until impasse is reached in negotiations, or until either the Employer or the Union exercise their rights under Section 38.3 of this Article.

TA

Section 38.2 – Notice of Modifications

Where no such cancellation or termination notice is served and the parties desire to continue 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 December 31, 2016 or December 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

TA

Section 38.3 – Economic Recourse

The designatedNational UnionNegotiating Committee as representative of the Local Unions or the Employer shall each have the right to unilaterally determine when to engage in economic recourse (strike or lockout) on or after January 1, 2017 unless agreed to the contrary.

TA

Section 38.4 – Effective Date of Successor Agreement

Revisions agreed upon or ordered shall be effective as of January 1, 2017or January 1st of any subsequent contract year.

TA

Section 38.5 – Inadvertent Failure to Give Notice

In the event of an inadvertent failure by either party to give the notice set forth in Sections 38.1 and 38.2 of this Article, such party may give such notice at any time prior to the termination or automatic renewal date of this Agreement. If a notice is given in accordance with the provisions of this Section, the expiration date of this Agreement shall be the sixty-first (61st) day following such notice.

TA

Section 38.6 – Right to Terminate

In those circumstances where the designated National Union Negotiating Committee as representative of the Local Union, or the signatory Employer, shall have served a notice of reopening pursuant to Section 38.1 or 38.2 and have not been able to arrive at an agreement within six (6) months, then either side shall have the right on sixty (60) days' written notice to terminate this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this ___ day of _____, 2014, to be effective April 1, 2014, except as to those areas where it has been otherwise agreed between the parties.

ADDENDUM TO NATIONAL MASTER AEI AGREEMENT

TA

The purpose of this Addendum is to address the implementation of the Company's New Forwarding Environment (NFE). The parties recognize that AEI is part of a global transportation enterprise that seeks to establish more uniform operating practices and business applications throughout its worldwide network.

In order to accommodate the implementation of AEI's New Forwarding Environment (NFE) and related Organizational Alignment Projects in the United States (referred to collectively as "NFE" in this Addendum), the parties agree to the following for the term of this Addendum.

1. The NFE shall be implemented only in accordance with the following provisions at the currently represented (as of April 1, 2014) locations only, and only for the specific bargaining unit job classifications designated herein. In conjunction with the NFE and for the duration of this Addendum only, there will be no contest over the allocation of work within the network or among personnel at a specific location, so long as the following provisions are observed:

    a. The currently represented office clerical classifications contemplated under this Addendum may be divided into two general categories: a) customer service and b) operations.

    b. The currently represented warehouse classifications may be divided into the following general classifications: a) dockmen and b) driver/dockmen as currently exist.

    c. To the greatest extent possible, the Employer will identify how many positions will be established for each type of work category at each location.

    d. The primary functions of the job categories noted above are attached to this Addendum.

    e. When positions are posted the Company will provide specific and detailed job duties and functions. Upon request of the Local Union, the Company will at least annually provide a physical demonstration (i.e., walk through/customer interaction demonstration etc.) of the typical job duties and functions for each job classification for which the unit employees may potentially bid.

    f. The basic functions of bargaining unit personnel will remain largely the same, even though some functions in NFE may be consolidated and no longer

performed by bargaining unit personnel. It is expected that current seniority practices will be unchanged for purposes of bidding for these jobs although the parties acknowledge that employee preference and demonstrated ability will be considered as secondary factors in the job selection process.

g. The Company will train all employees to perform the job functions at their regular rate of pay and benefits. Training will enable employees to become proficient with new job duties and technology that will be introduced as part of NFE and will be designed to allow each individual the opportunity to successfully perform the job.

h. The Company shall take all reasonable efforts to ensure that each individual successfully completes the training and has attained the skills to perform the job.

i. The Company shall provide and post reasonable, uniform, and objective criteria for evaluating job performance and training impact in each job classification. Subjective criteria such as "positive attitude" or "personality" are not to be given significant consideration.

j. Bargaining unit employees will use their reasonable best efforts to apply themselves to take advantage of such training and learn the proper procedures and functions of the new jobs.

2. The Employer will not redistribute work in a manner that will cause the layoff of any regular full-time bargaining unit employee employed as of the ratification date of this agreement (hereinafter "red-circled employee".) Further, no red-circled employee will be required to relocate in order to retain their employment in the bargaining unit. All red-circled employees shall be red circled by name and guaranteed full-time employment at their current stations (those designated as a Hub or Lead station) for the term of this Addendum.

3. Red-circled employees will not be subject to layoff for a period of twelve (12) months beyond the expiration of the term of the Agreement as a result of the NFE. The only exception to this protection against layoff is a situation involving a long term, extraordinary and severe loss of business. The Company further agrees that prior to layoff under this exception the Company shall use all reasonable means to protect and preserve work for the red-circled employees. It is understood that this protection against layoff for red-circled employees shall extend beyond the expiration of this Agreement as provided in the first sentence of this Paragraph. This does not prevent the temporary or permanent loss of employment due to ordinary discipline and discharge situations, or voluntary separations.

4. Nothing in this Addendum is intended to extend the period of time a red-circled employee retains their seniority while on layoff (for those who are on layoff as of the date of ratification of this Agreement [insert date]).

5. No Hub location covered by this Agreement will have its employment numbers (measured by the number of red-circled employees as defined in paragraph 2 above) reduced directly or indirectly as a result of the NFE. All stations will be maintained as "Hubs" as that term is used in the NFE (including Miami, although it has been designated the "Lead" Station for the United States).

6. The number of active bargaining unit employees and ratio of Union to non-union employees in the Company as of July 31, 2013 in the United States shall not be reduced. Specific employment numbers and ratios will be provided to the Local Union and National Union Committee as necessary and required to validate this provision of the Addendum. **(numbers to be provided by Employer to National Union Committee)**

7. Disputes under this Addendum shall be resolved by directly proceeding to the National Grievance Committee where a record will be created for the arbitrator.

8. Current employees who, within 90 days of the commencement of training or ratification of this agreement, whichever is later, choose not to participate in the NFE shall be entitled to resign with one week of severance pay at the regular straight time hourly rate, (40) hours per week for each year of service, with a minimum of (4) weeks' pay and a cap of (26) weeks of pay. Health and Pension payments will be paid for each week of severance pay received by an employee.

The Addendum shall be effective from April 1, 2014 (or date of final ratification, if later that April 1, 2014) through December 31, 2016, and shall not be renewed or extended except by express mutual written agreement of the parties. The undersigned affirm that they are authorized by their respective parties to enter into this Addendum.

Overall Purpose/Roles of the Bargaining Unit Jobs under NFE

Customer Service	▪ Acts as key contact for allocated customers ▪ Accepts and processes orders for handover to Operations ▪ Stays informed on shipment and exception (operational irregularity) status for allocated customers ▪ Generates customer reports as required by the customer ▪ Proactively informs customer on shipment status and exceptions ▪ Passes on requests for quotations and leads to Sales ▪ Handles customer inquiries ▪ Handles customer requests with regard to Go Green topics ▪ Takes and handles any customer complaints; solves customer complaints or assigns tasks to other functions ▪ Acts as first contact point for customer claims for notification and reception of claims and respective document collection
Operations	▪ Processes, handles and distributes all required documents in the shipping and receiving areas ▪ Performs booking and booking optimization according to internal guidelines as defined by Product ▪ Performs pickup and delivery arrangements ▪ Ensures customer requirements are met and takes corrective actions in case of deviations from customer requirements ▪ At Gateway, prepares, controls, updates, and distributes all required documents regarding consolidation and deconsolidation at Gateway level complying with regulations and internal procedures ▪ At Gateway, supports Gateway staff in optimization of cargo consolidation ▪ Ensures documents are completed and updated in a timely and efficient manner and according to regulations and internal procedures ▪ Interacts with Customer Service, Product, and Global Service Centers, if required
Dockman	▪ Handles cargo movement, complying with regulations and internal procedures and updates shipment status accordingly ▪ Performs loading and unloading of truck or container
Driver/Dockman	▪ Handles cargo movement, complying with regulations and internal procedures and updates shipment status accordingly ▪ Performs airport pick-up and delivery driving duties as assigned and occasional local customer pick up and delivery as determined by management, all consistent with scope of unit work and prior practice ▪ Performs loading and unloading of truck or container