

**INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
UNITED PARCEL SERVICE
SOUTHWEST PACKAGE RIDER**



**For the Period:
August 1, 2013 through July 31, 2018**

**INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
LOCAL UNION NOS. 63, 104, 186, 396, 492,
542, 572, 631, 952 and 986**

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SOUTHWEST PACKAGE RIDER

THIS AGREEMENT made and entered into this 1st day of August, 2013, by and between UNITED PARCEL SERVICE; CENTRAL CALIFORNIA, SOUTH CALIFORNIA, and DESERT MOUNTAIN (New Mexico and Arizona) DISTRICTS, hereinafter referred to as the "COMPANY" or the "EMPLOYER", and LOCAL UNION NOS. 63, 104, 186, 396, 492, 542, 572, 631, 952 AND 986 affiliates of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, hereinafter referred to as the "UNION".

WITNESSETH

That in consideration of the premises and of the respective promises of the parties hereto, they do hereby mutually agree as follows:

SECTION 1 - RECOGNITION

The Company recognizes the Union as the sole collective bargaining agent for all employees described as follows: drivers, sheet writer loaders, pickup unloaders and feeder loaders, checkers, cashiers, report clerks, center clerks, and all other package production employees, excluding those in supervisory capacity with authority to hire and discharge.

The Employer recognizes that the principles of seniority shall be given prime consideration in the everyday operation of the business.

Seniority is defined as the length of an employee's continuous service within his classification in the center he is domiciled, from the date of hire or his requested transfer.

Employees shall, thirty one (31) days after date of employment, pay their regular initiation fee. The Company agrees to deduct one (1) months dues for each month worked, or portion thereof, from all seasonal employees and shall be responsible for the collection and remittance of any such employee's service fees which are required by the Local Union involved. These deductions shall be remitted to the Local Union with the regular check-off. These deductions shall comply with applicable law.

Trial Period - Package Car Driver

Employees transferring from part-time to full-time who are attempting to qualify as a package car driver shall have a thirty (30) working day trial period to qualify and may have up to an additional ten (10) working days at the beginning of his/her trial period, which may result in a total trial period of up to forty (40) working days, provided that all such additional time is spent in classroom training.

Probationary Period - Full-Time

A new full-time employee shall attain seniority when he/she has worked thirty (30) days within a one hundred twenty (120) consecutive day period. A new full-time employee hired into the package car classification may have up to an additional ten (10) working days at the beginning of his/her probationary period, which may result in a total probationary period of up to forty (40) worked days within a one hundred twenty (120) consecutive day period, provided that all such additional time is spent in classroom training. Prior to attaining seniority, as defined in this Section, the employee, other than those employees attempting to transfer from part-time to full-time positions, shall be considered a probationary employee and may be discharged without such discharge being subject to the grievance procedure. However, the Employer shall not discharge or otherwise discipline a probationary employee for purposes of evading the terms of this provision or to discriminate against Union members. Upon completion of the probationary period, the employee shall be given a seniority date as of his/her first day worked within such one hundred twenty (120) day period.

Notification will be made to all Local Unions within seven (7) days of employment of all new hires. Information will include name, address, social security number, last employer, classification hired into, and date of hire.

A working supervisor is an employee whose duties require him to handle merchandise and also supervise the work of other employees.

The work of supervisors will not include assignments of work that is performed by Union members except for the purpose of training

and demonstration. Supervisors will not perform Union members work until after all reasonable efforts have been exhausted to have the work covered.

SECTION 2 - EMPLOYMENT AND DISCHARGE

The Union agrees that the Company's business is of a specialized character which requires different and varied experience from that of other members of the Union. The Company shall have the right to hire any person who is over eighteen (18) years of age and who is a citizen of the United States or who has legally declared his intention of becoming a citizen. All such new employees, as well as present employees covered by this Agreement, if not already members of the Union, shall become members of the Union on the thirty-first (31st) day of continuous employment or thirty-one (31) days following the execution of this Agreement, whichever is later, and shall become and remain a member in good standing of the Union as a condition of continued employment.

The Employer shall not and the Union shall not discriminate against any individual with respect to compensation, terms, conditions or privileges of employment because of race, religion, color, sex, sexual orientation, disability, veteran status, national origin and/or age, as otherwise provided by law. Where the pronouns "he" or "she" or any other pronoun designating sex are used in this Agreement, it shall be deemed to refer to either/and both sexes.

The Company shall be the sole judge of the competency and qualifications of its employees, and reserves the right to discharge any person in its employ not deemed by it to be satisfactory. However, before the Company discharges a seniority employee, it agrees to notify the Union of its intention and will discuss the grievance with the Union and the employee.

The exception to the above rule will be cases of:

(1) Proven dishonesty; (2) Drinking of alcoholic beverages while on duty; (3) Recklessness resulting in a serious accident while on duty; (4) The carrying of unauthorized passengers; (5) Unprovoked assault on an employee or a supervisory employee while on duty; (6) Selling,

transporting or use of illegal narcotics while in the employment of the Employer; (7) Willful, wanton or malicious damage to the Employer's property, shall be dischargeable offenses without the necessity of a warning letter being in effect.

The first offense of signing for a package where dishonesty is not proven, will not result in discharge or suspension. The second such offense shall be cause for immediate discharge.

An employee who fails to report to work and is a "No Call-No Show" for three (3) consecutive working days, who has been given a warning notice for "No Call-No Show" within the nine (9) month period immediately preceding the three (3) consecutive working day "No Call-No Show", shall be subject to immediate discharge and loss of seniority. In instances of proven emergencies or extraordinary circumstances this language shall not apply.

Upon request of the Union, the Company shall provide copies of SPARC's reports.

Upon request of the employee, steward or Local Union, the Company shall provide copies of ODS messages. When such request is made on the same day the transmission(s) took place the operating center shall provide the printed copy of the transmission(s). When such request is made after the day the transmission(s) took place the printed copy of the transmission(s) shall be provided, for a period of thirty (30) calendar days from the date of transmission, by the Company entity that maintains such information database and as such database is implemented.

The Union agrees that the Company will be notified not less than seventy-two (72) hours before any employee of the Company, a member of the Union, be taken off the job because of his failure to maintain good standing in the Union.

The Employer recognizes the employee's right to be given requested representation by a Steward, or designated alternate, at such time as the "employee" reasonably contemplates disciplinary action, unless specifically waived by the employee, in writing, with a copy to the Union.

The Employer recognizes the right of the Local Union to designate job stewards and alternates from the Employer's seniority list.

Employees covered by this Collective Bargaining Agreement who are not subject to DOT mandated drug testing are only subject to reasonable cause testing. Reasonable cause is defined as an employee's observable action, appearance, or conduct that clearly indicates the need for a fitness-for-duty medical evaluation. Refusal to submit to a reasonable cause drug test is a dischargeable offense.

SECTION 3 - SETTLEMENT OF CONTROVERSIES

See Western Region of Teamsters-United Parcel Service Supplemental Agreement (Articles 25, 26, 27 and 28).

(In conjunction with Article 25 of the WRT/UPS Supplemental Agreement, Teamsters Local Union No. 396 shall utilize the Letter of Agreement for Settlement of Controversies contained in Addendum No. 2 to the Teamsters/United Parcel Service Southwest Package Rider.)

SECTION 4 - SAFETY

Drivers involved in their third (3rd) avoidable, or runaway accident in a nine (9) month period may request to be interviewed by the District Committee concerning the circumstances of the third accident prior to the final decision with respect to discipline. Upon request of the employee, a Shop Steward may attend the review.

SECTION 5 - METHOD OF OPERATION

The Company's rules, regulation, practices and methods of operation now in effect shall continue in full force and effect, at the option of the Company. However, with regard to the Company's bonus plan, the Company agrees to notify the Union prior to changes being made and, at the request of the Union, to discuss and explain its reasons or basis for having made such changes.

A driver may request in writing to the Center Manager for an area and methods evaluation. Upon receipt of this request, as schedule

permits, the Manager or his designee shall OJS driver methods and make a determination if a time study is warranted. If a supervisor assists a driver during an OJS, that day will not be used to determine a fair day's work.

If a time study is warranted, the Company agrees to complete, inform and install the new study within a reasonable time period.

SECTION 6 - SECURITY

No cash deposit of any amount shall be furnished by any member of the Union to the Employer as security. If the Employer desires security from employees, it may place them under proper bond at the Employer's expense.

SECTION 7 - UNIFORMS

The Employer agrees that if any employee is required to wear any kind of uniform as a condition of continued employment, such uniform shall be furnished and maintained by the Employer, free of charge at the standard required by the Employer. Such uniforms shall be adequate to protect against climatic conditions. The Employer will provide shirts and shorts to those affected employees. Such shirts will be maintained by the employee.

Rain gear will be available for those employees assigned to moving vehicles on the Employer's premises.

The Employer has the right to establish and maintain reasonable standards concerning personal grooming and appearance and wearing of uniforms and accessories.

It is agreed that each employee shall put on the uniform before reporting for duty and shall remove the uniform after being relieved from duty each day. It is agreed that time spent in putting on and taking off the uniform shall not be paid for by the Employer.

Wearing of caps or jackets is optional with the employee, but if any headpiece or jacket is worn on the job, it shall be the Company's regulation uniform cap or jacket.

SECTION 8 - REPAIR OR OTHER WORK

No driver shall perform garage or repair work, except in cases of emergency when it becomes necessary to make repair or change tires in order to keep rolling.

SECTION 9 - DISPUTES ON DELIVERIES

In the event of a dispute arising from the loss of merchandise or equipment, the employee will not be held responsible, provided that:

1. The equipment or the employee has been provided with adequate locking devices and they were properly used.
2. The employee had exercised reasonable means to protect the merchandise and/or equipment.

Failure on the part of the employee to exercise reasonable means to protect the merchandise and/or equipment shall be cause for disciplinary action. No Employee shall be required to pay for lost packages.

SECTION 10 - WORKDAY-WORKWEEK

SUBSECTION 1 - FEEDER DRIVERS

(a) The regular scheduled work day, except as provided in subsection (b) below, shall consist of eight (8) consecutive hours, with an established start time, excluding a non paid meal period of either one-half (½) or one (1) hour as provided in each respective area or local Addendum or Rider. The regular scheduled work week, other than as provided in subsections (b) and (c) below, shall consist of five (5) consecutive days Monday through Friday or Tuesday through Saturday; provided however, when operating needs must be met through the establishment of a regular Sunday sort, the Employer may establish a Sunday through Thursday work week.

(b) Those area or local Addendum's or Riders that provide for a work day and work week of four (4) ten (10) hour days shall remain in effect for the term of this Agreement.

(c) The start time for a regular scheduled Monday work day may be

established between the hours of 9:00 p.m. (2100 hours) and 12:00 midnight (00 hours) on the preceding Sunday without the payment of premium pay or overtime rates of pay.

(d) Prior to implementing a four (4) day, ten (10) hour work week on newly established feeder runs, the Employer shall meet jointly with the Local Union to negotiate the terms under which a four (4) day, ten (10) hour work week may be implemented, subject to ratification of the affected feeder drivers.

SUBSECTION 2 - PACKAGE CAR DRIVERS

(a) The regular scheduled work day shall consist of eight (8) consecutive hours, with an established start time, excluding a non paid meal period of either one-half (½) or one (1) hour as provided in each respective area or local Addendum or Rider. The regular scheduled work week shall consist of five (5) consecutive eight (8) hour days Monday through Friday or Tuesday through Saturday, subject to the provisions of (b) below.

(b) It is agreed that no employee with a seniority date prior to August 1, 2011, will be forced on to a Tuesday through Saturday work week unless otherwise mutually agreed to or unless the employee bid such work week in accordance with the bidding procedures set forth in Article 6, Section 2.

(c) Start times shall be posted on the prior Friday of the week for which the starting times shall be effective. Employees who are ordered to report for work prior to said scheduled starting times shall receive time and one-half (1 ½) for all hours worked prior to their regular starting time. Employees who are ordered to report for work later than their scheduled starting time shall receive time and one-half (1 ½) for the number of hours equal to the number of hours called into work after their scheduled start time. If the Employer fails to post start times, employees shall not be disciplined for tardiness.

SUBSECTION 3 - ALL OTHER FULL-TIME EMPLOYEES

(a) The regular scheduled workday shall consist of eight (8) consecutive hours, with an established start time, excluding a non paid meal period of either one-half (½) or one (1) hour. The regular

scheduled workweek shall consist of five (5) consecutive eight (8) hour days, Monday through Friday or Tuesday through Saturday, subject to the provisions of (b) below.

(b) It is agreed that no employee with a seniority date prior to August 1, 2011, will be forced on to a Tuesday through Saturday workweek unless otherwise mutually agreed to or unless the employee bid such workweek in accordance with the bidding procedure set forth in Article 6, Section 2 of the Western Region of Teamsters United Parcel Service Supplemental Agreement.

(c) Start times shall be posted on the prior Friday of the week for which the starting times shall be effective. Employees who are ordered to report for work prior to said scheduled starting times, shall receive time and one-half (1 ½) for all hours worked prior to their regular starting time. Employees who are ordered to report for work later than their scheduled starting time shall receive time and one-half (1 ½) for the number of hours equal to the number of hours called into work after their scheduled start time.

SECTION 11 - UTILITY DRIVERS

After completion of a thirty (30) day on road training period in the same center, a new driver is given the utility driving job, unless a driver with more seniority wants such utility work. This enables high seniority drivers to be on regular assigned sections when such work becomes available in the center to which the employee is assigned. Seniority shall be observed when loaning out utility drivers to another center. When directed on a scheduled day of dispatch, travel time to and from another facility shall be considered paid for time.

Employees will use the Employer's vehicles whenever possible. Employee's who use their personal vehicle shall be reimbursed at the applicable IRS rate per mile. Employees using their personal vehicles shall be paid for both time and mileage beyond his/her normal commute.

When delivery area vacancies are scheduled for a week or more, utility drivers shall bid, in seniority order, those vacated areas on a

week by week basis. Once a utility driver is awarded a weekly vacancy bid, in accordance with their seniority, they shall not be removed from that weekly vacancy bid, except when the regular bid driver returns to work during the week. These delivery area vacancies shall be posted by Thursday of the prior week.

SECTION 12 - BIDDING AND DELIVERY AREA OPENINGS

SUBSECTION 1 - PACKAGE CAR VACANCIES

A package car area permanently vacated, or newly established area, excluding those areas established during December, shall be posted within five (5) days for five (5) working days, during which time drivers shall be afforded the opportunity to bid such vacated or new areas. A posted vacancy or new area shall include geographical descriptions and whether the area is a designated training area. The successful bidder shall be awarded the posted vacancy or new area the Monday following the expiration of the five (5) day posting period. A permanent vacancy shall be described as an area that is delivered three (3) days a week for a thirty (30) day period, excluding those extra areas established during peak season.

Vacancies created as a result of this bidding procedure shall be posted and bid in accordance with the provisions set forth herein.

When a driver's area is split to the extent of creating an additional new area, the affected driver shall be allowed to select either of these areas, prior to posting the other area for bid.

When a driver's assigned delivery area is permanently changed by fifty percent (50%) or more of its delivery stops, said driver shall have the right to follow the major portion of the original delivery area. When more than one (1) driver's delivery area is affected, those affected drivers shall be afforded the opportunity amongst themselves to bid the areas affected in accordance with their seniority.

When the Company makes the decision that it is necessary to break

out, or temporarily eliminate, a route(s) within a loop for one (1) or more days the seniority of the drivers within that loop shall be applicable and the driver whose route was broken out, or temporarily eliminated, shall have the option of working as a utility driver for the day(s), or bumping the least senior driver within the loop and delivering that driver's route for the day(s). The least senior driver who is bumped shall then work as a utility driver for the day(s). The Company shall call the driver at least ninety (90) minutes prior to the driver's posted start time, using a current phone number provided by the driver, and either speak to the driver to get his decision to work as a utility driver, or bump the least senior driver within the loop, or leave a message for the driver to return the call with his decision no later than sixty (60) minutes prior to the drivers posted start time. If the Company follows the prescribed procedure and the driver does not return the call in the prescribed time, the driver shall work as a utility driver. When the driver's bid route is reinstated the driver shall return to it immediately.

When a driver's bid route is permanently eliminated and the work is assigned to another route(s), one of the two following options shall apply and within thirty (30) days of ratification of this Agreement each Local Union shall select which option shall be applicable throughout their jurisdiction:

Option #1—All routes, within the loop(s) that received work from the permanently eliminated route, shall be re-bid amongst all drivers within the loop(s) by seniority and the remaining driver left without a bid shall become a utility driver.

Option #2—Only the routes that received work from the permanently eliminated route, shall be re-bid amongst the affected drivers by seniority and the remaining driver left without a bid shall become a utility driver.

The definition of "permanently eliminated route" shall be a route that is eliminated, or broken out, three (3) days per week for a thirty (30) day period. This procedure can only be invoked and applied by the affected driver, whose route was permanently eliminated, filing a timely grievance.

SUBSECTION 2 - BIDDING DURING LEAVE OF ABSENCE/VACATION

A driver on leave of absence during the period a bid is posted shall not be deprived of the opportunity to exercise his/her seniority; provided however, bids must be submitted within the defined bidding period. It shall be the responsibility of the driver to advise his/her steward or someone else to notify him/her of job openings he/she might be interested in. Time limits set forth herein shall not be utilized to deprive a driver of the right to exercise his/her seniority to bid a job posted while the driver was on vacation.

SECTION 13 - TRANSFER REQUEST

It is the Employee's responsibility to verify all benefits at the requested transfer location. Benefits may vary by state and location. The medical, dental, vision, retirees medical coverages and pension rates may be less or non-existent in the location you desire. Contact the Local Union in the area you wish to transfer to for all information pertaining to the area benefits.

Employees whose current health care coverage is provided by a jointly administered Taft-Hartley Trust Fund plan who are transferring to an area where health care coverage is provided by a Company administered plan will be eligible immediately for health care benefits upon the first day worked at the new location.

Employees whose current health care coverage is provided by a Company administered plan who are transferring to an area where health care coverage is provided by a jointly administered Taft-Hartley Trust Fund plan will have to satisfy the eligibility requirements of the jointly administered Taft-Hartley Trust Fund plan once beginning to work in the new location. An employee in this situation will not have health care coverage until the eligibility requirements have been met and will receive a COBRA (Consolidated Omnibus Budget Reconciliation Act) notice from the Company notifying them of their options in reference to continuing health care coverage with no lapse in coverage. COBRA payments are the responsibility of the employee.

Employees should contact the Local Union they are leaving and the Local Union they are transferring to in order to verify what type of health care plan administration each area uses in order to make the proper arrangements for uninterrupted health care coverage.

The following language shall render null and void all language in any Supplement, Rider or Addenda for those Local Unions signatory to this Agreement regarding building to building transfers for package car and feeder drivers. All full-time package car drivers covered by this Agreement, with one (1) year seniority, shall have the right to transfer according to paragraphs (1) through (10) below. All full-time feeder drivers covered by this Agreement, with one (1) year seniority, shall have the right to transfer according to paragraph (11) below.

1. During the month of October of each year, a transfer list will be posted in each center which will become effective January 2nd of the following year.

2. Package car drivers interested in transferring to another building within the Western Region of Teamsters United Parcel Service Supplemental Agreement jurisdiction in the following year must sign this transfer list designating the building requested. Package car drivers shall be allowed to select two (2) buildings when requesting a transfer.

3. By December 1st of each year, all center lists will be combined to form one Master Transfer Roster, listing all interested package car drivers according to their package car driver seniority with a copy to all Local Unions signatory to this Agreement. An employee may protest the accuracy of his/her seniority date on the final Master Transfer Roster, provided however, that such protest must be made in writing within thirty (30) days from December 1st. Failure to protest a Master Transfer Roster seniority date within the thirty (30) day period shall result in the list being considered accurate. A designated UPS district and a designated Teamsters Local Union shall share joint responsibility for immediately communicating any revisions to the list to all Local Unions signatory to this Agreement.

4. Part-time employees shall have the right to fill full-time positions

within their Local Union jurisdiction before accepting transfers from the Master Transfer Roster on a six (6) for one (1) basis in each facility within each Local Union's jurisdiction. [Six (6) part-time to full-time within each facility to every one (1) transfer within each facility.]

5. At the time of notification, package car drivers actively working in their classification, with good records, in accordance with their package car driver seniority, are given first consideration in filling openings before new people are hired, provided such jobs are believed to be regular. The employee must accept or reject the available transfer, by written response, within twenty-four (24) hours of notification. Failure to comply with the twenty-four hour notification will result in the employee being removed from the list. Such requests shall not be unreasonably denied. Transfer requests will comply with Article 15-Military Clause of the National Master United Parcel Service Agreement. Each affected Local Union shall be notified of every transfer into their jurisdiction prior to the effective date of the transfer. Notification shall include the employee's name, social security number, Company seniority date, effective date of the transfer and the origin and destination location.

6. Transfers are not considered during the period when seasonal help is being trained.

7. If a transfer becomes available and the qualified package car driver offered the transfer rejects it, he/she shall not be eligible for future transfers within that year.

8. A package car driver who transfers shall retain his/her Company seniority for the purpose of fringe benefits, but shall be placed at the bottom of the center seniority list for the purpose of layoff, rehire, bid, selection of vacation and transfers. Package car drivers transferring outside their Local Union's jurisdiction shall be placed at the bottom of the center seniority list for the purpose of promotion.

9. Package car drivers who transfer shall receive the appropriate fringe benefits and rate of pay in effect at their new location. Those

employees shall also be subject to all contract provisions of the applicable Rider and/or Addendum in effect at their new location.

10. It is understood that the Employer shall not be responsible for any costs associated with an employee transfer.

11. In addition, if feeder vacancies cannot be filled by the Company's Feeder Request List, qualified feeder drivers in accordance with their feeder seniority, on the Feeder-Master Transfer Roster will be offered the opening(s) prior to hiring from the street. The same procedures for package car driver transfers, along with all provisions outlined in this section, shall apply to those feeder drivers accepting transfers.

SECTION 14 - UNION BULLETIN BOARD

The Employer agrees to supply a glass enclosed bulletin board and to provide suitable display space for the Union in each center, hub or place of work. Keys to the Union bulletin boards will be in the custody of the Local Business Agent and the Company. Postings by the Union on such boards are to be confined to official business on Union letterhead and/or Titan messages of the Union.

SECTION 15 - TIME CLOCKS

A daily time record shall be maintained by the Employer for an employee's review, upon request. The Employer who employs five (5) or more drivers at any hub/center shall have time clocks at such hub/center when requested by the union, in writing.

SECTION 16 - REST BREAKS

All full-time employees of Local Union Nos. 63, 104, 186, 396, 542, 572, 631, 952 and 986 shall be allowed to take a fifteen (15) minute rest break during the first four (4) hours of work, and another fifteen (15) minute rest break shall be allowed during the second four (4) hours of work.

Effective August 1, 2004, all full-time employees of Local Union No. 492 shall be allowed to take a fifteen (15) minute rest break during each work day.

SECTION 17 - HOLIDAYS AND PERSONAL DAYS

The following holidays shall be granted to seniority employees without reduction in pay:

New Year's Day
Memorial Day
July 4th
Thanksgiving Day

Christmas Day
December 31st
Labor Day
Day after Thanksgiving

Every January each seniority employee shall be granted floating holidays to be taken each calendar year. Local Union Nos. 63, 186, 396, 492, 542, 572, 952 and 986 eligible seniority employees shall be entitled five (5) personal days to be taken each anniversary year and every January 1st each seniority employee shall be granted four (4) floating holidays to be taken each calendar year. Local Union Nos. 104 and 631 eligible seniority employees shall be entitled five (5) personal days to be taken each anniversary year and every January 1st each seniority employee shall be granted five (5) floating holidays to be taken each calendar year. Employees hired on or after October 1, 1993, shall be eligible for the floating holidays upon completion of one (1) year seniority.

The employee shall designate on a form provided by the Company which of the selected days off are to be paid as floating holidays and which of the selected days off are to be paid as personal days. The employee shall be given a copy of this form once it is filled out and these days shall be paid from the appropriate entitlement bank.

Floating holidays and personal days shall be selected in the following manner. Floating holidays and personal days which are available for selection in accordance with the procedures and formulas contained in this section and are scheduled during the vacation selection process shall be guaranteed time off for the employee requesting such days. Those employees not selecting during the vacation selection period may request their floating holidays or personal days at any time during the calendar year. Seniority shall prevail when the floating holidays and personal days which are available for selection in accordance with the procedures and formulas

contained in this section and have been selected at least ten (10) working days prior to the selected dates, and time off shall be guaranteed ten (10) working days prior to the dates the floating holidays or personal days occur. Floating holidays and personal days may be selected as individual days, blocks of days (two, three or four days) or combined in blocks of five (5) days and selected as full weeks.

Seniority shall prevail when an excessive number of employees have chosen the same day.

The Company shall make available for selection floating holidays in each center according to the following schedule regardless of the fifteen percent (15%) allowed off per week in each center for earned vacations;

In centers of thirty (30) drivers or less, a minimum of one (1) floating holidays/personal days per day shall be granted.

In centers of thirty-one (31) drivers to fifty-nine (59) drivers, a minimum of two (2) floating holidays/personal days per day shall be granted.

In centers of sixty (60) drivers to ninety-nine (99) drivers, a minimum of three (3) floating holidays/personal days per day shall be granted.

In centers of one hundred (100) drivers to one hundred twenty-nine (129) drivers, a minimum of four (4) floating holidays/personal days per day shall be granted.

In centers of one hundred thirty (130) drivers to or more, a minimum of five (5) floating holidays/personal days per day shall be granted.

The granting of floating and personal holidays may be limited from December 1st through December 25th.

Employees hired on or after the ratification of this agreement shall be eligible for holiday time off for the named holidays above, but shall not be eligible for pay for the above-named holidays until they

have six (6) months seniority with the company. (This provision does not apply to Local 104 in the state of Arizona where employees are eligible for pay effective with their date of hire.)

If the Company decides to shut down its operation in the Southern California Area on another day, a floating holiday will be assigned to that day.

When a holiday falls on a Sunday, the following Monday will be observed as the same.

The above holidays will be paid regardless of what day in the week they may fall.

Employees absent for more than thirty (30) days due to non-industrial illness or injury will not be eligible for holiday pay. In case of industrial injury, employees absent for more than ninety (90) days will not be eligible for holiday pay.

Except as described above, an employee, to be eligible for holiday pay, must have monies earned during the week in which the holiday falls.

HOLIDAYS WORKED: Pay shall be one and one-half (1 ½) times the hourly rate, plus the holiday pay.

There shall be no premium pay for hours worked on a Sunday or a holiday to Night Loaders or Feeder Drivers where their regular job either begins or ends on a Sunday or a holiday. In the case of a holiday, their holiday is either advanced or delayed, but it is, nevertheless, observed and paid as a holiday.

Premium holiday pay shall be paid to feeder drivers for hours worked on a holiday, when the employee's job begins on a holiday, unless the holiday had been advanced or delayed.

Employees may elect, on their anniversary dates to receive five (5) personal days off (40 straight-time hours) or pay in lieu thereof. These five (5) days may be selected under the seniority procedures by the employee as part of the employee's vacation selection procedure.

SECTION 18 - VACATIONS

All employees covered by this Agreement shall be entitled to one (1) week of vacation with pay after one (1) year's seniority with the Company; two (2) weeks vacation with pay after three (3) years seniority with the Company; three (3) weeks vacation with pay after five (5) years seniority with the Company; four (4) weeks vacation with pay after ten (10) years seniority with the Company; five (5) weeks of vacation with pay after twenty (20) years seniority with the Company; and six (6) weeks of vacation with pay after twenty-five (25) years seniority with the Company.

Vacation pay for each week of vacation shall be one-fifty-second (1/52) of the gross annual earnings of the employee during the twelve (12) month period immediately prior to the employee's employment anniversary date. One-fifty-second (1/52) shall be defined as all monies paid to an employee for an anniversary year, excluding unused sick pay, pay in lieu of unused vacations or personal days. National negotiated monetary bonus shall be governed by the National Negotiating Committee.

Center seniority, by classification, shall prevail for selection of vacation period, which may be taken all at one time or may be split, provided it is earned at that time. All vacation dates are to be determined by mutual agreement between the manager and the employee.

In extended package centers where two (2) or less feeder drivers are domiciled, all drivers will be placed on a common seniority list within such center for vacation selection purposes. For this purpose only, Feeder Drivers will use their most recent date of hire under this Agreement.

A minimum of fifteen percent (15%) of the eligible members at each feeder location shall be allowed time off for earned vacation per week.

A lapse of more than thirty (30) days per year shall break continuity of employment for the purpose of vacation eligibility.

Vacation days will be pro-rated.

VACATION SELECTION PROCEDURE: For choice of vacation, once a vacation list is posted, the first full week of January is allowed for the top 25% to select in seniority order; the second week of January for the second 25% to select in seniority order; the third week of January for the third 25% to select in seniority order; and the fourth week of January for the fourth 25% to select in seniority order. Those not signing up in their scheduled week shall lose their choice of vacation and must take what is left. Vacation period shall be defined as February 1st through the week of Thanksgiving and December 26th through January 31st of the following year.

By seniority and classification, a minimum of fifteen percent (15%) of the eligible members in each package center shall be allowed time off for earned vacation per week during the vacation period described above.

Earned vacations, for the vacation period scheduled, shall be paid for during the week prior to the date the vacation is taken. Employee's who have earned vacation weeks not selected during the vacation selection period, may select at a later date by mutual agreement, for the available time not selected or may elect to sell back those unscheduled weeks at any time. The maximum number of weeks for sell back shall be limited to two (2) weeks. Vacation pay shall be paid on a separate check. The Employer shall not allow any employee to work a vacation week which has been selected during the vacation selection period or to work a vacation week which has been selected at a later date by mutual agreement.

Vacation weeks earned during the current vacation period, declared for sell back, shall be paid two (2) weeks after the employee's anniversary date of hire. Vacation pay shall be paid on a separate check.

After one (1) year of seniority, vacation allowances will be prorated on a monthly basis and paid in the event of separation from the Company.

An employee who retires from the Company, and is entitled to receive payment for prorated unused vacation, shall also be paid a

separate additional cash payment equal to the total pension contributions which the Company would have been required to make on behalf of the employee had the employee utilized all accumulated unused vacation prior to retiring (i.e. the number of prorated unused vacation hours multiplied by the hourly pension contribution rate in effect at the time of payment as illustrated in the following example - 40 hours x \$6.60 per hour = \$264.00).

SECTION 19 - MATERNITY/PATERNITY/FMLA LEAVE

A. It is understood that maternity leave for female employees shall be granted with no loss of seniority for such period of time as her doctor shall determine that she is physically unable to return to her normal duties, and maternity leave must comply with applicable State and Federal laws. It is further understood that, pursuant to Section 19B-Family and Medical Leave Act, paternity leave for a male employee whose spouse is pregnant shall be granted with no loss of seniority, for each pregnancy, for a period not to exceed twelve (12) / six (6) weeks, with the exception of employees not able to meet the qualifications set out in Section 19B, who shall be granted leave not to exceed one (1) week. This week shall commence on the date of birth or the day the spouse is released from the hospital subject to the employee's choice.

B. All employees who have worked for the Company for a minimum of twelve (12) months and worked at least 1250 hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.

Additionally, any employee not covered above, that has worked for the Company for a minimum of thirty-six (36) months and accrued at least 625 paid hours during the past twelve (12) months is eligible for unpaid leave as set forth below, except that the amount of leave allowed will be computed at one-half (1/2) of the time provided by the FMLA.

Eligible employees are entitled up to a total of 12/6 weeks of unpaid leave during any twelve (12) month period for the following reasons:

1. Birth of a child;
2. Adoption, or placement for foster care;
3. To care for a spouse, child or parent of the employee due to a serious health condition;
4. A serious health condition of the employee.

The employee's seniority rights shall continue as if the employee had not taken leave under this section, and the Employer will maintain health insurance coverage during the period of the leave.

The Employer may require the employee to substitute accrued paid vacation or other paid for leave for part of the 12/6 week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Employer has the right to require medical certification of the need for the leave under the Act. In addition, the Employer has the right to require a second (2nd) opinion at the Employer's expense.

The provisions of this section are in response to the Federal Act and shall not supersede any state or local law which provides for greater employee rights.

SECTION 20 - DISABILITY AND SICK LEAVE

Fifty-six (56) hours of straight-time pay (seven (7) eight (8) hour days) will be allowed for each regular full-time employee who has completed one (1) year seniority with the Company.

Each employee will be allowed seven (7) days (at the daily guaranteed rate of pay) on each succeeding sick leave anniversary date.

On the employee's anniversary date, he/she shall have the option to:

- A. Accumulate any/all unused sick leave days, to a maximum of sixty (60) days.
- B. Receive pay for any/all accumulated unused sick leave.
- C. Use in conjunction with vacation time earned, as described below:

At the end of each succeeding twelve (12) months, any unused sick pay may be accumulated, paid, or used in five (5) day segments in conjunction with vacation time off at the option of the employee. These five (5) days, forty (40) straight time hours, may be selected under the same procedure by the employee as part of the employees next vacation selection period. When accumulated unused sick leave is paid, it shall be paid at the employee's current rate of pay.

Sick pay contribution shall be allocated under the following conditions:

1. Sick pay to be allowed for the first day of any period of absence from work due to a bona fide sickness or disability, and shall start when an employee leaves the job because of injury on the job.
2. An employee unable to work because of sickness or disability must notify the Company one (1) hour or more before the employee is scheduled to report for work, unless conditions make it impossible to give such notification, and sickness shall be deemed to have commenced at the time the Company is so notified, unless notification is impossible.
3. No employee shall be entitled to disability leave pay when the sickness or injury is due to intoxication or the use of narcotics, nor shall it apply in case of injury while working for another employer or while self-employed for profit or compensation.
4. No employee shall be requested to have a medical release, from their physician, unless the employee has been on sick leave five (5) consecutive days or more, or in the event of any personal injury.
5. Pro-rated unused sick leave pay will be paid in cases of separation from the Company after one (1) year of employment. An employee who retires from the Company, and is entitled to receive

payment for prorated unused sick leave pay, shall also be paid a separate additional cash payment equal to the total pension contributions which the Company would have been required to make on behalf of the employee had the employee utilized all accumulated unused sick leave pay prior to retiring (i.e. the number of prorated unused sick leave pay hours multiplied by the hourly pension contribution rate in effect at the time of payment as illustrated in the following example - 40 hours x \$6.60 per hour = \$264.00).

6. A lapse of more than thirty (30) days per year shall break continuity of employment for the purpose of sick pay eligibility. Sick pay days will be pro-rated.

7. Earned sick pay may be integrated with Worker's Compensation or Unemployment Compensation Disability Benefits when requested. An employee who is receiving such benefits shall be paid the difference between such benefit payments and his straight-time weekly earnings for each week such benefit payments are made until such sick pay benefits that the employee would be eligible for are exhausted.

A seniority full-time employee who is declared permanently medically incapacitated and thereby unable to perform their normal duties shall have the option of employment in other classifications. The employee will have the option of filling an opening within their local union's jurisdiction before accepting transfers from the master list or before new people are hired. This will not permit bumping under any circumstances. This will be subject to their being medically qualified and other qualifications so specified under other provisions of this Agreement.

The appropriate rate of pay for purposes of this Article shall mean that they will be placed at the 80% level of the new classification for a period of ninety (90) calendar days. At the end of ninety (90) calendar days, they are to be paid at the current top rate of that classification.

SECTION 21 - PENSION BENEFITS

The following pension contribution rates are applicable to Local Union Nos. 63, 104, 186, 492, 542, 572, 631, 952 and 986.

Pension contributions payable into the Western Conference of Teamsters Pension Trust Fund on account of each full-time employee of the bargaining unit shall be paid for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

For probationary employees hired on or after August 1st, 2002, the Employer shall pay an hourly contribution rate of ten cents (\$0.10) (including \$0.01 for PEER/80 for full-time employees) during the probationary period as defined in Section 1 of this Agreement, but in no case for a period longer than the first ninety (90) calendar days from an employees first date of hire. If and when this period is completed, the full standard contribution rate shall apply. Contributions shall be calculated on the same basis as described in this Section.

Effective August 1, 2013, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$9.85 per hour for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2014, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year. The amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2014 contribution rate of \$9.85 per hour.

Effective August 1, 2015, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year. The amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2015 contribution rate.

Effective August 1, 2016, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year. The amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2016 contribution rate.

Effective August 1, 2017, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year. The amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2017 contribution rate.

The following pension contribution rates are applicable to Local Union No. 396.

Pension contributions payable into the Western Conference of Teamsters Pension Trust Fund on account of each full-time employee of the bargaining unit shall be paid for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

For probationary employees hired on or after August 1st, 2002, the Employer shall pay an hourly contribution rate of ten cents (\$0.10) (including \$0.01 for PEER/80 for full-time employees) during the probationary period as defined in Section 1 of this Agreement, but in no case for a period longer than the first ninety (90) calendar days from an employees first date of hire. If and when this period is completed, the full standard contribution rate shall apply. Contributions shall be calculated on the same basis as described in this Section.

Effective August 1, 2013, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate of \$10.00 per hour for each hour for which compensation was paid

(all compensable hours) up to a maximum of 2080 hours per calendar year.

Effective August 1, 2014, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year. The amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2014 contribution rate of \$10.00 per hour.

Effective August 1, 2015, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year. The amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2015 contribution rate.

Effective August 1, 2016, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year. The amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2016 contribution rate.

Effective August 1, 2017, the Company shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee working under this Agreement an hourly contribution rate for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year. The amount of the hourly pension contribution increase will be determined in accordance with Article 34 of the National Master Agreement and will be added to the 7/31/2017 contribution rate.

SECTION 22 - SAVINGS

Effective August 1, 2002, The Company and the Union agree that the contribution at the rate of ten cents (10 cents) per compensable hour into the Pacific Coast Benefits Trust (herein "Trust") on behalf of all employees covered under this Rider shall be diverted back to the Company and used by the Union as a partial payment to "buy" the following increased pension benefit;

Pension contributions payable into the Western Conference of Teamsters Pension Trust Fund on account of each full-time employee of the bargaining unit shall be paid for each hour for which compensation was paid (all compensable hours) up to a maximum of 2080 hours per calendar year.

This is done in accordance with the terms and provisions of Article 30 - Health and Welfare and/or Pension of the Western Region of Teamsters/United Parcel Service Supplemental Agreement, and the terms and conditions of the Western Conference of Teamsters Pension Trust Fund.

The existing Pacific Coast Benefit Trust Fund accounts of all employees covered by this Rider shall continue to exist in accordance with the terms and conditions of the Pacific Coast Benefit Trust Fund, however, these accounts shall have no new contributions as of August 1, 2002.

SECTION 23 - TRUST FUND ACCEPTANCE

Overtime hours, production/incentive bonus hours, holidays, floating holidays, personal days, jury duty, funeral leave, sick pay and vacation time paid for but not worked shall be considered as time worked for the purpose of Section 21, but no payments shall be made for unused sick pay benefits or pro-rated payments made in cases of separation from the Company.

The Employer shall not be obligated to make payments into the Trust Funds of amounts in excess of those which are deductible from gross income by the Employer under Section 404 of the Internal Revenue Code.

The total amount due for each calendar month shall be remitted in a lump sum not later than the 20th day of the following month.

The Employer agrees to abide by such rules as may be established by the Trustees of the respective Trust Fund to facilitate the prompt and orderly collection of such amount and the accurate reporting of such amounts paid on account of the employees.

Failure to make the payments herein provided within the time specified shall be a breach of this Agreement.

During the calendar year, monthly and year to date pension contributory hours and monies shall be provided upon an employee's request.

SECTION 24 - LEGAL SERVICES TRUST

The Employer shall contribute fifteen cents (\$0.15) per hour, up to a maximum of twenty-five dollars and ninety-five cents (\$25.95) per month, for each regular employee into the Western Conference of Teamsters Legal Services Trust Fund for the purpose of providing for employees and their eligible dependents, legal benefits as provided for in the Trust Agreement. (The increased hourly contribution of five cents (\$0.05) shall be re-allocated from the sixty-five cent (\$0.65) August 1, 2008, IBT/UPS National Master Agreement Pension contribution increase on behalf of the Local Unions that are participants in the Western Conference of Teamsters Legal Services Trust Fund.)

SECTION 25 - HEALTH INSURANCE COVERAGE

(a) For those full-time or part-time employees who have received health and welfare benefits from the Company Health & Welfare Plan, benefits on and after January 1, 2014 will be provided by Teamsters Western Region and Local 177 Health Care Plan in accordance with the Letter of Agreement on the Teamsters Western Region and Local 177 Health Care Plan dated September 6, 2013. The Company will continue to provide health & welfare benefit coverage under the existing plan through December 31, 2013.

(b) Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through the Teamsters Western Region and Local 177 Health Care Plan.

(c) Current retirees who are receiving benefits through a UPS sponsored plan shall receive coverage on and after January 1, 2014 under the terms of the Memorandum Concerning UPS Sponsored Plans, attached to the National Master Agreement.

SECTION 26 - LAYOFFS

Employees on layoff shall be given the option, in accordance with their seniority, of accepting employment within their classification in another center in the immediate area before new employees are hired. Employees accepting such employment in another center shall be placed at the bottom of the center's seniority list. When work becomes available on a regular basis in the original center, said employee shall be offered the opportunity of returning to the original center and retaining his original seniority date.

In the event no job openings in his/her classification are available, employee(s) on layoff shall be afforded the following two choices, one of which may be exercised at the sole discretion of the laid off employee.

- 1) The employee on layoff shall be afforded the opportunity to displace the least senior part-time employee within their facility. In this case, the full-time qualified seniority employee shall receive the appropriate part-time daily guarantee at the appropriate part-time rate of pay in accordance with their seniority in addition to maintaining their appropriate full-time benefits.
- 2) The employee on layoff shall be afforded the opportunity to displace the least senior part time employee on two (2) separate shifts within their facility and the shifts shall be consecutive whenever possible. In this case, the full-time qualified seniority employee shall receive the appropriate full-time guarantees at the appropriate part-time rate of pay in

accordance with their seniority in addition to maintaining their appropriate full-time benefits.

The employee, once selecting his layoff option may not change his selection for the duration of that current lay off. When work becomes available on a regular basis in the original center, the employee must return and retains his/her original seniority date.

Upon request, the Company will provide the Local Union with relevant layoff information.

Any laid off package car driver or combination employee who chooses to displace one (1) part-time inside employee shall also be able to exercise his/her seniority to perform exception air delivery, provided he or she is qualified to do so.

SECTION 27 - FEEDER DRIVERS

It is agreed that there shall be a separate seniority list for regular Feeder Drivers, and those employees presently employed as regular Feeder Drivers shall retain their seniority in this classification. When additional openings occur in this classification, these may be filled by employees from the bargaining unit who qualify for this work, but these employees shall be placed at the bottom of the Feeder Driver seniority list. In the event of a reduction of force, Feeder Drivers may return to their former classification and retain their full seniority (previous classification seniority, plus Feeder classification seniority).

Employees desiring to qualify for Feeder Driver work shall indicate this desire on the appropriate request forms. The names of those employees who are qualified by the Company for Feeder Driver work shall be placed on a list, in seniority order. All vacancies in this classification shall be filled from this list. They will attend, on their own time, the Company's training program which may be established from time to time as the need occurs. The Company agrees to furnish the necessary equipment and instructors. A good driving record is a prerequisite to such training, including a one-year package car safe driving award immediately prior to such training. In cases where a full time package car driver has had a

minor accident within the past year, he/she may not be automatically disqualified from attending Feeder School upon review by the Company.

Feeder Drivers will deliver, pick up, sort, load and unload, regardless of domicile.

The Company agrees that no present Feeder Driver will lose feeder driver work due to piggy-backing.

Feeder drivers in the outlying areas shall bid for feeder paths in their own areas.

The Company will post a Feeder Driver seniority list on the board in each area.

The Company will develop feeder work rules with each Local Union, where applicable. Current feeder work rules shall remain in effect.

SUBSECTION 1 - FEEDER BIDDING

(a) All feeder schedules shall be bid on a seniority basis, each calendar year. Feeder schedules shall be posted for five (5) working days, during which time drivers shall be afforded the opportunity to bid. Annual feeder bids shall be awarded and become effective the first (1st) full week of May. (The present annual bidding procedures in Local 396 shall remain in effect.)

Posted bids will include a brief description of each job, including the work day and work week, start time, point of destination and the type of equipment normally utilized.

(b) Permanent feeder vacancies and new schedules that become available subsequent to the annual bid shall be posted within five (5) days for five (5) working days, during which time drivers shall be afforded the opportunity to bid such vacated or new schedule. A posted vacancy or new schedule shall include a brief description as provided in (a) above. The successful bidder shall be awarded the posted vacancy or new schedule the Sunday following the expira-

tion of the five (5) day posting period. A permanent vacancy shall be described as a feeder schedule that runs three (3) days a week for a thirty (30) day period, excluding extra schedules established during the peak season, which shall be filled in accordance with (c) below.

Vacancies created as a result of this bidding procedure shall be posted and bid in accordance with the provisions set forth herein.

(c) Extra peak season feeder schedules that are established prior to the first (1st) full week of December shall be first offered, on a seniority basis, to the seniority feeder drivers and then to the back-up feeder drivers prior to filling such extra schedules with peak season hires. Seniority drivers will not be allowed to exercise seniority to fill extra peak season schedules more than one (1) time during each peak season and seniority drivers filling such extra schedules shall return to his/her bid at the time such extra schedule is abolished.

(d) In the event a bid feeder schedule is abolished, or the established start time is permanently changed by one (1) hour or more, or the scheduled paid day is otherwise changed by more than two (2) hours, the affected driver shall be allowed to exercise his/her seniority to bump any less senior driver and this bumping procedure shall continue for an additional six bumps at which point the last affected driver shall be assigned to the remaining schedule.

The seniority rights of a driver affected by day to day cancellation of a bid feeder schedule will be determined in accordance with local bid and dispatch rules.

SUBSECTION 2 - BIDDING DURING LEAVE OF ABSENCE/VACATION

A driver on leave of absence during the period a bid is posted shall not be deprived of the opportunity to exercise his/her seniority provided however, bids must be submitted within the defined bidding period. It shall be the responsibility of the driver to advise his/her steward or someone else to notify him/her of job openings he/she might be interested in.

Time limits set forth herein shall not be utilized to deprive a driver of the right to exercise his/her seniority to bid a job posted while the driver was on vacation.

SECTION 28 - AIR CONDITIONING

See Western Region Supplemental Agreement Article 14 – Air Conditioning.

SECTION 29 - BREAKDOWN AND IMPASSABLE HIGHWAYS

See Western Region Supplemental Agreement Article 17- Breakdown and Impassable Highways.

SECTION 30 - RADIOS

See National Master United Parcel Service Agreement Article 18, Section 8 – Safety and Health Equipment, Accidents and Reports - Radios.

SECTION 31 - PROTECTION OF RIGHTS

See National Master United Parcel Service Agreement Article 9 – Protection of Rights.

SECTION 32 - GARNISHMENTS

See National Master United Parcel Service Agreement Article 31 – Garnishments.

SECTION 33 - JURY DUTY

See National Master United Parcel Service Agreement Article 29, Section 1 – Jury Duty.

SECTION 34 - FUNERAL LEAVE

In the event of a death of a member of the employee's family, a seniority employee shall be allowed a reasonable time off to attend the funeral or other bereavement rite.

Members of the employee's family means: spouse, child, or step-child, grandchild, father, mother, brother, sister, grandparents, mother-in-law and father-in-law and step-parents.

A regular full time employee shall be guaranteed two (2) days off to be taken between the day of death and two (2) working days following the funeral provided the employee attends the funeral or other bereavement rite. In cases involving the funeral of a relative listed in paragraph 2 above, an employee who attends the funeral or bereavement rite is guaranteed a minimum of two days off.

An employee shall be allowed one (1) day off to attend the funeral or other bereavement rite of a sister-in-law or brother-in-law. The definition of a sister-in-law or brother-in-law is your spouse's sister or brother and your brother's or sister's spouse. Reimbursement for this day shall be the same as provided below.

Time off shall not extend beyond the day of the funeral unless an additional day is required for travel, except as provided above. In no event will total compensated time off exceed four (4) scheduled work days. The employee will be reimbursed at eight (8) times the employee's straight time hourly rate for each day lost from work for those employees whose regular scheduled workweek is five (5) days, and ten (10) times the straight time hourly rate for those employees whose regular scheduled workweek is four (4) days. Part-time employees will receive the same benefits as above, paid at four (4) times the employee's hourly rate.

Better conditions contained in Supplements, Riders or Addenda will be maintained by present employees. All employees hired after July 2, 1982 will be covered by the above language.

SECTION 35 - RATES OF PAY AND METHODS OF PAYMENT

OVERTIME RATE: All hours worked in excess of eight (8) hours per day and forty (40) hours per week shall be overtime hours and paid for at one and one-half (1 ½) times the regular hourly rate of pay. All work performed on the sixth (6th) day shall be paid for at one and one-half times (1½x) the regular straight time hourly rate of pay providing the employee has either worked or received paid for time for the previous five (5) consecutive days prior to the sixth (6th) day. Double time (2x) the regular rate of pay for any employee required to work on the seventh (7th) day.

Tractor-Trailer driver rates are determined daily by the total daily measured miles driven.

If a regular full time employee (excluding those working under Section 36, Air Agreement) is required to work a combination job and working in a higher paying classification job more than one (1) hour, that employee shall be paid the higher rate of pay for the entire shift.

Employees who operate a UPS on-road vehicle, non-feeder, requiring a Class B license or with a trailer in tow, shall receive thirty-five cents (\$.35) per hour in addition to their regular hourly rate for all hours worked. Upon ratification of this agreement, all new package cars towing trailers shall be equipped with power steering.

The guaranteed hours for regular full-time employees shall be forty (40) hours, exclusive of lunch periods, to be worked in five (5) consecutive days. Days off each week will be assigned the preceding week.

Regular full-time employees reporting to work as scheduled, shall be guaranteed eight (8) hours or ten (10) hours of work, whichever is applicable, or pay in lieu thereof, unless excused at the employee's request.

An employee who is called in to work on his day off shall not be required to take another day off during the week.

All hours worked in excess of eight (8) hours per day, or ten (10) hours per day whichever is applicable and forty (40) hours per week shall be overtime hours and paid for at one and one-half (1½) times the regular hourly rate of pay.

All deliveries on Saturday shall be paid for at the rate of one and one-half (1½) times the employee's regular rate of pay. This premium pay shall not apply to employees on a Tuesday through Saturday workweek.

Saturday shall be considered straight-time hours for pickup, sorting and feeder work; but employees scheduled for such work on Saturdays

shall receive another regular day off each week, in addition to Sunday, and to the extent that scheduling requirements of the Company permit, without interfering with the Company's requirements and without requiring the scheduling of overtime for other employees, such day off shall be Monday. Choice for days off shall be determined by job classification, by qualification, and by seniority.

SECTION 36 - AIR OPERATION

See National Master United Parcel Service Agreement Article 40 – Air Operation.

SECTION 37 - TRAINING AREAS

See Western Region Supplemental Agreement Article 8 – Training Areas.

SECTION 38 - COVER DRIVERS

Cover driver jobs will be filled by qualified seniority part-time employees, who have expressed their desire in writing to be on the list, in seniority order and who have been certified by the Employer. Cover drivers will not accrue full time seniority when driving under this section. When no cover work is available, cover drivers shall continue to accrue part-time seniority with their appropriate part-time benefits.

The starting rate for cover drivers will commence on the first day of orientation. Part-time employees by seniority who elect to become cover drivers will be allowed to select a specific center, in the building in which they are employed. The employee will be placed at the bottom of that center's cover driver seniority list along with the existing cover drivers upon successful completion of the qualifying period.

Employees who disqualify from cover driver positions for whatever reason will not be permitted the opportunity to re-qualify as a cover driver for a period of not less than one year from the date of disqualification. Additionally, after the one year time period has elapsed, a vacancy or new opening must exist and the position will be awarded to the qualified employee with the most seniority. No disqualified cover driver will be denied part-time to full-time job opportunities.

Cover drivers will work as replacements for full time package drivers only for the purpose of covering vacations, holidays, jury duty, personal holidays, funeral leave, sick days and leaves of absence. The number of cover drivers will be determined by each center but may not exceed the number of persons off for reasons as described in this paragraph. In addition, cover drivers who are qualified or in the process of being qualified, shall be afforded the opportunity to work as peak season drivers, without gaining full time seniority, during October, November and December prior to hiring peak season drivers.

Cover drivers shall not be used to circumvent the terms of this agreement nor to avoid the hiring of full time package car drivers in a center. Cover drivers may be used as temporary replacements only and not to supplement the work force. If a cover driver continually works less than the cover driver guarantee, or is used for any reason other than as a replacement for full-time package drivers for the reasons listed in paragraph four (excluding October, November and December) and a total of thirty (30) days are worked out of a ninety (90) day period, the Company shall add a permanent regular full-time package car job. Cover drivers working in excess of one (1) year, either singularly or in combination, covering for a specific person out for either compensation or disability, will in itself create another full-time opening in that classification. Any alleged violation of this section will be subject to the grievance procedure. Cover drivers will not work if there are any full time package car drivers on layoff within that Local Union's jurisdiction.

Cover drivers that are used outside the parameters of the above-stated language shall be guaranteed eight (8) hours pay at the package driver's top rate of pay. Cover drivers who work an unscheduled single day(s) shall be considered outside the parameters of this agreement and shall be guaranteed eight (8) hours pay at the package driver's top rate of pay.

Upon request, the Company will provide the Local Union with accurate daily dispatch logs in order to monitor compliance with this Section.

The Local Union will be notified, in writing, as to the number of cover drivers utilized in each center. Beginning with the effective date of the Southwest Rider, and continuing thereafter, the ratio of utility drivers to regular bid drivers shall be no less than the average ratio that was in effect during the months of March 1, 1997 through May 1, 1997. For areas without an established ratio, the parties shall meet to establish an agreed to ratio. Any areas that are not agreed to, shall be referred to the Southwest Package Rider Cover Driver Committee for resolution. Seniority shall be observed when loaning out cover drivers to another center.

Cover drivers will be offered the opportunity to work as cover drivers in seniority order. After the process is completed and additional coverage is necessary the work will be assigned in inverse seniority order.

A cover driver that is scheduled to work a week in which a named holiday falls or has jury duty or funeral leave, he/she will receive eight (8) hours pay per day at their cover driver rate. A cover driver that is scheduled to work a week and has monies earned under that classification during the week, shall be paid eight (8) hours pay for eligible sick leave at the cover driver's rate of pay.

Cover drivers who perform planned weekly coverage work shall be guaranteed five consecutive eight (8) hour days, forty (40) hours per week. If a cover driver is covering for a regular driver who is unable to complete his/her scheduled day, the cover driver will receive actual hours worked at their cover rate of pay.

No cover driver shall work less than eight (8) hours within the classification of cover driver. A cover driver shall receive eight (8) hours work as a cover driver or pay in lieu thereof, unless excused at the employee's request.

Cover Drivers working a five (5) day, forty (40) hour week as a package car driver will be considered package car drivers as it applies to Saturday air work.

The rate of pay for cover drivers shall be as follows:

Start Rate	70% of prevailing package car driver top rate of pay as of the date(s) negotiated for each general wage increase in the National Master Agreement of each succeeding year.
Cover Driver seniority plus six (6) months	75% of prevailing package car driver top rate of pay as of the date(s) negotiated for each general wage increase in the National Master Agreement of each succeeding year.

Cover drivers shall continue to receive all part time benefits, including any contractual increases in their primary job classification only, as described in the Southwest Sort Rider. Any employee who has performed the cover driver job prior to August 1, 1997, will be red-circled at their appropriate pay rate.

Cover drivers who are subsequently promoted to full time employment will be paid either their cover driver or their primary job classification wage rate, whichever is greater, until such time as the calculated progression rate exceeds that rate. The transfer date will become his/her full-time start date for the purpose of applying the above progression.

All time as a cover driver shall be applied to his/her full-time package car progression period, for the life of this agreement only. Employees who self disqualify from the cover driver position shall not have their previous cover driver time applied to their full-time package car progression period.

Cover drivers will select vacations with the regular full-time package delivery drivers. Cover drivers will be offered all available weeks by seniority after all of the regular full-time drivers have selected.

Permanent full time job openings will be filled in accordance with Article 7 of the Western Region of Teamsters United Parcel Service Supplemental Agreement. Full time benefits shall commence as described in the Southwest Package Rider when employees are promoted to full time.

SECTION 39 - PEAK SEASON DRIVER HELPERS

Prior to each Peak Season, the Company shall meet with each Local Union and discuss their plans for the utilization of Peak Season Driver Helpers.

SECTION 40 - FULL-TIME COMBINATION JOBS

SUBSECTION 1 - JOB CONTENT AND JOB CHANGES

(A) All new full-time combination jobs shall be reviewed with the affected Local Union prior to the implementation of such jobs. Any changes in the original bids shall be reviewed with the affected Local Union prior to any changes being implemented. If a portion of the bid is removed or dissolved the Company shall meet with the affected Local Union to review what may be added to the remaining work to maintain the full-time combination job.

(B) A permanent change in start time of two (2) hours or more for any full-time combination job shall be discussed with the affected Local Union prior to the change being implemented and all efforts shall be made to maintain the time frame of the original bid, if possible.

SUBSECTION 2 - JOB OPENINGS, VACANCIES AND BIDDING PROCEDURES

(A) All full-time combination jobs which are newly established, or permanently vacated, shall be posted within five (5) days, for five (5) working days, during which time employees shall be afforded the opportunity to bid such newly established, or permanently vacated, jobs, by seniority, in the following order of classifications.

- (1) Each newly established, or permanently vacated, job shall first be posted for bid and offered in seniority order to all current, existing full-time combination job classification employees.

- (2) If no full-time combination job classification employee successfully bids, and ultimately fills, the newly established, or permanently vacated, opening, the job shall then next be posted for bid and offered in seniority order to those full-time package car drivers with at least fifteen (15) years of Company seniority who have placed their name on a list requesting this opportunity. A package car driver accepting a full-time combination job shall be paid at the appropriate top rate of the full-time combination job classification. A package car driver who successfully bids into a full-time combination job shall not have the ability to bid into any other classification other than full-time combination jobs.
- (3) If no full-time package car driver referenced in paragraph 2 above successfully bids the newly established, or permanently vacated, opening, the job shall then next be offered to employees on the part-time to full-time list in Company seniority order.
- (4) The successful bidder, if qualified, shall be awarded the posted vacancy the Monday following the expiration of the five (5) day posting period. Those non-qualified employees shall be awarded the posted vacancy the Monday following the successful completion of their training/orientation, and their classification seniority shall revert back to the Monday which followed the expiration of the five (5) day posting period.
- (5) Vacancies created as a result of this bidding procedure shall be posted and bid in accordance with the provisions set forth in this Subsection.
- (6) Employees successfully bidding into a full-time combination job shall be subject to a thirty (30) working day trial period. An employee who fails to qualify, or who disqualifies himself/herself for other than good cause, within this thirty (30) day trial period shall return to his/her previous position without loss of seniority.

- (7) Once an employee has accepted his/her bid, they must remain in that full-time combination job for six (6) months before bidding on another full-time combination job.
- (8) An employee who disqualifies himself/herself other than for good cause shall not be allowed to bid on any other full-time combination jobs for a period of twelve (12) months following the date he/she disqualifies himself/herself. An employee who fails to qualify for a full-time combination job position shall have his/her name replaced on the list in his/her rightful spot and shall be given an additional opportunity to qualify for a full-time combination job position six (6) months after the date he/she was disqualified. This six (6) month waiting period shall not be applicable to the filling of a full-time position in another classification.
- (9) Full-time combination jobs permanently vacated during December shall be bid the first full week of January of the following year.
- (10) For the purposes of this subsection "permanently vacated" is defined as:
 - (a) A full-time combination job which has been vacated by an employee who has moved to a new job and has successfully completed his/her trial period in that new job.
 - (b) A full-time combination job which has been vacated by an employee who has left the employment of the Employer.

(B) For the purposes of this Section, each Local Union shall decide, and select, which one of the following two procedures for the application of an employee's seniority for the bidding of all newly established, or permanently vacated, full-time combination job openings, shall be utilized throughout the Local's jurisdiction;

- (1) Jurisdiction wide seniority, or;
- (2) Building and/or facility seniority.

(C) Full-time combination job employees shall be allowed to promote to other full-time jobs, excluding feeders, utilizing their Company seniority date. Should a full-time combination job employee desire to be a feeder driver, he/she will need to fulfill the qualifications as outlined in the Southwest Package Rider Section 27 (Feeder Drivers).

(D) The language contained in Article 12 - Combination Jobs (Full-Time Regular Employees) of the Western Region of Teamsters/United Parcel Service Supplemental Agreement is not applicable to the jobs created under Article 22, Section 3, of the National Master United Parcel Service Agreement after August 1, 1997. However there are situations in which an employee working in a job created after August 1, 1997 under Article 22, Section 3, of the National Master United Parcel Service Agreement performs work whereby Article 12 - Combination Jobs (Full-Time Regular Employees) of the Western Region of Teamsters/United Parcel Service Supplemental Agreement is applicable.

(E) The language contained in Article 12 - Combination Jobs (Full-Time Regular Employees) of the Western Region of Teamsters/United Parcel Service Supplemental Agreement is applicable to all full-time combination jobs created prior to August 1, 1997.

(F) All Article 22.3 opportunities offered for bid within a Local Union's jurisdiction shall be specific as to the work to be performed. After successfully completing the probationary period a 22.3 Combination Job employee may request a preferred job opportunity within his/her bid time frame. These job opportunities shall be selected from vacated positions or newly created work. The 22.3 Combination employee's preferred work selection shall not adversely affect the operation of the Employer. There shall be no bumping and seniority shall prevail.

SECTION 41 - PENALTY PAY

See National Master United Parcel Service Agreement Article 17 – Paid For Time.

SECTION 42 - WAGES

SUBSECTION 1 - FULL-TIME WAGE INCREASES

All full-time employees who have attained seniority as of August 1, 2013 will receive the following general wage increases for each contract year. In the first three years of the contract, the increase will be effective on August 1. In 2016 and 2017, the increase shall be paid in two (2) equal installments. The first half of the increase shall become effective on August 1 of the specified year. The second half of the increase shall become effective on February 1 of the following calendar year. The total wage increase for the year will be as follows:

- 2013 seventy cents (\$0.70)
- 2014 seventy cents (\$0.70)
- 2015 seventy cents (\$0.70)
- 2016 eighty cents (\$0.80)
- 2017 one dollar (\$1.00)

Full-time employees still in progression on the effective date of this Master Agreement shall receive the above contractual increases. They will be paid no less than what they are entitled to in accordance with Section 42, Subsection 2 below.

SUBSECTION 2 - FULL-TIME WAGE PROGRESSION

a. Notwithstanding any provision in any Supplement, Rider or Addendum the progressions set forth in Sections 2(c) and 3 below will be controlling with regard to any employee entering a full-time job after August 1, 2013 covered by those Sections.

b. No employee shall be required to complete a full-time progression more than one (1) time even if he or she transfers between full-time jobs except as set forth in this paragraph. The sole exception is when an employee is awarded a package car or feeder driver job and has not previously held a full-time job which includes driving duties. In such event, the employee will have a break-in rate equal to the employee's current wage rate until six (6) months from the date the employee entered the job. The employee will then go to the

prevailing top rate. A part-time air driver who has completed the National Master United Parcel Agreement Article 40 progression, bids a full-time inside job and then a driver job within two (2) years shall have the same break-in period.

c. The progression for employees entering a package car driving, feeder or other full-time job (other than an air driver or a job covered by Subsection 3 below) after August 1, 2013 shall be as follows:

Start	\$18.75
Seniority	\$18.75
Twelve (12) months	\$19.50
Twenty-four (24) months	\$21.00
Thirty-six (36) months	\$25.00
Forty-eight (48) months	Top Rate

Part-time employees on the payroll as of July 31, 2013 who subsequently are promoted to full-time employment under this paragraph will be red circled until such time as the calculated progression rate exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the above progression.

If a part-time employee bids to a full-time position and the top rate of the classification is less than his/her current rate, the employee shall be placed at the top rate of the new classification immediately.

This Sub-section shall supersede any provision to the contrary in any Supplement, Rider or Addendum.

The progressions in this sub-section shall apply to full-time employees who may have had separate progressions in their Supplements, Riders or Addenda including, but not limited to, UPS CSI and TCI.

National Master United Parcel Service Agreement Article 41 Section 2 (c) of the prior Agreement shall remain in effect for all employees in that progression as of the date of the ratification.

An employee covered under the sort Agreement with six (6) months or more of seniority who is hired into a job under the Package

Agreement shall carry over one-half (1/2) of his Company seniority for the purpose of qualifying for fringe benefits only. (This paragraph does not apply to part-time employees in Local Union 631's jurisdiction and instead the controlling language for those part-time employees is contained in the Local 631 Addendum to the Southwest Sort Rider.)

SUBSECTION 3 – FULL-TIME INSIDE WAGES

The rates in this Subsection shall not apply to any full-time inside jobs guaranteed in National Master United Parcel Service Agreement Article 22, Section 2 created prior to August 1, 1997. Rather, for employees entering those jobs, Article 41, Section 2 (c) above shall apply.

Part-time employees whose rates are higher than those set forth below who bid into a full-time inside job covered by this Subsection shall be paid their current inside wage rate plus the general wage increases.

Other part-time employees who bid into a full-time inside job covered by this Subsection will be red circled at their current wage rate until such time as the calculated progression rate set forth below exceeds that rate. The transfer date will become his/her full-time start date for purposes of applying the progression set forth below. A part-time employee shall not lose the red circle protection provided by this paragraph as a result of transferring from one full-time inside job to another full-time inside job.

Start	\$15.00
Seniority plus 12 months	\$16.00
Seniority plus 24 months	\$17.00
Seniority plus 36 months	\$20.00
Seniority plus 48 months	Top Rate

The Top Rate shall be \$26.74 plus the general wage increases provided in Subsection 1 above.

For employees who are currently in the above progression as of the date of ratification National Master United Parcel Service Agreement Article 41, Section 3 of the prior Agreement shall continue to apply. When the progression is completed, the employee

shall be placed at the then current top rate and shall thereafter be eligible to receive the general wage increases beginning on the next date specified in National Master United Parcel Service Agreement Article 41, Section 1.

Full-time employees who bid into a full-time inside job covered by this Section will be paid in accordance with their full-time seniority date. Full-time employees with four (4) or more years of full-time seniority who bid into a full-time inside job will be paid the top current rate of the classification.

SUBSECTION 4 – APPLICABLE RATES OF PAY FOR EACH LOCAL UNION SIGNATORY TO THE SOUTHWEST PACKAGE RIDER

The following rates of pay are applicable to Local Union Nos. 63, 186, 396, 542, 572, 952 and 986.

The progression for employees entering a package car driving, feeder or other full-time job (other than an air driver or a job covered by Subsection 3 above) after August 1, 2013 shall be as follows:

Start	\$18.75
Seniority	\$18.75
Twelve (12) months	\$19.50
Twenty-four (24) months	\$21.00
Thirty-six (36) months	\$25.00
Forty-eight (48) months	Top Rate

The progression for employees entering a package car driving position prior to August 1, 2013 shall be as follows:

Start	\$16.10
Seniority	\$17.25
Twelve (12) months	\$18.45
Twenty-four months	\$20.75
Thirty-six (36) months	Top Rate

The top rates of pay for the Classifications listed below shall be as follows:

<u>Classifications:</u>	Top Rate Effective 8/1/2013	Top Rate Effective 8/1/2014	Top Rate Effective 8/1/2015	Top Rate Effective 8/1/2016	Top Rate Effective 2/1/2017
Router	\$33.88	\$34.58	\$35.28	\$35.68	\$36.08
Sheetwriter Loader	\$33.58	\$34.28	\$34.98	\$35.38	\$35.78
Positioner	\$33.83	\$34.53	\$35.23	\$35.63	\$36.03
Beltman: Center Belt	\$32.84	\$33.54	\$34.24	\$34.64	\$35.04
Unloader and Feeder Loader	\$32.94	\$33.64	\$34.34	\$34.84	\$35.14
Tractor-Trailer Driver: Round Trip to 300 Miles	\$34.28	\$34.98	\$35.68	\$36.08	\$36.48
Tractor-Trailer Driver: Round Trip 301 Miles & Over	\$34.43	\$35.13	\$35.83	\$36.23	\$36.63
Hostler and Carshifter	\$33.95	\$34.65	\$35.35	\$35.75	\$36.15
Carshifter Beltman	\$33.16	\$33.86	\$34.56	\$34.96	\$35.36
Center Report Clerk/Cashier	\$32.99	\$33.69	\$34.39	\$34.79	\$35.19
Center Clerk	\$32.56	\$33.26	\$33.96	\$34.36	\$34.76
Package Driver	\$33.83	\$34.53	\$35.23	\$35.63	\$36.03

<u>Classifications:</u>	Top Rate Effective 8/1/2017	Top Rate Effective 2/1/2018
Router	\$36.68	\$37.08
Sheetwriter Loader	\$36.28	\$36.78
Positioner	\$36.53	\$37.03
Beltman: Center Belt	\$35.54	\$36.04
Unloader and Feeder Loader	\$35.64	\$36.14
Tractor-Trailer Driver: Round Trip to 300 Miles	\$36.98	\$37.48
Tractor-Trailer Driver: Round Trip 301 Miles & Over	\$37.13	\$37.63

<u>Classifications:</u>	<u>Top Rate Effective 8/1/2017</u>	<u>Top Rate Effective 2/1/2018</u>
Hostler and Carshifter	\$36.53	\$37.03
Carshifter Beltman	\$35.86	\$36.36
Center Report Clerk/Cashier	\$35.69	\$36.19
Center Clerk	\$35.26	\$35.76
Package Driver	\$36.53	\$37.03

The following rates of pay are applicable to Local Union No. 104.

The progression for employees entering a package car driving, feeder or other full-time job (other than an air driver or a job covered by Subsection 3 above) after August 1, 2013 shall be as follows:

Start	\$18.75
Seniority	\$18.75
Twelve (12) months	\$19.50
Twenty-four (24) months	\$21.00
Thirty-six (36) months	\$25.00
Forty-eight (48) months	Top Rate

The progression for employees entering a package car driving position prior to August 1, 2013 shall be as follows:

Start	\$16.10
Seniority	\$17.25
Twelve (12) months	\$18.45
Twenty-four months	\$20.75
Thirty-six (36) months	
Top Rate	

The top rates of pay for the Classifications listed below shall be as follows:

<u>Classifications:</u>	<u>Top Rate Effective 8/1/2013</u>	<u>Top Rate Effective 8/1/2014</u>	<u>Top Rate Effective 8/1/2015</u>	<u>Top Rate Effective 8/1/2016</u>	<u>Top Rate Effective 2/1/2017</u>
Tractor-Trailer Driver	\$33.57	\$34.27	\$34.97	\$35.37	\$35.77
Package Car Driver	\$32.92	\$33.62	\$34.32	\$34.72	\$35.12
Auto Mechanic	\$33.59	\$34.29	\$34.99	\$35.39	\$35.79
Maintenance Mechanic	\$33.59	\$34.29	\$34.99	\$35.39	\$35.79

<u>Classifications:</u>	<u>Top Rate Effective 8/1/2017</u>	<u>Top Rate Effective 2/1/2018</u>
Tractor-Trailer Driver	\$36.27	\$36.77
Package Car Driver	\$35.62	\$36.12
Auto Mechanic	\$36.29	\$36.79
Maintenance Mechanic	\$36.29	\$36.79

The following rates of pay are applicable to Local Union No. 492.

The progression for employees entering a package car driving, feeder or other full-time job (other than an air driver or a job covered by Subsection 3 above) after August 1, 2013 shall be as follows:

Start	\$18.75
Seniority	\$18.75
Twelve (12) months	\$19.50
Twenty-four (24) months	\$21.00
Thirty-six (36) months	\$25.00
Forty-eight (48) months	Top Rate

The progression for employees entering a package car driving position prior to August 1, 2013 shall be as follows:

Start	\$16.10
Seniority	\$17.25
Twelve (12) months	\$18.45
Twenty-four months	\$20.75
Thirty-six (36) months	
Top Rate	

The top rates of pay for the Classifications listed below shall be as follows:

<u>Classifications:</u>	<u>Top Rate Effective 8/1/2013</u>	<u>Top Rate Effective 8/1/2014</u>	<u>Top Rate Effective 8/1/2015</u>	<u>Top Rate Effective 8/1/2016</u>	<u>Top Rate Effective 2/1/2017</u>
Feeder Drivers: Singles	\$33.09	\$33.79	\$34.49	\$34.89	\$35.29
Doubles 45'	\$33.16	\$33.86	\$34.56	\$34.96	\$35.36
Package Car Driver	\$32.99	\$33.69	\$34.39	\$34.79	\$35.19
Mechanic A	\$33.50	\$34.20	\$34.90	\$35.30	\$35.70
Mechanic B	\$33.36	\$34.06	\$34.76	\$35.16	\$35.56

<u>Classifications:</u>	<u>Top Rate Effective 8/1/2017</u>	<u>Top Rate Effective 2/1/2018</u>
Feeder Drivers: Singles	\$35.79	\$36.29
Doubles 45'	\$35.86	\$36.36
Package Car Driver	\$35.69	\$36.19
Mechanic A	\$36.20	\$36.70
Mechanic B	\$36.06	\$36.56

New Hires-Mechanics after 8-1-02:

Start	70%
Seniority	75%
12 month	80%
18 month	90%
24 month	100%

Tractor-Trailer Drivers operating doubles measuring less than forty (40) feet (each Trailer measures less than forty (40) feet) shall be paid seven cents (.07) per hour above the applicable rate. Tractor-Trailer Drivers operating doubles measuring forty (40) feet or more each Trailer shall be paid twenty-five cents (.25) per hour above the applicable rate.

The following rates of pay are applicable to Local Union No. 631.

The progression for employees entering a package car driving, feeder or other full-time job (other than an air driver or a job covered by Subsection 3 above) after August 1, 2013 shall be as follows:

Start	\$18.75
Seniority	\$18.75
Twelve (12) months	\$19.50
Twenty-four (24) months	\$21.00
Thirty-six (36) months	\$25.00
Forty-eight (48) months	Top Rate

The progression for employees entering a package car driving position prior to August 1, 2013 shall be as follows:

Start	\$16.10
Seniority	\$17.25
Twelve (12) months	\$18.45
Twenty-four months	\$20.75
Thirty-six (36) months	
Top Rate	

The top rates of pay for the Classifications listed below shall be as follows:

<u>Classifications:</u>	<u>Top Rate Effective 8/1/2013</u>	<u>Top Rate Effective 8/1/2014</u>	<u>Top Rate Effective 8/1/2015</u>	<u>Top Rate Effective 8/1/2016</u>	<u>Top Rate Effective 2/1/2017</u>
Tractor-Trailer Driver	\$33.66	\$34.36	\$35.06	\$35.46	\$35.86
Triplex pay is sixty-five cents (\$0.65) per hour or five dollars and twenty cents (\$5.20) per day, whichever is greater.					
Package Car Driver	\$33.17	\$33.87	\$34.57	\$34.97	\$35.37
Mechanic	\$33.67	\$34.37	\$35.07	\$35.47	\$35.87
Maintenance & Auto Service Person	\$30.49	\$31.19	\$31.89	\$32.29	\$32.69
Center Clerk	\$30.65	\$31.35	\$32.05	\$32.45	\$32.85

<u>Classifications:</u>	<u>Top Rate Effective 8/1/2017</u>	<u>Top Rate Effective 2/1/2018</u>
Tractor-Trailer Driver	\$36.36	\$36.86
Triplex pay is sixty-five cents (\$0.65) per hour or five dollars and twenty cents (\$5.20) per day, whichever is greater.		
Package Car Driver	\$35.87	\$36.37
Mechanic	\$36.37	\$36.87
Maintenance & Auto Service Person	\$33.19	\$33.69
Center Clerk	\$33.35	\$33.85

SECTION 43 - TERM OF AGREEMENT

This Agreement shall be effective on August 1, 2013 and remain in effect through July 31, 2018.

For the Union:

Andrew A. Marshall
Union Chair
Western Region Director
IBT Package Division
Date:_____

For the Company:

Lindsay Marshall
Company Chair
West Region Labor Manager
Date:_____

FOR THE UNION:

Andrew A. Marshall -
Chair - Local 104
Sam Stewart -
Co-Chair - Local 63
Ron Herrera -
Co-Chair - Local 396
Randy Cammack - Local 63
Rick Middleton - Local 572
Ken Haarala - Local 63
Karla Schumann - Local 104
Doug Saint - Local 186
Jay Phillips - Local 396
David Castro - Local 396
Richard Pacheco - Local 396
Mike Butler - Local 492
Phil Farias - Local 542
Dennis Watson - Local 572
Tommy Blitsch - Local 631
Grant Maertz - Local 952
Lynn Swenson - Local 986
Ralph Dominguez - Local 63
Marcus Roberson - Local 63
Guillermo Rodriguez - Local 63
Adrian Herrera - Local 63
Carlos Toledo - Local 104
Mike Cardarelli - Local 104
Arnold Coronado - Local 104
David Lopez - Local 396
Enrique Cisneros - Local 396

FOR THE COMPANY:

Lindsay Marshall -
Chair
Dan Guerrero
Mike Carnifix
Chuck Schmidbauer
Tim Thompson
Rob Acorn
Kim Ades
Dave Clifford
Ed Feaser
Ron Lemke
Mary Misloski
Dan Powell

Barbara Liddy - Local 396
Sam Cornejo - Local 396
Kenny Duran - Local 492
Dwayne Garrett - Local 542
Paul Sampson - Local 542
Ashley Smith - Local 631
Eddie Fischmann - Local 631
Dave McCaffrey - Local 952

**INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
UNITED PARCEL SERVICE
SOUTHWEST PACKAGE RIDER ADDENDA**



**For the Period:
August 1, 2013 through July 31, 2018**

**INTERNATIONAL
BROTHERHOOD OF TEAMSTERS
LOCAL UNION NOS. 63, 104, 186, 396, 492,
542, 572, 631, 952 and 986**

ADDENDUM NO. 1

TO THE TEAMSTERS/UNITED PARCEL SERVICE

SOUTHWEST PACKAGE RIDER

APPLICABLE TO TEAMSTER

LOCAL UNION NO. 104

Memorandums of Agreement between

Teamster Local Union No. 104

and United Parcel Service

Work Assignments:

All regular full-time employees shall be offered all available work within their classification prior to the usage of a casual or part-time employee.

Holidays (Section 17 - Holidays and Personal Days):

A paid holiday, which is not worked, may be applied against the employee's guaranteed work week if the holiday occurs on an employee's scheduled work day.

Incapacitated Employee Placement (Section 20 - Disability and Sick Leave):

A seniority full-time employee who meets the qualifications set forth in the incapacitated employee language contained in the last two paragraphs of Article 20 - Disability and Sick Leave shall be afforded the first opportunity to fill any newly established, or permanently vacated, full-time combination jobs prior to such newly established, or permanently vacated, full-time combination jobs being bid, by seniority, in the order of classifications as set forth in Article 40, Subsection 2(A).

Seniority (Section 26 - Layoffs):

In a multi-center building, an employee laid off will be allowed on the next working day to replace the least senior employee in that classification within the building.

Death in the Immediate Family (Section 34 - Funeral Leave):

Inasmuch as the past Labor Agreements between the Employer and the Union have recognized foster parents as members of the employee's immediate family they will continue to be considered as such.

Pay Provisions (Section 35 - Rates of Pay and Methods of Payment):

Employee's pay shall begin immediately when reporting for work at a prearranged time. Employees shall not be required, or permitted, to loiter on the premises when not on duty.

A regular full time employee working as a Shifter/Hostler will receive the Package Car Driver rate of pay.

Time spent spotting trailers shall be paid at the Tractor/Trailer Driver rate for the length of time spent doing such work. However, if the length of time spent doing such work is less than one (1) hour, the minimum amount paid for shall be one (1) hour at the Tractor/Trailer Driver rate.

Miscellaneous:

Automotive equipment being transferred from one operation center to another within the state of Arizona are to be driven by employees of the bargaining unit provided such employees are available from their regular assignment. It is understood that the Employer may use alternative means for the transferring of vehicles interstate. It is further understood that the movement of vehicles between Phoenix, Mesa, Estrella and Tempe for the purpose of repair, painting, or maintenance work may be performed by mechanics.

In the case of a disabled vehicle on the road, the mechanic may

drive a substitute vehicle to the scene. The mechanic will be obligated to repair the disabled vehicle, and if unable to do so, may turn over the substitute vehicle to the driver.

For the purpose of exchanging a vehicle on the road (no repair work involved) then this exchange shall be performed by available bargaining unit employees.

Trucks are not to be loaded in such a manner that parcels might fall on or interfere with the driver.

If the Employer requires and requests that a driver move to another area the Employer will pay moving costs for such driver.

Bargaining unit employees are not required to clean rest rooms.

The Employer will not require polygraph test of employees or new applicants.

The Employer agrees that there shall be nothing allowed in Feeder Cabs that will be in violation of DOT regulations.

MEMORANDUM AGREEMENT FOR ALL AUTOMOTIVE AND MAINTENANCE MECHANICS

This memorandum is an agreement to the Southwest Package/Sort Rider between United Parcel Service, hereinafter referred to as the "Company" and Teamster Local Union No. 104, affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, hereinafter referred to as the "Union".

The Company hereby recognizes the Union as the collective bargaining agent for auto and maintenance mechanics employed by it, in conjunction with its package delivery operations in Phoenix, Tempe, Mesa, Estrella and Tucson facilities only.

Except as provided herein, the other terms and conditions of this Rider will apply to these employees.

JOB BIDDING:

Openings and or vacancies shall be posted for bid. Such bid shall be by classification and first bid within the facility where the vacancy exists. Such bids shall remain posted for three(3) working days, then the part time mechanics shall be offered the remaining full time opening, by seniority in the respective job classification. Once the previous steps have been exhausted, and prior to filling any vacancies from the outside, the Company shall offer the newly created or permanently vacated position to all Automotive and Maintenance Mechanics within Teamster Local Union No. 104's jurisdiction in all recognized locations. Thereafter, the Company shall fill such vacancies from the outside. An Automotive or Maintenance Mechanic who transfers to another location shall retain his/her Company seniority for the purpose of fringe benefits, but shall be placed at the bottom of the center seniority list for the purpose of layoff, rehire, bid and the selection of vacation. Automotive and Maintenance Mechanics who transfer to another location shall be required to remain in that new location for a period of one (1) year from the date of the transfer before they are eligible to utilize this transfer language again. It is understood that the Employer shall not be responsible for any costs associated with an employee transfer.

TRIAL PERIOD:

Automotive and Maintenance Mechanics moving into a different job/shop shall be given up to a thirty (30) working day training and trial period in which to demonstrate his/her ability to perform the work involved. All testing and job measurement skills shall be reasonable and shall be administered in a reasonable and non-discriminatory manner. Failing to qualify in this period, the employee shall return to his/her former job/shop without loss of seniority.

TOOL INSURANCE:

The Employer shall be responsible for the reasonable value of an employee's tools stolen from the premises of the employer while such premises are closed for business or when the mechanical department is closed for business, or when the tools are secured by

being locked up either during normal working hours or when the building is closed, or by reason of fire on the employer's premises at any time, or for damage to the employee's tools or tool box caused by an unforeseen accident. The employee will pay the first twenty-five dollars (\$25.00) on each such loss. The Union agrees that the employer has the right to implement reasonable rules for the purpose of providing protection against unwarranted claims under this provision. These rules shall include, but not be limited to: requirements for tool inventories, audits of tool inventories, restrictions of removal of tools from the employer's premises and proper safeguarding of tools by employees. The employee must keep his/her tools locked up when he is absent from the mechanical department. The employee must notify the employer whenever he removes his tools from the employer's premises.

It has been agreed by both parties that all special tools shall be listed as part of the employee's tool inventory. Such list shall be updated as necessary to cover instances where additional special tools may be required. It is also agreed by both parties that the Company will replace and/or repair any special tools furnished by either party.

TOOL ALLOWANCE:

All Automotive and Maintenance Mechanics shall receive an annual "Tool Allowance" of Two Hundred Dollars (\$200.00) payable each year on December 1st, provided the employee has sixteen hundred (1600) paid hours within the past twelve (12) months.

SHIFT PAY:

For automotive and maintenance mechanics only, shifts commencing between 4:00 p.m. and midnight shall be paid Twenty Cents (\$.20) per hour in addition to the employee's regular hourly rate of pay. Shifts commencing between midnight and 5:30 a.m. shall be paid Twenty-Five Cents (\$.25) per hour in addition to the employee's regular hourly rate of pay. Employees working on a shift commencing at or after 12:00 noon shall be paid the regular rate up to 4:00 p.m., and the bonus rate of Twenty Cents (\$.20) additional per hour for all hours worked after 4:00 p.m. Shifts beginning before 12:00 noon will not be paid a premium rate for time worked after 4:00 p.m.

RATES OF PAY:

Effective July 31, 2013

Classification:

Journeyman Auto Mechanics \$32.77

Journeyman Maintenance Mechanics \$32.77

The top rates of pay for the Classifications listed below shall be as follows:

<u>Classifications:</u>	<u>Top Rate Effective 8/1/2013</u>	<u>Top Rate Effective 8/1/2014</u>	<u>Top Rate Effective 8/1/2015</u>	<u>Top Rate Effective 8/1/2016</u>	<u>Top Rate Effective 2/1/2017</u>
Auto Mechanic	\$33.47	\$34.17	\$34.87	\$35.27	\$35.67
Maintenance Mechanic	\$33.47	\$34.17	\$34.87	\$35.27	\$35.67

<u>Classifications:</u>	<u>Top Rate Effective 8/1/2017</u>	<u>Top Rate Effective 2/1/2018</u>
Auto Mechanic	\$36.17	\$36.67
Maintenance Mechanic	\$36.17	\$36.67

The progression for employees entering a package car driving, feeder, or other full-time job after August 1, 2013 shall be as follows:

Start	\$18.75
Seniority	\$18.75
Twelve (12) months	\$19.50
Twenty-four months	\$21.00
Thirty-six (36) months	\$25.00
Forty-eight (48) months	Top Rate

Employees who were hired into the journeymen classifications described in this addendum, prior to August 1, 2013, shall be paid in accordance with the following wage progression schedule:

Start	\$16.10
Seniority	\$17.25
Twelve (12) months	\$18.45
Twenty-four months	\$20.75
Thirty-six (36) months	Top Rate

LETTER OF UNDERSTANDING:

It is understood between the parties that the effective date for wages, pension contributions, etc., for the automotive and maintenance mechanics represented by Local Union No. 104 shall be August 1, 1993. However, contributions under the Western Conference of Teamsters Legal Services Trust Fund shall be effective October 1, 1993.

LETTER OF UNDERSTANDING:

It is agreed between the parties that when the automotive and maintenance mechanics convert to the managed care plan covering bargaining unit employees, the employees listed below shall continue to receive the temporary disability benefits described in the attached. Such list contains all bargaining unit mechanics employed by the Company on the ratification date of this Agreement.

TEMPORARY DISABILITY BENEFIT ATTACHMENT

Temporary disability income benefits allow you paycheck protection for up to 26 weeks.

When you become eligible for health care benefits, you also become eligible for income protection through the UPS Insurance Plan's temporary disability income (TDI) provision. This coverage applies to an absence if caused by a non-occupational illness or accidental injury. An absence for maternity is treated like an absence for illness.

TDI benefits are equal to one week's straight-time earnings for each year of service up to a maximum of 13 weeks per calendar year or per disability. For the remaining weeks, up to a total of 26, you receive 60 percent of your weekly, straight-time earnings, up to a maximum weekly benefit of \$200.00. Benefits begin on the first work day of an absence caused by an injury and on the fourth work day of an absence caused by an illness. Any unused sick days up to three will be used first before TDI benefits are paid.

Here is the schedule of the maximum number of weeks of TDI benefits for eligible full-time non-union clerical employees:

Maximum Weeks Payable at: 100%* then 60%

Your Service with UPS

Less than 1 year	0	26
At least 1 year, less than 2 years	1	25
At least 2 years, less than 3 years	2	24
At least 3 years, less than 4 years	3	23
At least 4 years, less than 5 years	4	22
At least 5 years, less than 6 years	5	21
At least 6 years, less than 7 years	6	20
At least 7 years, less than 8 years	7	19
At least 8 years, less than 9 years	8	18
At least 9 years, less than 10 years	9	17
At least 10 years, less than 11 years	10	16
At least 11 years, less than 12 years	11	15
At least 12 years, less than 13 years	12	14
13 or more years	13	13

(*Maximum number of weeks at 100% per calendar year or per disability)

More than One TDI Absence:

If you are absent and receiving TDI benefits, return to work for at least one day before 26 weeks have passed and are later absent for an entirely different cause, you are eligible for a new 26 week peri-

od of TDI benefits (after the waiting period). If your second absence is due to the same cause, you must return to work for at least two weeks to be eligible for a new 26 weeks of TDI. Otherwise, your second absence will be considered a continuation of the first one.

In order to qualify for this benefit, you need to provide UPS with proper medical documentation of your disability. You will also need proper medical approval prior to returning to work.

State Disability Benefits:

In Hawaii, New Jersey and New York, state disability benefits may affect the amount of your benefits. California and Rhode Island provide a disability benefit payment. In these states, you'll be given a separate pamphlet describing state coverage. In all other locations, your Personnel department can tell you the amount of your TDI benefits from the UPS Plan.

When Benefits are not Payable:

No TDI benefits are payable for days when you receive holiday pay, optional holiday pay, vacation pay, or worker's compensation benefits. In addition, TDI benefits will end if you begin working full time again, either for UPS or another employer. Finally, no TDI benefits will be paid if you're on a leave of absence or receiving worker's compensation benefits when an illness or injury occurs that would otherwise qualify you for these benefits.

ADDENDUM NO. 2
TO THE TEAMSTERS/UNITED PARCEL SERVICE
SOUTHWEST PACKAGE RIDER
APPLICABLE TO TEAMSTER
LOCAL UNION NO. 396

Memorandums of Agreement between
Teamsters Local Union No. 396
and United Parcel Service

Settlement of Controversies (Section 3 - Settlement of Controversies):

Both parties further recognize and agree that industrial peace is to be desired at all times in the area covered by this Rider, and to that end it is agreed. Should a controversy, dispute or disagreement arise during the period of this Rider, there shall be no cessation or stoppage of work authorized by the Union, and the Union will do its utmost to see that work is continued in a normal and orderly way and said controversy, dispute, or disagreement shall be adjusted in the following manner.

The grievance shall be discussed with the employer's immediate supervisor and/or manager within five (5) days of the known occurrence giving rise to the grievance.

If the grievance is not resolved at this meeting the grievant must submit a signed grievance through the Local Union to the Employer within fifteen (15) working days from the date of the occurrence.

Verbal warnings, warning notices and suspensions shall become inoperative after a nine (9) month period of time. After this time period, the employee shall not be discharged without following the steps of progressive disciplinary action.

Each of the parties shall make an earnest attempt to settle all differences, but in the event they fail, an Arbitrator shall be mutually selected for Arbitrations and his decision shall be final, binding and conclusive on both parties.

It is the intention of both the Local Union and the Employer that the grievant receive a hearing as soon as possible but not longer than 30 days from the time of the filing of the written grievance unless otherwise mutually agreed to.

The Arbitrator shall render a short formed decision within three (3) working days of such hearing.

Workday-Workweek: Subsection - Feeder Drivers (Section 10 - Workday-Workweek: Subsection 1- Feeder Drivers):

The regular scheduled workday shall consist of eight (8) consecutive hours, with an established start time, excluding a non paid meal period of either one-half (½) or one (1) hour. The regular scheduled workweek shall consist of five (5) consecutive days, Sunday through Thursday, Monday through Friday or Tuesday through Saturday.

No driver will be forcibly dispatched without a rest day consisting of either Saturday or Sunday. (This provision may not be applicable to the newly created UPS Sleeper Team Driver.)

The provision for a workday and workweek of four (4) day, ten (10) hour days shall remain in effect for the term of this agreement.

Prior to the implementation of a newly created four (4) day, ten (10) hour a day workweek or a newly created UPS Sleeper Team Feeder Run, the Employer shall meet jointly with the Local Union to negotiate the terms under which a four (4) day, ten (10) hour a day workweek or a newly created UPS Sleeper Team Feeder Run, may be implemented.

Parking Charge:

The monthly parking charge, where applicable, for one parking

space allocated by the Company to employees shall be three dollars (\$3.00).

Feeder Drivers (Section 27 - Feeder Drivers):

It is agreed that there shall be a separate seniority list for regular Feeder Drivers, and those employees presently employed as regular Feeder Drivers shall retain their seniority in this classification. When additional openings occur in this classification, these may be filled by employees from the bargaining unit who qualify for this work, but these employees shall be placed at the bottom of the Feeder Driver seniority list. In the event of a reduction of force, Feeder Drivers may return to their former classification and retain their full seniority (previous classification seniority, plus Feeder classification seniority). UPS Over The Road Sleeper Team Drivers must follow newly voted Sleeper Team language and 396 Feeder Work Rules.

Employees desiring to qualify for Feeder Driver work shall indicate this desire on the appropriate request forms. The names of those employees who are qualified by the Company for Feeder Driver work shall be placed on a list, in seniority order. All vacancies in this classification shall be filled from this list. If the Company establishes a need for additional Feeder Drivers, qualified employees desiring to qualify for feeder work must attend a Teamsters Local #396 Feeder Seminar. The Union seminar is part of the pre-qualification process for all Feeder schools.

Union Feeder seminars will be conducted in the months of February and May of each year.

By package driver seniority, vacancies in this classification shall be filled from the feeder seminar's attendees list.

Once the employee begins the process, there are no provisions in this labor agreement to reverse the process.

Additionally, upon completion of the Union seminar, there are no provisions in this labor agreement for an employee to request a return to their former classification and retain their package center seniority.

The Company and the Union agree, if additional needs are established, additional seminars/schools may be scheduled.

Once qualified, they will attend, on their own time, the Company's training program which may be established from time to time as the need occurs. The Company agrees to furnish the necessary equipment and instructors. A good driving record is a prerequisite to such training, including a one (1) year package car safe driving award immediately prior to such training. In cases where a full time package car driver has had a minor accident within the past year, he/she may not be automatically disqualified from attending Feeder School upon review by the Company.

Feeder Drivers will deliver, pick up, sort, load and unload, regardless of domicile.

The Company agrees that no present Feeder Driver will lose feeder driver work due to piggy-backing.

The Company will post a Feeder Driver seniority list on the board in each area.

The Company will develop feeder work rules with each Local Union, where applicable. Current feeder work rules shall remain in effect.

Feeder paths will be posted for bid among Feeder Drivers. Rules for bidding refer to Teamster Local Union 396 Feeder Work Rules.

Local Feeder paths will be posted for bid the first week of February.

The Company shall have the option of placing a member of 396 on all new feeder paths that may be put on between bidding time. This new feeder path, if still in existence, shall be put on the board at bidding time.

Annual Feeder bids shall be awarded and become effective the first (1st) week of March.

Hostler - All Full-time feeder hostlers shall bid annually by seniority for the purpose of selecting work shifts.

Tractor-Trailer Drivers, Regular Full-time Drivers and regular Routers/Sorters who work a portion of the day in that classification shall receive the rate for that classification for the entire day.

ADDENDUM NO. 3
TO THE TEAMSTERS/UNITED PARCEL SERVICE
SOUTHWEST PACKAGE RIDER
APPLICABLE TO TEAMSTER
LOCAL UNION NO. 492

Memorandums of Agreement between
Teamster Local Union No. 492
and United Parcel Service

Additional Operations Covered:

The Company recognizes the Union as the sole collective bargaining agent for the Automotive and Maintenance Mechanics.

Vacation (Section 18 - Vacations):

Full time Automotive and Maintenance employees will receive forty-five (45) hours, at the straight time rate of pay, for each week of earned vacation.

DECEMBER 19, 1997

United Parcel Service and Teamsters Local Union No. 492 agree that the following language shall immediately apply.

Present employees who have attained seniority prior to January 1, 1997 shall have a January first vacation anniversary date of their employment year for the purpose of years of service in computing weeks earned. One fifty second (1/52) will be calculated from January 1ST through December 31ST of each proceeding year.

These employees must pass their date of hire before they are entitled to take any improvement week. The improvement week must be taken or paid in lieu of, before January 31ST of the following year.

Employees, upon separation of employment, shall have their vacation pro rated at one fifty second (1/52) from the January 1st, vacation anniversary date.

Employees hired on or after January 1st, 1997 shall follow the provisions of the Southwest Rider vacation language.

Premium Rates of Pay (Section 35 - Rates of Pay and Methods of Payment):

An employee that is required to work on Sunday shall be paid for such work at the rate of double time (2X), except where the regular schedule extends into Sunday, with a minimum guarantee of eight (8) hours which shall not be included in the regular forty (40) hour workweek. This shall not apply to the employees on regularly assigned shifts during Sunday.

ADDENDUM NO. 4
TO THE TEAMSTERS/UNITED PARCEL SERVICE
SOUTHWEST PACKAGE RIDER
APPLICABLE TO TEAMSTER
LOCAL UNION NO. 631

Memorandums of Agreement Between
Teamster Local Union No. 631
and United Parcel Service

Miscellaneous:

Full-time Package Car Drivers and Feeder Drivers with at least fifteen (15) years of Company seniority within the jurisdiction of Local 631 will have the right to bid on any vacated or newly established Porter Position. A Package Car Driver or Feeder Driver accepting one of these jobs shall be paid at the appropriate top rate of pay for the position that they received.

Full-time Air Drivers can put their name on the Feeder request list to go Feeder driving. A good driving record is a prerequisite to such training, including one year of safe driving immediately prior to such training. In cases where one of the employees has had a minor accident within the past year, he/she may not be automatically disqualified from attending Feeder School upon review by the Company and the Union.

Section 2 - Employment and Discharge:

The parties hereto recognize that, under the laws of the United States, the Union, by virtue of its certification by the National Labor Relations Board as bargaining agent for all employees of the Employer within the bargaining unit, whether members of the Union or not, and further that, under the laws of the State of Nevada, it is unlawful for the Employer to pay an employee any

wages, salary or compensation lower than that agreed upon through this Agreement, so that the benefits of the Agreement are extended by law to non-union as well as union employees, while the expense of negotiating this Agreement as well as the continuing expense of Administering its provisions and of processing grievances hereunder has been, and will continue to be, borne by the Union. For these reasons, the Employer agrees that all workers shall obtain a clearance from the Union before commencing work. For those individuals that sign an authorization slip to participate in dues checkoff, the procedure required to stop that arrangement will be clearly stated on the authorization slip.

The Employer also agrees to recommend to all employees that they become members of the Local Union and maintain such memberships during the life of this Agreement.

Payment to Bargaining Agent for Contract Administration:

A. Nothing in this Agreement shall be construed as requiring any person to become, or to remain, or not to remain, a member of the Union as a condition of employment.

B. The parties hereto recognize, however, that under the laws of the United States, the Union, by virtue of its certification by the National Labor Relations Board as bargaining agent, is the exclusive bargaining agent for all employees of the Employer within the bargaining unit, whether members of the Union or not and further that under the laws of the State of Nevada, it is unlawful for the Employer to pay an employee any wages, salary or compensation lower than that agreed upon through this Agreement, so that the benefits of the Agreement are extended by law to non-union as well as Union employees, while the expense of negotiating this Agreement as well as the continuing expense of administering its provisions and of processing grievances hereunder, has been, and will continue to be borne by the Union.

C. For these reasons, The Employer agrees that each of its employees who is not a member of the Union shall be required, as a condition of employment, to pay to the Union compensation for Union

representation as bargaining agent an initial sum equal in amount to the initiation fee regularly paid by new members of the Union, payable in four equal weekly installments, and the further sum equal to the regular monthly union dues paid by members of the Union, such payment to be due and payable monthly in advance on the first payday of each and every month after the effective date of the Agreement.

D. Such payments may be made to the Union by each of the employees directly or by means of payroll deduction pursuant to wage authorization signed by such employee, one signed copy of which shall be deposited with the Employer and one signed copy of which shall be deposited with the Union, which wage authorization shall be valid for the period of one (1) year from the date of its delivery to the Employer, and from year to year thereafter, until terminated in writing by the employee at least thirty (30) days prior to any annual anniversary date of such delivery of a written revocation signed by such employee to the Employer and one signed copy to the Union.

E. If the employee should fail to make such payments to the Union either directly or by wage authorization, the Employer agrees that upon request of the Union the Employer will terminate the employment of such employee in any job classification within the bargaining unit.

F. The Employer also agrees to at all times keep posted upon Employer bulletin boards where messages to its employees are customarily posted, a copy of this paragraph.

G. Should any provisions of the Article be determined to be in conflict with existing or hereafter enacted State or Federal legislation, the Union shall indemnify and save the Employer harmless from any and all claims, demands, suits, or other forms of liability that shall arise out of or by reason of its acting hereunder.

H. No cash deposit of any amount shall be furnished by any member of the Union to the Company as security. If the Company desires security from employees it may place them under proper bond at the Company's expense.

Warning Notices (Section 3 - Settlement of Controversies)

Warning notices shall become inoperative at the end of three months. After this period of time, the employee shall not be discharged without another warning letter served upon him and the Union.

Section 13 - Transfer Requests:

All full-time transfers, excluding feeder drivers and package drivers, from building to building, will be covered by the following rules:

1. On the first working day in November, a transfer list will be posted in each center.
2. Employees interested in transferring to another building during that year must sign this list designating the building wanted.
3. By January 1st of each year, all center lists will be combined to form one (1) master roster listing all interested employees according to their seniority.
4. Transfers during the year will be made from this list in seniority order providing however, a good work record is a prerequisite to such transfer.
5. If a transfer becomes available and the qualified employee offered the transfer rejects it, he/she will not be eligible for future transfers within that year to the building he/she rejected. An employee who refuses a transfer to work which is not considered year round employment will not be removed from the transfer list due to that refusal.
6. An employee who transfers shall retain Company seniority for the purpose of fringe benefits, but shall be placed at the bottom of the center seniority list for the purpose of layoff, rehire, and selection of vacation. After one (1) year, their seniority shall be dovetailed.

Section 20 - Disability and Sick Leave:

Eligible seniority employees are entitled to six (6) sick days instead of seven (7) sick days. One sick day was converted to a floating holiday.

Premium Rates of Pay (Section 35 - Rates of Pay and Methods of Payment):

Time and one-half (1 ½) the regular straight-time rate shall be paid for all work performed in excess of eight (8) hours in any one day and on the sixth (6th) day worked with double-time (2X) paid for all Sunday work. All premium days shall be subject to the minimums provided elsewhere in the Southwest Package Rider. Should the Company place a Sunday sort into operation, those employees working Sunday as part of their normal work week would be excluded from this agreement.

MEMORANDUM AGREEMENT FOR ALL AUTOMOTIVE AND MAINTENANCE MECHANICS TEAMSTERS LOCAL 631

Job Bidding:

Openings and or vacancies shall be posted for bid. Such bid shall be by classification and first bid within the facility where the vacancy exists. Such bids shall remain posted for five (5) working days. Once the previous step has been exhausted, and prior to filling any vacancies from the outside, the company shall offer the newly created or permanently vacated position to all Automotive and Maintenance Mechanics within the jurisdiction of Teamsters Local 631. Thereafter, the company shall fill such vacancies from other current employees in other classifications who qualify for the available position within the jurisdiction of Teamsters Local 631. If the company still cannot fill the vacancy they will fill the position from the outside. An Automotive or maintenance Mechanic who transfers to another location shall retain his/her Company seniority for the purpose of fringe benefits, but shall be placed at the bottom of the seniority list for the purpose of layoff, rehire, bid and the selection of vacation within the jurisdiction of Teamsters Local 631. After one (1) year, their seniority shall be dove-tailed. Automotive and Maintenance Mechanics who transfer to another location within the jurisdiction of Teamsters Local 631 shall be required to remain in that new location for a period of one (1) year from the date of the transfer before they are eligible to utilize this transfer language again. It is understood that the Employer shall not be responsible for any costs associated with an employee transfer unless it falls under the guidelines of Article 38 of the National Master Agreement. Automotive mechanics will continue utilizing the annual bidding process.

Mechanic's Tool Insurance:

The Employer shall be responsible for the reasonable value of a mechanic's tools stolen from the premises of the Employer while such premises are closed for business, or when the mechanical

department is closed for business, or when the tools are secured by being locked up either during normal working hours or when the building is closed, or by reason of fire on the Employer's premises at any time. The employee will pay the first \$25.00 On each such loss. The Union agrees that the Employer has the right to institute reasonable rules for the purpose of providing protection against unwarranted claims under this provision. These rules shall include, but not be limited to, requirements for tool inventories, audits of tool inventories, restrictions of removal of tools from the Employer's premises, and proper safeguarding of tools by employees. The employee must keep his tools locked up when he is absent from the mechanical department. The employee must notify the Employer whenever he removes his tools from the Employer's premises.

