

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



For the Period of
January 1, 2018 ~~April 1, 2014~~
through
DECEMBER 31, ~~2017~~**2021**

Covering:

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

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

**ARTICLE 1
PARTIES TO THE AGREEMENT
[NO CHANGE]**

ARTICLE 2

SCOPE OF AGREEMENT
[NO CHANGE]

ARTICLE 3
RECOGNITION, UNION SHOP AND CHECKOFF

Section 3.1 – Recognition [NO CHANGE]

Union Shop [NO CHANGE]

State Law

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

Agency Shop [NO CHANGE]

Savings Clause

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

Employer Recommendation [NO CHANGE]

No Violation of Law [NO CHANGE]

Section 3.2 – Probationary and Casual Employees [NO CHANGE]

Section 3.3 – Checkoff [NO CHANGE]

Section 3.4 - Work Assignments [NO CHANGE]

Section 3.5 – Local Union Defined; Multi-Union Unit/Single Contract [NO CHANGE]

Section 3.6 – Electronic Funds Transfer

If the Employer institutes an electronic funds transfer (EFT) system, employees may participate. All employees hired after **August 6, 2014** shall be required to have their payroll deposited directly into a personal checking or savings account(s) via electronic funds transfer (EFT) system. **If an employee is unable to obtain a bank account that will accept direct deposit of**

paychecks, he/she will be paid electronically using a pay card/debit card. Deposit statements reflecting the balance deposited and withholdings, deductions and other information normally found on one's pay stub will be made available to employees each pay period. T/A

**ARTICLE 4
STEWARDS**

The Employer recognizes the right of the Local Union to designate job stewards and alternates from the Employer's seniority list. **The Employer shall be advised in writing of the names of stewards and alternate stewards when this Agreement is executed and any changes thereafter.** T/A

[NO CHANGE]

**ARTICLE 5
SENIORITY, LAYOFF AND RECALL
[NO CHANGE]**

**ARTICLE 6
MAINTENANCE OF STANDARDS
[NO CHANGE]**

**ARTICLE 7
GRIEVANCE AND ARBITRATION PROCEDURE
[NO CHANGE]**

**ARTICLE 8
MANAGEMENT RIGHTS
[NO CHANGE]**

**ARTICLE 9
PROTECTION OF RIGHTS
[NO CHANGE]**

**ARTICLE 10
LOSS OR DAMAGE
[NO CHANGE]**

**ARTICLE 11
BONDS AND INSURANCE
[NO CHANGE]**

**ARTICLE 12
UNIFORMS
*See National Economics**

ARTICLE 13

PASSENGERS

[NO CHANGE]

**ARTICLE 14
COMPENSATION CLAIMS**

[NO CHANGE]

**ARTICLE 15
MILITARY CLAUSE**

[NO CHANGE]

**ARTICLE 16
EQUIPMENT AND SAFETY**
[NO CHANGE] *See National Economics

**ARTICLE 17
PAY PERIOD**

[NO CHANGE]

**ARTICLE 18
OTHER SERVICES**

[NO CHANGE]

**ARTICLE 19
POSTING**

[NO CHANGE]

**ARTICLE 20
UNION AND EMPLOYER COOPERATION**

[NO CHANGE]

**ARTICLE 21
UNION ACTIVITIES**

[NO CHANGE]

**ARTICLE 22
OWNER OPERATORS**

[NO CHANGE]

**ARTICLE 23
SEPARATION OF EMPLOYMENT**

[NO CHANGE]

**ARTICLE 24
INSPECTION PRIVILEGES AND EMPLOYER IDENTIFICATION**

[NO CHANGE]

ARTICLE 25
SEPARABILITY AND SAVINGS CLAUSE
[NO CHANGE]

ARTICLE 26
TIME SHEETS, TIME CLOCKS, AND VIDEO CAMERAS
[NO CHANGE]

ARTICLE 27
EMERGENCY REOPENING
[NO CHANGE]

ARTICLE 28
DISCIPLINE AND DISCHARGE
[NO CHANGE]

ARTICLE 29
JURISDICTIONAL DISPUTES
[NO CHANGE]

ARTICLE 30
WAGES

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

***See National Economics**

[NO CHANGE]

ARTICLE 31
SUBCONTRACTING
[NO CHANGE]

ARTICLE 32
COST-OF-LIVING (COLA)

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

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

Effective April 1, 2018, and every April 1 thereafter during the life of the agreement (with the final adjustment being April 1, 2020), a cost-of-living allowance will be calculated on the basis of the difference between the Index for January, 2017 (published February 2017) and the Index

for January, **2018** (published February **2018**) with a similar calculation for every year thereafter, as follows: **T/A**

For every 0.2 point increase in the Index over and above the base (prior year's) Index plus 3.0%, there will be a 1 cent increase in the hourly wage rates payable on April 1, **2018**, and every April 1 thereafter. These increases shall only be payable if they equal a minimum of five cents (\$.05) in a year. Further, the maximum COLA increase that will be payable in any given year is ten cents (\$.10), and there will be no carry-over for future year COLA adjustments as a result of the operation of this cap on COLA increases; each year will be evaluated independently and on a stand-alone basis under the formula set forth above. **T/A**

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

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

**ARTICLE 33
BAIL AND LICENSING
[NO CHANGE]**

**ARTICLE 34
DRUG AND ALCOHOL TESTING
[NO CHANGE]**

**ARTICLE 35
NON-DISCRIMINATION
[NO CHANGE]**

**ARTICLE 36
LEAVES OF ABSENCE
[NO CHANGE]**

**ARTICLE 37
HEALTH & WELFARE & PENSION**

***See National Economics**

[NO CHANGE]

**ARTICLE 38
DURATION**

Section 38.1 – Duration and Notice of Termination

This Agreement shall be in full force and effect from **January 1, 2018** to and including

December 31, 2020 and shall continue from year to year thereafter unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration. **T/A**

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

Section 38.2 – Notice of Modifications

Where no such cancellation or termination notice is served and the parties desire to continue said Agreement but also desire to negotiate changes or revisions in this Agreement, either party may serve upon the other a notice at least sixty (60) days prior to **December 31, 2020** or December 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement. **T/A**

Section 38.3 – Economic Recourse

The designated National Union Negotiating Committee as representative of the Local Unions or the Employer shall each have the right to unilaterally determine when to engage in economic recourse (strike or lockout) on or after January 1, **2021** unless agreed to the contrary. **T/A**

Section 38.4 – Effective Date of Successor Agreement

Revisions agreed upon or ordered shall be effective as of January 1, **2021** or January 1st of any subsequent contract year. **T/A**

Section 38.5 – Inadvertent Failure to Give Notice [NO CHANGE]

Section 38.6 – Right to Terminate [NO CHANGE]

APPENDIX A DRUG AND ALCOHOL TESTING & DISCIPLINE [NO CHANGE] (Update Regulations)

ADDENDUM TO NATIONAL MASTER AEI AGREEMENT Delete in its entirety.

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

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

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

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

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

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

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

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

~~f. The basic functions of bargaining unit personnel will remain largely the same, even though some functions in NFE may be consolidated and no longer performed by bargaining unit personnel. It is expected that current seniority practices will be unchanged for purposes of bidding for these jobs although the parties acknowledge that employee preference and demonstrated ability will be considered as secondary factors in the job selection process.~~

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

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

- ~~i. The Company shall provide and post reasonable, uniform, and objective criteria for evaluating job performance and training impact in each job classification. Subjective criteria such as “positive attitude” or “personality” are not to be given significant consideration.~~
- ~~j. Bargaining unit employees will use their reasonable best efforts to apply themselves to take advantage of such training and learn the proper procedures and functions of the new jobs.~~
- ~~2. The Employer will not redistribute work in a manner that will cause the layoff of any regular full time bargaining unit employee employed as of the ratification date of this agreement (August 6, 2014) (hereinafter “red-circled employee”). Further, no red-circled employee will be required to relocate in order to retain their employment in the bargaining unit. All red-circled employees shall be red-circled by name and guaranteed full-time employment at their current stations (those designated as a Hub or Lead station) for the term of this Addendum.~~
- ~~3. Red-circled employees will not be subject to layoff for a period of twelve (12) months beyond the expiration of the term of the Agreement as a result of the NFE. The only exception to this protection against layoff is a situation involving a long term, extraordinary and severe loss of business. The Company further agrees that prior to layoff under this exception the Company shall use all reasonable means to protect and preserve work for the red-circled employees. It is understood that this protection against layoff for red-circled employees shall extend beyond the expiration of this Agreement as provided in the first sentence of this Paragraph. This does not prevent the temporary or permanent loss of employment due to ordinary discipline and discharge situations, or voluntary separations.~~
- ~~4. Nothing in this Addendum is intended to extend the period of time a red-circled employee retains their seniority while on layoff (for those who are on layoff as of the date of ratification of this Agreement (August 6, 2014)).~~
- ~~5. No Hub location covered by this Agreement will have its employment numbers (measured by the number of red-circled employees as defined in paragraph 2 above) reduced directly or indirectly as a result of the NFE. All stations will be maintained as “Hubs” as that term is used in the NFE (including Miami, although it has been designated the “Lead” Station for the United States).~~
- ~~6. The number of active bargaining unit employees and ratio of Union to non-union employees in the Company as of July 31, 2013 in the United States shall not be reduced. Specific employment numbers and ratios will be provided to the Local Union and National Union Committee as necessary and required to validate this provision of the Addendum. **(numbers to be provided by Employer as soon as possible)**~~
- ~~7. Disputes under this Addendum shall be resolved by directly proceeding to the National Grievance Committee where a record will be created for the arbitrator.—~~

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

~~The Addendum shall be effective from August 6, 2014 through December 31, 2016, and shall not be renewed or extended except by express mutual written agreement of the parties. The undersigned affirm that they are authorized by their respective parties to enter into this Addendum.~~

For TNUNC: _____
 _____ Bill Hamilton, Co-Chairman,
 _____ Teamsters National Union Negotiating Committee,
 _____ Director, Express Division

For the Employer: _____
 _____ Gordon Simpson, Vice President Human Resources

~~Overall Purpose/Roles of the Bargaining Unit Jobs under NFE~~

Customer Service	<ul style="list-style-type: none"> ▪ Acts as key contact for allocated customers ▪ Accepts and processes orders for handover to Operations ▪ Stays informed on shipment and exception (operational irregularity) status for allocated customers ▪ Generates customer reports as required by the customer ▪ Proactively informs customer on shipment status and exceptions ▪ Passes on requests for quotations and leads to Sales ▪ Handles customer inquiries ▪ Handles customer requests with regard to Go Green topics ▪ Takes and handles any customer complaints; solves customer complaints or assigns tasks to other functions ▪ Acts as first contact point for customer claims for notification and reception of claims and respective document collection
Operations	<ul style="list-style-type: none"> ▪ Processes, handles and distributes all required documents in the shipping and receiving areas ▪ Performs booking and booking optimization according to internal guidelines as defined by Product ▪ Performs pickup and delivery arrangements ▪ Ensures customer requirements are met and takes corrective actions in case of deviations from customer requirements

	<ul style="list-style-type: none"> ▪ At Gateway, prepares, controls, updates, and distributes all required documents regarding consolidation and deconsolidation at Gateway level complying with regulations and internal procedures ▪ At Gateway, supports Gateway staff in optimization of cargo consolidation ▪ Ensures documents are completed and updated in a timely and efficient manner and according to regulations and internal procedures ▪ Interacts with Customer Service, Product, and Global Service Centers, if required
Dockman	<ul style="list-style-type: none"> ▪ Handles cargo movement, complying with regulations and internal procedures and updates shipment status accordingly ▪ Performs loading and unloading of truck or container
Driver/Dockman	<ul style="list-style-type: none"> ▪ Handles cargo movement, complying with regulations and internal procedures and updates shipment status accordingly ▪ Performs airport pick up and delivery driving duties as assigned and occasional local customer pick up and delivery as determined by management, all consistent with scope of unit work and prior practice ▪ Performs loading and unloading of truck or container

The union reserves the right to amend, alter and/or delete any of the proposals contained herein.

**2017 AEI Joint Negotiations
TNUNC Proposal
March 2, 2018**

**SUMMARY OF GENERAL MONETARY PROPOSAL
NATIONAL AND ALL SUPPLEMENTAL AGREEMENTS
FOR THE PERIOD COVERING JANUARY 1, 2018 THROUGH DECEMBER 31, 2020**

Note: The general hourly, mileage and other benefit increases are as follows and shall be applied in accordance with the appropriate Area Supplement.

1. General Wage Increases, Article 30: T/A

- a. Effective January 1, 2018: \$0.50 per hour
- b. Effective January 1, 2019: \$0.50 per hour
- c. Effective January 1, 2020: \$0.50 per hour

2. Cost-of-Living Adjustments (COLA), Article 32 (plus date changes):

Current Book T/A

3. Health & Welfare Plans, Article 37:

Daily, weekly or monthly Health & Welfare contributions on behalf of each employee shall be increased by the amount necessary on August 1 or applicable date of each year as determined by the respective plan trustees to maintain all existing benefits in effect on March 31, 2017 for all covered participants (full M-O-B). **See Attachment Draft T/A**

4. Pension Plans, Article 37:

- a. Daily, weekly or monthly Pension contributions on behalf of each covered employee shall be increased by the amount necessary on August 1 or applicable date of each year as determined by the respective plan trustees to maintain all existing benefits, (full M-O-B) with a minimum of fifty-cents (\$0.50) per hour to be allocated to those pension and retirement plans that require a specified contractual amount for each annual increase.
- b. However, where the Employer has negotiated a long-term fixed pension rate (i.e. through a transition plan combined with payment of withdrawal liability), the fifty-cents (\$0.50) per hour minimum shall not be applicable during the term of the agreement. **T/A**

5. Uniforms, Article 12 (new): T/A

Where the Employer requires a specific color or general style of footwear, the Employer shall provide the affected employee a minimum of \$100.00 per year to purchase such footwear unless the applicable supplement provides for a greater amount.

6. Special Licenses:

- a. **Article 16.5: Second paragraph:** Increase amount for obtaining CDL from \$250 to \$350 at ratification.

ARTICLE 37: HEALTH WELFARE AND PENSION LANGUAGE

The Company shall continue to participate in all Health, Welfare and Pension Plans in accordance with the rules and regulations of each Fund. The Company shall pay contribution increases for the 2018, 2019 and 2020 benefit fund contribution increases requested by the applicable Health, Welfare & Pension Funds, as determined by the various Funds, in order to maintain benefits.

It is understood that the aggregate amount of an annual contribution increase (i.e. all covered locations averaged out) shall not exceed \$1.00 per hour/per person/per year. If the aggregate amount in any year exceeds \$1.00, the contract shall upon written notice of either party be reopened and the parties shall meet in order to address the contribution shortfall. Upon thirty days' notice after reopening, either party may resort to economic action (strike/lockout) in support of its respective position. It is intended that this aggregate process operate the same way as the 2017 extension agreement operated.

For the areas contributing to the Western Conference Pension Fund, the Company shall contribute an increase of \$1.00 combined for Health, Welfare and Pension contribution increases per year. If the Health and Welfare contribution increase is less than one dollar, the difference shall be contributed to the pension fund.

For the Company

For the Union

Date

Date