

AGREEMENT

between

UPS LATIN AMERICA, INC.

and

**FLEET SERVICE AND
RELATED EMPLOYEES**

in the service of

UPS LATIN AMERICA, INC.

as represented by

**INTERNATIONAL
BROTHERHOOD OF
TEAMSTERS LOCAL 769
AIRLINE DIVISION**



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Article 1

Union Recognition and Scope of the Agreement

Preamble:

UPS Latin America Inc. (hereinafter the “Company”) recognizes the Teamsters United Parcel Service National Negotiating Committee and its affiliated Local 769 (hereinafter the “Union”), as the collective bargaining representative of those employees of the Company in the craft or class of Fleet Service Employees, specifically those employees in the job classifications of Cargo Handler, Cargo Handler Lead Employees (previously referred to as “supervisors”), Driver – Cargo Handler, Custom Agent – Cargo Agent, Mail Coordinators, Duty Manager, Cargo Agent, Cargo Agent Lead Employees (previously referred to as “supervisors”), UPS Air Express, Cargo Agent and UPS Messenger. The Company and Union agree that it is their intent that covered employees will continue to be those in the previously certified craft or class of Fleet Service Employees.

In addition, it is agreed that:

A. Upon ratification, this Agreement shall become a Supplement to the National Master United Parcel Service Agreement (NMA). Article 1, Section 2 and Article 2, Section 1 shall apply to the job classifications described in the Preamble above. No other provision of the existing or any future NMA shall apply to the employees described in the Preamble except as specifically otherwise provided in this Agreement or as otherwise mutually agreed in writing by the parties.

B. Other than the continued contractual recognition of the certification of the craft or class of Fleet Service Employees, the Company and Union agree not to raise or assert coverage by the Railway Labor Act, 45 U.S.C. §151, et seq. in any future proceeding, administrative or otherwise.

C. This Agreement is entered into in order to promote safety, efficiency, and economy of operations, to provide for orderly collective

bargaining relations between the Company and the Union, to provide a means for the prompt and equitable disposition of grievances, and to provide a method for the establishment of fair wages, hours of service, and working conditions for the Employees covered herein under. In making this Agreement it is recognized to be the duty of the Union, Employees and the Company to cooperate fully for the advancement of the purposes of this Agreement. Unless otherwise specified, all references to days shall be calendar days.

D. This Agreement shall supersede all existing or previously executed Agreements by and between the Company and the Union or any other labor organization or individual with respect to the rates of pay, rules or working conditions specifically covered by the provisions of this Agreement in accordance with the provisions of the Railway Labor Act, as amended. Any and all subsequent agreements between the parties shall be reduced in writing, signed by their authorized representatives, and become a part of this Agreement.

Article 2

Definitions

A. Calendar Day – The time commencing at 0001 and ending at 2400 based on local time.

B. Calendar Week – The pay period will begin on Sunday and end on Saturday.

C. Calendar Month – Means the first calendar day of any given month to the last calendar day of that month.

D. Lead Employee—Responsible to perform work in his or her duty assignment area as a working member of his or her group and in addition will be required to direct other employees assigned to him or her, to ensure that the work assigned is performed in an efficient and productive manner.

1. Leads may call overtime to other bargaining unit employees. Overtime disputes will be the responsibility of management.

E. Relief Lead – The employer reserves the right to have a relief lead per shift/work area at the time of the general bid. The relief lead will be used to cover the days off of the lead on that shift/work area. The relief lead will not have the same days off as the lead and is not required to have the same start time on the general bid.

Article 3

Hours of Service

A. All time worked in any continuous tour of duty including overtime shall be considered as work performed on the day and on the work shift within which the tour of duty is started.

B. The Company will not schedule an employee for less than Ten (10) consecutive hours of rest between his or her shifts. When an employee has less than Ten (10) consecutive hours of rest between his or her shifts, the Company will either relieve him or her of duty with pay for such portion of his or her shift so as to give him or her the Ten (10) consecutive hour rest period, or compensate him or her at a time and one-half rate for those hours his or her minimum rest period were shortened. This provision shall not apply if insufficient rest is a result of the employee's voluntary decision of the employee (for example a voluntary overtime shift).

In cases of a general bid and or post bid that results in a work schedule change for an employee, said employee may elect not to work both shift if the change will result in less than ten (10) hours off between these shifts. The employee will notify the Employer of their desire not to report for one of the two shifts a minimum of seventy-two hours prior to reporting for either shift.

The employer will consider the employees preference on which to work, but the Employer will determine and notify the employee which shift they will work based on business needs. The employee will not be entitled to any compensation for the shift the Employer has chosen for the employee not to work.

Article 4

Probationary Employees

A new regular full-time employee shall be covered by the provisions of this Agreement but during his or her first sixty (60) days worked from the date of employment. Probationary employees may be disciplined or discharged at the sole discretion of the Company without cause, and without recourse to the grievance and arbitration procedure hereunder unless there is a discrepancy in the employee's compensation involving rate of pay, hours of service, or payroll deductions. After sixty (60) work days said employee shall be placed on the seniority list. The employee's seniority date shall be the date the probationary period began.

The Company has no responsibility to re-employ or to recall any employee separated during his or her probationary period. However, if an employee's service is broken during his probationary period as a result of a reduction in force and the employee is recalled, the employee's seniority date will be adjusted to reflect credit for all past service. An employee will not accrue benefits such a sick, or occupational, injury, leave, insurance, vacation, holidays etc, during any period of separation.

Article 5

Stewards

A. The Company recognizes the right of the Union to designate one (1) Steward for each shift of Fleet Service Employees to assist the Union in the administration of this Agreement. It is understood that Stewards will be designated such that no more than one (1) such Steward is employed on each shift. The Company agrees not to unreasonably interfere with the Stewards in carrying out their required duties relating to grievances; provided, however, that the Stewards shall obtain permission from their supervisors prior to leaving their jobs to attend such duties. Such permission shall not be unreasonably denied by the Company. It is expressly agreed and understood that any reasonable amount of time spent in investigating and adjusting grievances by Stewards will be compensat-

ed by the Company. Up to six (6) designated Stewards will be paid eight (8) times their straight time hourly rate for up to ten (10) total days each, while participating in contract negotiations with the Company.

B. The Union agrees to submit to the Company, in writing and at least annually on the anniversary date of this Agreement's execution, an up-to-date list of current Stewards.

C. The Company agrees to grant the necessary time off without discrimination or loss of seniority rights and without pay to the Steward to attend a Labor Convention, or contract negotiations with the Company, provided one week's written notice is given to the Company by the Union, specifying the length of time off and providing further that such time off shall not exceed two weeks in any one year. The Company would have the discretion to extend the time.

D. The Employer recognizes the employee's right to be given requested representation by a steward or the designated alternate at such time as the employee reasonably contemplates disciplinary action.

E. The Union business agent or a maximum of one steward shall be permitted to attend new hire orientation for up to fifteen (15) minutes. The employer agrees to provide the Union notice of the date, time and location of such orientation. The sole purpose of the Union attendance shall be to inform and distribute materials about the Union membership and contractual benefits.

Article 6

Grievances/System Board of Adjustment, No Strike-No Lockout.

Section A. Grievances/System Board of Adjustment:

Business Days in this article is defined as Monday thru Friday excluding named holiday mentioned in this agreement. Employee Work Day in this article is defined as dates that the employee is scheduled to work.

1. Grievances

(a) The parties agree that an alternative dispute resolution mechanism (ADRM) shall be established which shall consist of the procedures set forth below.

(b) Grievances arising under the ADRM shall be processed as follows:

(1) The affected employee shall file a written grievance to present to the Company within ten (10) working days of knowing said violation and /or the event giving rise to the grievance. Working days for the purpose of filing a grievance shall be defined as the employees scheduled work days.

(2) In event that the Local Union or Company official file a written grievance to present to the Company / Local Union within ten (10) business days of knowing said violation and/ or the event giving rise to the grievance. Business days for the purpose of filing a grievance shall be defined as the Monday thru Friday excluding named holiday mentioned in this agreement.

(3) In event that any of the parties fails to comply with the time limits set forth filing grievances the grievance will be deemed to be untimely and shall not proceed further.

(4) The Company shall attempt to resolve grievances claiming violations from language interpretations with the union steward within ten (10) business days. The company will respond in writing to the Local Union with its decision within this ten (10) business day's period. In cases of suspension and discharge or grievances filed by the company shall be discussed by the Business Agent and the company within ten (10) business days.

(5) In the event the grievance remains unresolved, the filing party shall have ten (10) business days from the day it received the company's written position to appeal the grievance to the next step. In the event the grievance remains unresolved the company and the union will meet within ten (10) business days in an attempt to resolve the grievance. If the grievance remains unresolved after this

meeting the grievance will be docketed to the next system board hearing unless otherwise mutually agreed.

In the event that any of the parties delay to respond within the time frames defined in this section shall automatically proceed the grievance to the next step under this article.

(C) The Union shall have the right to examine time sheets pertaining to the computation of compensation of any individual whose pay is in dispute pertaining to a special grievance.

Section B. System Board of Adjustment

1. There is hereby established a System Board of Adjustment for the purpose of adjusting and deciding disputes which may arise under the terms of this Agreement and any amendment or additions thereto and which are properly submitted to it, which Board shall be known as the System Board of Adjustment, hereinafter referred to as “the Board.”

2. Composition of the Board

(a) The Board shall consist of up to four (4) members, two (2) of whom shall be selected and appointed by the Company and two (2) of whom shall be selected and appointed by the Union, and such appointees shall be known as “Board Members.” It is understood that the Company will not select a Management person from the operation in which the grievance originated. The Union will not select an Official from TLU 769, but shall be selected from a Local Union signatory to the UPS Southern Region Supplement or UPS Freight Agreements.

(b) The Board shall meet once every two (2) months at mutually determined location, during the months of January, March, May, July, September, and November for each year provided that at such times there are cases filed with the Board for consideration. The meetings shall continue in session until all matters before it have been considered unless otherwise mutually agreed. In case where there are off the payroll discharges, the Board will meet sooner than the two (2) month schedule by mutual agreement.

3. Jurisdiction of the Board

(a) The Board shall have jurisdiction over all disputes growing out of grievances. The jurisdiction of the Board shall not extend to proposed changes in hours of employment, rates of compensation, or working conditions covered by this or other existing agreements between the parties hereto, furthermore The Board shall have no authority to add to, subtract from, modify or alter the Agreement in anyway.

(b) The Board shall consider any dispute properly submitted to it when such dispute has not been previously settled in accordance with the other provisions of this Agreement.

4. Proceedings Before the Board.

(a) All disputes properly referred to the Board for consideration shall be addressed to the Chairmen.

(b) The Company and the Union will choose six (6) dates per year to meet in a System Board format to hear the unresolved grievances.

(c) All documents to be presented before the System Board must be exchanged between the parties at least ten (10) business days before the commencement of the hearing unless otherwise mutually agreed to by the parties in writing.

(d) Each parties will furnish a written brief of the facts and supporting evidence of their position to each Co-Chairperson and the members.

(e) In regard to postponement must be mutually agreed by the parties in writing.

(f) The System Board will not hear warning letter grievances, except that if a warning letter is on the employees file and later suspension and/or discharged based on such warning letter. For example (progressive discipline.) The System Board will then hear the merits of the warning letter before hearing the case involving the suspension and/or discharge.

- (g) Discipline cases; Company present first.
Language cases; Union present first.
Each side have a rebuttal.
No questions from the presenters.
The System Board Committee will ask questions.

The System Board will mail or email the decision to each of both parties within ten (10) business days of the hearing. Business days are defined as Monday thru Friday.

5. Deadlock Procedures.

When a deadlock occurs at the System Board for any reason, the board, by written notice shall notify the Union and the Employer of such deadlock within ten (10) business days.

Deadlock cases pertaining to discharges will be referred to an arbitrator under this article. Deadlocked cases arising out of language interpretations shall be referred to a deadlock panel. The deadlock panel shall be comprised of the company system board chairperson and an Agent of Local 769. If the parties are unable to reach a resolution the language case shall be submitted to arbitration as provided herein. It is understood by the parties that all deadlock cases excluding language contractual interruption cases may be advanced to the FMCS arbitration provided herein. The deadlock panel will notify in writing the parties of its decision within ten (10) business days of the hearing.

After receiving the written decision from the system board or deadlock panel, the union or the company shall have ten (10) business days to notify the other party if they intend to pursue the grievance through the arbitration process. If the party does not notify the other party within this ten (10) business day period, the grievance will be considered withdrawn.

6. Selection of Arbitrator.

- (a) If notice is provided of the desire to a neutral arbitrator pursuant to the terms of this provision, the Union and the Company shall promptly meet, but in no event later than fifteen (15) business days from the date of such notice by the Union to select an arbitrator by

mutual agreement, and if agreement is reached the Union will notify the arbitrator in writing a copy being sent to the company.

(b) Within twenty (20) business days after proper notification, if no agreement on the selection of an arbitrator can be reached, the Company or the Union may submit a request to the director of the FMCS to furnish a panel of seven (7) names. The Company and the Union will strike three (3) names each, and the remaining name will be the impartial arbitrator. The striking process will alternate between the company and the union. The decision of the arbitrator shall be final and binding upon both parties.

7. General

(a) Expenses.

(b) Each party shall bear the expense of its own witnesses and of its own representatives. If one of the parties requests the use of a court reporter or they shall be responsible for the payment of all fees, unless both parties agree to bear equally the expense for the court reporter.

(c) The Employer and the Union agree that the cost including filing fee of the arbitration, arbitration fees, and expense of the Arbitrator shall be borne equally by the Employer and the Union. The Arbitrator shall submit his/her decision within thirty (30) days of the filing of post-hearing briefs or closing arguments, unless time is extended by mutual agreement of the parties.

The parties agree that all arbitration hearings will be held in Miami. The decision of the arbitrator shall be final and binding upon both parties. The arbitrator shall have no authority to add to, subtract from, modify or alter the Agreement in anyway.

(d) Time Limits

Time limits set forth in this may be extended in writing by mutual agreement of the Company and the Union.

(e) Rights Under The Law:

Nothing herein shall be construed to limit, restrict, or abridge the rights or privileges accorded either to the employees or to the Com-

pany, the Union, or to their duly accredited representatives under the provisions of the law.

Section C. No Strike—No Lockout

1. The Company, the Union and the employees represented by the Union shall not engage in, encourage, threaten or assist any strike, slowdown or other restriction or interruption of work during the term of this Agreement. Any such prohibited activity, including unfair labor practice strikes, sympathy strikes or any refusal to handle or perform work on any shipments, goods, consignments, parts or supplies because of any labor dispute, even though not initiated or countenanced by the Union, shall be construed to be an essential violation of this Agreement. Any employee engaging in such activity shall be subject to selective discipline up to and including discharge.

2. It is agreed that the Union, its representatives, officers, stewards, and other officials are charged with an affirmative duty to maintain this Agreement and shall immediately take all reasonable and necessary steps to prevent to stop such illegal acts as quickly as possible.

3. The Company shall not engage in any lockouts during the term of this Agreement.

Article 7

Seniority Layoff & Recall

Section A. Seniority

A. Seniority is defined as length of continuous bargaining unit employment with the Company since the employee's last date of hire including the probationary period and all time the employee is on an approved leave or layoff as provided by this contract. Seniority will be applied as set forth in this article and this Agreement for the following layoff, recall, bids, overtime, choice of vacation, holidays and personal holidays.

B. The parties recognize the right and need of the Company to have and maintain at all times, the best-qualified work force. Seniority

shall be applied as set forth in this Agreement provided the employees involved have the qualifications and ability to satisfactorily perform the work involved. "Qualifications and ability" means, able to perform the work. It is agreed when the company is moving employees from one work area to another work area the most junior qualified employee will be moved unless a more senior qualified employee is identified by the lead employee to be moved. The company will consider seniority in the assignment of forklift responsibilities within a work area when more senior employees are scheduled to start later than junior employees. In cases when an employee is loading or unloading a vehicle such work should be completed prior to employee reassignment to forklift responsibilities.

C. Seniority and the employment relationship shall be terminated automatically when an employee:

1. Voluntarily quits
2. Is discharged for just cause and not reinstated under the grievance machinery.
3. Fails to notify the Company of his or her intent to return to work upon recall from layoff within seven (7) days, or failure to return to work upon recall from layoff within fourteen (14) days after being notified to report to work unless prior arrangements have been made with the Company. Such notification to return to work will be given by UPS with tracking availability or certified mail addressed to such employee at his or her last address filed with the Company. It shall be the responsibility of each employee to have his or her correct address and telephone number on file with the Company.
4. Is absent for three (3) consecutive scheduled workdays without properly notifying the Company within that time. Notice may be by telephone.
5. Fails to report to work as scheduled at the end of a leave of absence.
6. Engages in gainful employment while on approved leave of absence.

7. Is laid off or absent for any reason for a period of thirty-six (36) months or the amount of his or her seniority as of his or her last day of work, whichever period is shorter.

8. Retires.

D. The Company shall post on the bulletin board an up-to-date seniority list within fifteen (15) days after the execution of this Agreement and thereafter shall compile and post an updated seniority list as of June 1 and December 1^o and this must be posted within thirty (30) days after those specific dates once each six (6) months. In addition, the Company shall furnish a copy of the same list to the Union. Seniority dates of employees shown on the posted lists shall be considered permanently established seniority dates, except as may be corrected as the result of a protest filed within thirty (30) calendar days after posting; such protests shall be confined to names added or deleted since the last posting and errors in the copying of the list. Upon timely presentation of proof of error, such error will be corrected.

E. It is understood and agreed by the Company and the Union that when two (2) or more employees are hired at the same time, or have the same seniority date, the following method will be used to determine seniority:

1. An employee with a steward and management person present will agree to an acceptable tiebreak procedure (ex. flip of a coin).
2. Once seniority is established under this procedure, it shall be permanent for the life of the individual's employment with the Company.

F. An employee covered by this Agreement who transfers out of the bargaining unit shall retain his or her seniority status for up to one (1) month. Employees will lose seniority after one (1) month or thirty (30) days.

G. An employee may bid shift preference, areas of work by classification and seniority, twice (2) times per year provided, that the

bidding, which is by seniority in the employees' classification or job skills, cannot occur more than twice a year. The general bidding will take place in the months of December and June of each year. Furthermore the Employer reserve the right to conduct a third bid as long is mutually agreed by the Employer and the Union.

The Employer may adjust start times up to one and a half (1 1/2) hour (s) with twenty-four hour prior notice to the employee without re-bidding. In cases of situations beyond the employers control, or late planes the Employer will give the employee as much notice as possible but at least a minimum of three (3) hours.

J. The Company agrees to review all proposed general bid schedules with the Local Union prior to posting. Any dispute will be resolved by the Union and Company co-chairs of the System Board of Adjustment. The decision of the Co-chairs is final and binding. Upon final completion of the general bid it is understood that the Company will post the general bid for ten (10) working days and a copy of the posting bid will be provided to the Union the same day is post it.

K. Job openings or vacancies will be posted for ten (10) days and be awarded on the basis of seniority and ability to perform the job. The Company will provide copy of all posting and awarded to the Union.

L. Newly hired employees hired to perform Driver-cargo (CDL) handler work cannot bid out of this area for a minimum of one (1) year. Seniority employees may bid into and bump a newly hired employee in this position during the general bids. Seniority employees bidding into the Driver-cargo (CDL) handler position must remain in the position for the duration of the general bid, but may bid out of the position if there is a new bid job posted and if there is a less senior qualified (CDL) employees with less than one year of seniority who can be forced to assume the bid.

Section B. Layoff

A. The decision to layoff and/or recall employees, including the order of those affected, shall be made entirely within the discretion of the

Company to produce the most effective workforce. Seniority will be the deciding factor in making layoff and recall decisions when, in the opinion of management, the employees are qualified to perform the job.

B. If an employee is to be laid off from a classification under this Article who has, the skill to perform the work of a junior employee in that or another classification who has less Company-wide seniority than the laid-off employee, then the laid-off employee may bump the junior employee from a job which he or she is qualified to perform. Junior employee in this section is defined as any employee with less seniority. Similarly, an employee bumped under this Article who has, the ability to perform the work of the junior employee in that or another classification that has less seniority than the bumped employee, then the bumped employee may bump that junior employee from his or her job. It is agreed by the parties that there will not be more than 3 bumps per lay off, if the layoff affects less than 7 employees. If the layoff affects more than (7) seven employees its understood by the parties that the Employer will contact the Union to meet and discuss and reach a resolution in regards to the affected employees on lay off. If the parties are unable to obtain a resolution then a general bid shall be done within 30 days following the procedure step previously indicated in this article. The Company agrees that it will not exercise its rights under the Article in an unreasonable manner and such actions shall be subject to the grievance procedure.

Section C. Overtime

The Company and the Union agree that overtime will be distributed by seniority and ability in the work area, which means job skills (not a physical or geographical location such as one warehouse as opposed to another site at the airport facility). The parties agree that they will discuss this matter further and if they mutually agree to change the provision they shall do so in a written form.

It is agreed that when an employee has the ability to do an overtime job (such as when, and if, a forklift operator were needed for overtime, and the employee were capable and able to operate the forklift on such overtime), overtime will be assigned by seniority (and such ability). Strict seniority shall be followed, along with the ability as noted above; but if there are questions as to ability to do the job, or

as to seniority, the questions can be the subject of the grievance and arbitration procedure. This process is designed to ensure that issues as to qualifications can be challenged; but, it is understood, when there are questions or disputes, the employees must follow the instructions of management and then file grievances.

There is no basis for employees to maintain that they will not work or demand to work, so that another employee chosen by management will be bumped or affected, in a manner that would prevent the management from making the assignments. The employees are obligated to grieve, if they feel that an incorrect decision has been made, so that an arbitrator (if the matter cannot be adjusted through the agreement of the parties) can resolve the problem with finality at a later point. There will not be, as a result of issues, a basis for insubordination, or challenging assignments, and refusing to do work. If employees refuse to do work, when they are assigned overtime under this agreement, then the employees can be disciplined; and, discipline can include suspension without pay, and if deemed appropriate, termination (it being understood that such discipline will be subject to grievance and arbitration too).

If employees are not willing to do overtime work, and there is a need to have overtime work performed, then the Company shall designate those employees it determines to be able and to have the least amount of seniority and they will be required to do the overtime work; provided that:

Overtime will be offered on a seniority basis within the respective job area. In the event there are insufficient volunteers the least senior employee available will be required to work such overtime.

The employer will notify the employees on the clock at least half (1 /2) hour prior to quitting time of known overtime.

Overtime will be offered as follows:

If overtime is five 5 hours or less, it will be offered to employees who are at work. If needed overtime exceeds five 5 hours, it will be offered to employees who are on their day off. Any employee (s)

reporting to work on his/her days off for overtime the parties agree that no employee shall be required to work in excess of eight (8) hour overtime on his or her day off.

Once an employee is working on overtime seniority will prevail provided the employees involved have the qualifications and ability to perform the overtime work involved. "Qualifications and ability" means, able to perform the work. Once the overtime work has been assigned to an employee, that employee must complete the work. However, forklift drivers will have the opportunity to bump junior forklift drivers provided both drivers are on overtime.

If assignments are being made, and there are assignments which, in the discretion of management, appear to be capable of being performed by all employees, but they are not regarded as the best jobs (such as going out in foul weather, putting nets on palletizing, or going into a cooler) then, assuming that all employees are equally qualified, the Company agrees that it will assign the most junior employees to the work that is undesirable first, provided that:

1. When assignments are made, they must be performed and directions followed; and, if there are objections or grievances, the objections have to be stated and grievances filed and the employees cannot refuse to do the work.
2. If employees are working on a job that they do not feel is desirable, and they see other employees who have less seniority completing work elsewhere, or reporting to work, the employees working are not at liberty to stop working, or to demand that the less senior employees immediately replace them. This is a matter that involves the discretion of management and the Company in terms of completion of the work. The Company will, however, where there are selections and employees are not working, follow the procedure of assigning the least desirable work to the least senior employees, to reward those with seniority. Questions or disputes that arise out of the interpretation of this agreement will not allow employees to refuse to work or refuse to take assignments, and the employees must take the assignments and grieve as to their differences, or any disputes.

Article 8

Wages – Holidays

Section A. Wages

Each employee who reports to work upon request five (5) days in any week as required by his/her department schedule is guaranteed pay for such work equivalent to not less than forty (40) hours per week to be worked in five (5) consecutive eight (8) hour days. The forty (40) hours guarantee does not apply if the employee is absent of his or her own volition. All work in excess of twelve (12) hours in any one (1) day and forty (40) hours in any one (1) week shall be paid at one and one half (1 1/2). Vacation days paid shall be considered as hours of work for the purpose of overtime calculation

This guarantee of forty (40) hours is contingent upon conditions beyond the employer's control which may prevent the full operation of the business. No employee shall be required to work in excess of twelve (12) hours in any one (1) day. A meal break must be given to each employee of forty-five (45) minutes in duration. The meal break should be taken between the fourth and sixth hour.

Section B.

1. All employees on the payroll who have completed their progression as of August 1, 2018 will receive the general wage increases per the provisions of Article 41 Sections 1 and 5 of the UPS NMA. All employees still in progression on August 1, 2018 shall be paid in accordance with section 1.1 below.

| | |
|---------|--------------------------|
| \$13.00 | Start |
| \$13.00 | Seniority |
| \$14.00 | Seniority plus 12 months |
| \$17.30 | Seniority plus 24 months |
| \$19.90 | Seniority plus 36 months |
| \$22.50 | Seniority plus 48 months |

After twelve (12) months at the \$22.50 rate the employee shall be eligible for the subsequent general wage increases. Notwithstand-

ing Article 41 Sections 1 and 5, the employees covered by the above progression shall not be eligible for a general wage increase until they reach twelve months at the \$22.50 rate.

2. All employees hired after August 1, 2018 shall be paid in accordance with the chart below. They shall not be eligible for the general wage increases in Article 41.

8-1-2018

| | |
|--------------------------|---------|
| Start | \$13.00 |
| Seniority plus 12 months | \$14.00 |
| Seniority plus 24 months | \$16.50 |
| Seniority plus 36 months | \$18.50 |
| Seniority plus 48 months | \$22.50 |

3. Differentials

- a. Lead – \$1.50
- b. Palletizing Pallet Control Cargo Auditor – \$1.00 (one clerk per shift)
- c. Dangerous good Document clerk – \$.50 – (one clerk per shift)
- d. PPQ Document / PPQ Sample Puller – \$.50
- e. Night – \$.60
- f. Driver – \$1.00
- g. Customs Agent \$1.50
- h. Ramp Pallet Control / Auditor \$1.00
- i. Cooler Cargo Auditor \$.50

4. Nightshift differential payment between 9:00 p.m. and 4:00 a.m. for the shift that would be known as the nightshift. This nightshift differential would be paid for the hours worked, including overtime in connection with the nightshift. However, if an individual were called in on a prior shift and had to stay late and, as a result, worked into the hours of 9:00 p.m. and 4:00 a.m.; or had been called in early and worked prior to 4:00 a.m.; that employee would not receive the differential (regardless of how many hours that individual worked during the so-called nightshift). This would be because the employee would be entitled to the rate from the prior, or later, shift plus any overtime as to the non-nightshift that would be available. The pay would not in any way be pyramided. This

provision is designed to avoid the possibility that someone called from another shift to do overtime working during the nightshift, or to come in early and do overtime during the nightshift, would be able to obtain the nightshift differential rate. They cannot obtain the nightshift rate unless they work the full nightshift on a regular basis. Employees hired after August 1, 2013 ratification of this agreement shall not be entitled to the application of the nightshift differential in this agreement.

5. The company has the right to correct payroll errors upon discovery of such; however, the employee will only be responsible for overpayments for a period of ninety (90) days prior to such discovery. Likewise, the Company shall only be responsible for correcting underpayments covering a period of ninety (90) days prior to discovery.

Section C – Holidays

1. The following named holidays, or the days observed as such, shall be recognized as legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Day, and New Year's Eve Day, provided the employees comply with qualifications set forth hereinafter. Seniority employees shall receive eight (8) hour straight time pay for the above designated holidays. One of the qualifications is that seniority employees must complete the regularly scheduled work days which immediately precedes and follows the holiday, except in cases of proven illness, or unless the absence is mutually agreed to.

2. All employees on the payroll who have met the hours / reports and years of service requirements listed below shall receive nine (9) personal holidays on January 1 of each subsequent year during the term of this agreement. Personal holidays awarded on each January 1 are to be used by the subsequent Sunday after Thanksgiving of each year. Unused personal holidays will be paid at eight (8) hours at the employee's straight time hourly rate for each unused day on the second pay period of December. An employee must be on the payroll to receive this benefit.

3. In order for employees on the payroll to receive the nine (9) personal holidays the employee must have worked at least one hundred and fifty six (156) reports in the previous calendar year.

4. Newly hired employees are not entitled to holiday pay for personal holidays and named holidays falling within the first year of their employment. After completion of one year of employment, the employee who meets the qualifications stated above will receive pay for future named holidays. They will also receive nine (9) personal holidays on the following and each subsequent January 1, to be used by each subsequent prior to the Sunday after the Thanksgiving Holiday, provided the employee worked at least one hundred fifty six (156) reports in the previous calendar year. They shall be paid eight (8) hours at straight time hourly rate for each unused personal holiday. An employee must be on the payroll to receive this benefit

5. Personal holidays shall be awarded by seniority in the order requested and the following procedure shall apply: Any employee desiring a personal holiday will make a request in writing on a form furnished by the Company. Such request must be submitted no later than the start of his/her shift on the seventh (7,) calendar day preceding the day requested. All requests must be signed by the Employer as received and a copy of such document shall be given back to the employee requesting the time off. A signed copy of the request form stating approval or disapproval shall be returned to the employee by the end of the next working day. Employees may not be subject to discipline for attendance for approved time even if unpaid.

6. No personal holiday may be taken from the Sunday after Thanksgiving through December 24th.

7. Any employee who is out due to sickness or injury shall have the right, after the third day of absence due to such sickness or injury, to be paid for any personal holidays to which they are entitled up to the number of days off due to sickness or injury. Employees may elect to be paid up to five (5) of their personal holidays for single days illnesses. A written request for payment must be made the day following the absence. Employees will not be disciplined for taking these paid days as compensation for illness.

Article 9

Call-In Pay and Pay Period

Section A. Call-In-Pay

The Company will provide call-in-pay in accordance with the following guidelines:

A. Guarantee four (4) hours provided the following:

1. Once called, employee is required to show for work at specified time (minimum notice one (1) hour)
2. Failure to show when scheduled will be considered to be an infraction of attendance rules.

Section B. Pay Period

All employees covered by this Agreement shall be paid in accordance with the company's current pay procedures.

Article 10

Vacations

A. Full time Employees will be granted paid vacation time based upon the length of their active service. An employee must have worked one hundred and fifty-six (156) reports for the full calendar year. The first ten (10) vacation paid days shall count towards the one hundred and fifty-six calculation for vacation purposes.

Vacation will be accrued from January 1 to December 31 and taken the following year. Each employee who meets the eligibility rules stated above shall be entitled to a vacation with pay as follows:

| | |
|--------------------|-----------------|
| Active Service | Weeks Earned |
| One (1) year | One (1) week |
| Two (2) years | Two (2) weeks |
| Five (5) years | Three (3) weeks |
| Fifteen (15) years | Four (4) weeks |

B. Newly hired employees will not begin to accrue vacation until January 1 following their hire date.

C. Vacation time is not cumulative, and must be taken during the calendar year following December 31. If vacation is not taken by the end of the year, the employee will be paid in lieu of vacation.

D. Vacation pay shall be at the rate of pay, which the employee would normally have received for the regular straight time during the period of their vacation at forty (40) hours for each vacation week.

E. Vacation will be approved by the Company taking into consideration desires and seniority, classification, area and shift of the employee and the Company's operational requirements. The Company reserves the right to restrict vacations during high volume periods. A General bid for vacation shall be done each December in seniority order by Job classification, area and shift. A copy of the completed vacation schedule will be posted by the day after Christmas with a copy provided to the Local Union.

F. In the event that an employee does not select the vacation at the general bid of each year, the employees shall select from the remaining available time periods on a first come first serve basis. Vacation picks not made at the time of the general bid will be submitted in writing by the employee and will be approved or denied by management in writing within seven (7) calendar days.

G. When an employee elects to split their vacation period, the employee may not select the second part of the split vacation during the general bid for vacations.

The second part of the split vacation shall be selected from the remaining available time periods on a first come first serve basis.

H. When a named holiday falls during an employee's paid vacation, the employee will be paid an additional eight (8) straight time hours as holiday pay for the named holiday.

Article 11

Uniforms

The Company will continue its policy of providing uniforms (8 shirts and 7 pants) for those employees required to wear uniforms. Exchanged uniforms will be inspected by the company and if a uniform is required it will be new.

The Company will continue to provide jackets, vests, and gloves for the employees working in the cooler area. Jackets, vests, gloves will be exchanged as needed.

Warehouse employees (cargo handlers) will be permitted to have neatly trimmed facial hair. For employees who no longer are required to wear uniforms the employee may wear clothes of their choosing which would not be deemed to be offensive or pose a safety risk to themselves or other employees. The employer will give the union 90 days calendar days' written notice of any change of its uniform policy.

Article 12

Equipment, Accidents, Etc.

Equipment's.

A. The Employer shall not require employees to take out on the street or highways any vehicle that is not in safe operating condition or equipped with safety appliances prescribed by law. It shall not be a violation of this Agreement where employees refuse to operate such equipment unless such refusal is unjustified.

Accidents.

B. Any employee involved in any accident that the driver had or should have had knowledge of shall immediately report to the Employer of said accident and of any physical injury sustained as a result of the accident. Furthermore it's understood by the parties that the employee will complete a written report before the completion of his/her shift of that day.

Freight Damage /Theft.

C. Knowledge of Freight damage or theft to the Employer shall be immediately reported to the Employer. Furthermore it's understood by the parties that the employee(s) will complete a written report before the completion of his/her shift of that day.

Failure to comply with these provisions in this article may subject such employee (s) to discipline up to and including discharge.

Article 13 Conflicting Agreements

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

Article 14 Posting of Agreement

A copy of this Agreement shall be posted in a conspicuous place on the Employer's premises.

Article 15 Managerial Employee's Duties

A. The Company and the Union both recognize that it is not in their best interests to have managers performing bargaining unit, or class or craft work.

B. Managerial employees will not be used on work for the same nature as that performed by Fleet Service Employees except as follows:

1. Managerial employees may fill in for absent employees until a replacement can be called in if practical.

2. Managerial employees may perform bargaining unit, or class or craft work in the course of training employees for bargaining unit, or class or craft positions or for supervisory positions.

3. Managerial employees may perform bargaining unit, or class or craft work where, in the opinion of the company, it is necessary due to an emergency or unexpected condition.

4. Managerial employees may perform bargaining unit, or class or craft, work in connection with the installation, turning and/or testing of equipment.

Article 16

Management Rights

A. All management rights, functions and prerogatives, whether previously exercised or not and regardless of the frequency or infrequency of their exercise, are and shall remain vested solely and exclusively in the management of the Company, except and only to the extent that they are expressly (not impliedly or through a past course of conduct) limited by a specific provision of this Agreement. The Company's failure to exercise any function or right in a particular way, shall not be deemed a waiver of its right to exercise such function or right or preclude the Company from exercising the same right in some other way.

B. Unless spelled out elsewhere in this Agreement, and without limiting the general effect of the foregoing paragraph, this Agreement shall not affect or impair the Company's right, in its sole discretion and judgment, to: exercise full and exclusive control and management of its business and its facilities or warehouses and to direct the workforce; determine the size and composition of the workforce and the policies affecting the hiring, selection, retention, assignment, suspension, layoff, recall, training, promotion, and demotion of employees; discipline or discharge employees for cause and maintain the discipline, order and efficiency of employees; determine the scope of its activities, the services to be rendered and the methods, machinery, equipment, layout and locations pertaining thereto; determine and enforce standards for the quality and quantity

of work performed; establish, change, combine, or eliminate jobs, positions, departments, job classifications or descriptions; introduce new or different methods, processes, procedures, technological changes, equipment or facilities; contract or subcontract any work; determine suppliers with whom it will deal and the prices at which and the terms upon which its material's, equipment and supplies will be purchased, leased, or otherwise acquired and its products and services will be sold; establish and change production shifts, standards and schedules and determine the assignment of work; determine the number, size and location of its facilities and the extent to which and the means and manner by which its facilities or business or any part thereof will be operated, relocated, shut down, consolidated, sold or otherwise transferred; determine whether and to what extent work required in its business shall be performed at the plant and by the employees covered by this Agreement; determine when and if vacancies in the workforce exist and whether they should be filled; establish wage rates for new or changed classifications or positions, following discussion of such rates and position with the Union; and establish or change incentive or bonus compensation.

C. It is intended and agreed that any person or persons (in an arbitral, administrative or judicial proceeding or otherwise) interpreting this Agreement shall do so with particular regard to the intention of the parties to reserve in the sole discretion of management all rights except to the extent that they are specifically and explicitly limited by an express provision of this Agreement.

D. The Company shall have the right to formulate, amend, add, revoke and enforce such work rules and regulations as in its opinion may be necessary or reasonable for the proper, safe and efficient conduct of the Company's business, provided such rules and regulations and their enforcement, shall not violate any express rights of this Agreement. Copies of all such rules, and regulations, amendments, additions and revocations shall be given to the Union.

E. In the event the Company decides to subcontract any work whatsoever, it will notify the union in advance to give the union an opportunity to discuss such subcontracting. The Company agrees it will make all reasonable efforts to use existing personnel within their

guaranteed workweek before subcontracting any bargaining unit work. The Employer may not subcontract work in any classification if any employee who normally performs such work is on layoff.

In addition the Employer may subcontract work in order to meet service needs if it does not possess the facility, equipment, or personnel to perform such work.

Discipline and Discharge

The Company shall not discharge, suspend or discipline any employee without just and proper cause. All disciplinary action including suspensions and discharges shall be subject to the grievance provisions of this agreement.

The reason for discharge or other disciplinary action must be given to the employee within ten (10) working days of knowing said incident occurred. The discipline letter will be given / sent to the employee (s) within ten (10) working days. In the event the company fails to comply with the time limits set forth above the letter will be deemed to be untimely provided a timely proper grievance is filed.

In cases of suspension and/or discharge the Company will provide the Union Business Agent a copy of the suspension and or discharge letter. Working days for the purpose of issuing discipline will be defined as days the employee reports to work. Letters sent to the employee will be by a method, which includes tracking and or certified mail.

The Company shall have the right to discharge any employee without issuing a prior warning notice for the following categories including but not limited to: theft, dishonesty, failure to report an accident or any property damage the employee (s) is involved in, gross insubordination, recklessness, negligence, possession of a weapon while on the job or on company premises or other locations where the company does business, use of or possession of drugs or alcohol while on duty or on company property or any location where the company does business, fighting while on the job or on company's premises, falsification of records, and other serious offenses.

Discipline in cases of employee no-call no-show to work will consist of first written warning, suspension, and termination.

Discipline will consist of four (4) steps for minor offenses:

- I First written warning.
- II Second written warning.
- III Suspension (will not exceed five (5) day; and or Final written warning.
- IV Termination

Warnings notices and written reprimands (including disciplinary suspensions) will not be considered in future warnings, reprimands or discipline after nine (9) months from the date of issue. The parties subscribe to the principal of progressive discipline being issued for like offenses safety, attendance, and failing to follow supervisor instructions, or job methods. All other infractions not specifically listed in this paragraph will be considered failing under supervisor instruction, or job methods.

The Employer and the Union agree that warning notices are deemed to be automatically protested if the protest is based on the merits of the discipline and will only be heard at the System Board in conjunction with suspension or discharge discipline. Warning Notices protested as a result of a procedural issue (such as timeliness, representation, etc.) must be protested in writing inclusive of the reason for the procedural protest and be presented to the company per provisions of the Article of Grievance/System Board and Arbitration of this CBA.

Article 17

Picket Lines

It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action, in the event an employee refuse to enter upon any property involved in a primary labor dispute with this Union, or refuses to go through or work behind any primary picket line of this Union, including the primary picket line of the Union party to this Agreement, and including primary picket lines at the Employer's place of business.

Article 18

Health and Welfare

A. The employer agrees to provide health coverage under the UPS Health Program Network for eligible employees and their eligible dependents.

Plan benefits shall be maintained at levels no less than those in effect as of the date of ratification and shall remain in effect throughout the term of this Agreement.

Upon request the employer will provide to all covered employees summary plan documents describing benefits.

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 the Team-Care under the terms set forth in Article 34 of the National Master Agreement. The Company will continue to provide health & welfare benefit coverage under the existing plan through December 31, 2013.

Any eligible employee covered by this Section who retires effective January 1, 2014 or thereafter shall be provided retiree medical benefits through the Team-Care.

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.

Contributions to the pension funds will be made in accordance with Article 34 of the National Master Agreement.

Article 19

Pensions

When the company implements a 401K Plan the employees covered by this Bargaining Agreement will be allowed to participate in the same manner and guidelines as all other employees. The Com-

pany will pay the annual administrative fees associated with the maintenance of this plan.

A. The Company will provide pension benefit coverage to eligible employees under the terms and conditions contained in the UPS Pension Plan.

Effective for any employee retiring after January 1, 2014, the total monthly service pension benefit will be equal to the following provided the employee meets the Credited Service requirement.

\$2,100 for retirement at any age after 35 years of Credited Service

\$1,800 for retirement at any age after 30 years of Credited Service

\$1,500 for retirement at age 60 with 25 years of Credited Service

There shall also be \$1,250 benefit for retirement at any age with 25 years of Credited Service. This is based on \$50.00 per year of Credited Service

The accrual rate shall be increased to sixty-five dollars (\$65.00) for each year of future credited service after January 1, 2014.

B. The employer agrees to provide enrollment opportunities in the UPS/Teamsters National 401(k) tax deferred savings plan for eligible employees.

1. The employer shall withhold from an employee's earnings, amounts mutually agreed to between the employer and the employee. Such monies shall be deposited into a 401(k) account in the employee's name in compliance with the Internal Revenue Code and E.R.I.S.A. Such deposits will be made in time period which is current practice for deposits made for other Teamsters employees.

2. To the extent participation information is available to other Teamster members such information shall be available to the employees covered by this Agreement.

Article 20

Maintenance of Standards

No employee shall have vacations reduced or suffer any reduction in rates of pay as a result of the execution of this Agreement. It is agreed that the provisions of this Article shall not apply to inadvertent or bona fide errors made by the Company or the Union in applying the terms and conditions of the Agreement if such error is corrected within ninety (90) days from the date of the discovery of the error.

Article 21

Leaves of Absence

A. Upon written application, leaves of absence may be granted to employees in the sole discretion of the Company. There shall be no loss of seniority as a result of an approved leave of absence. All leaves of absence must be approved in writing. All leaves of absence shall be without pay. The following will govern the granting of leaves of absence:

1. All leaves of absence will be granted without pay or other benefits but with all insurance provided in Article 18.

2. The maximum leave of absence will be thirty (30) days. The Union and the Company agree, however, that if a leave were to be provided and approved by the Company beyond thirty (30) days, and it is for an approved worker's compensation leave for thirty-one (31) days, or a longer period, the individual on such a worker's compensation leave, which is approved, will accrue seniority for not only selection purposes (such as vacations and shifts) but also pay purposes (including accrual of vacation and other sick leave benefits) as long as the worker's compensation leave is approved and legitimate. As to other leaves that are approved beyond thirty (30) days (but non-workers compensation leave) there will not be any accrual of wages or benefits or pay of any kind. The only thing that can be done with the seniority accrued for the period of such an approved (non-workers compensation) leave beyond thirty (30) days will be non-economic, such as for selecting and bidding on a vacation date or shift.

3. In order to qualify for a leave of absence, an employee must have one (1) year of seniority with the Employer.

4. At least one (1) year must elapse between successive leaves of absence.

5. Short term leaves of absence, not to exceed two (2) weeks, shall be granted without pay to employees to act on Union with a limit of two (2) employees at any one time. A request for such time must be made by the Union seven (7) days in advance unless otherwise agreed to by both parties.

6. An employee shall be subject to immediate dismissal for falsifying any reason given to the Company for leave of absence.

B. The Employer agrees that in the event an employee is elected to full time office in the Union and requests a leave of absence, such employee shall be granted a leave of absence without pay or any other benefits. He shall be reinstated without loss of seniority upon expiration of his or her term of office; provided he or she returns to work within two (2) months after the expiration of his or her term.

C. Maternity, military and family medical leave will be granted in accordance with applicable federal law.

Article 22 Successorship

This Agreement shall be binding upon the parties hereto, as well as their successors, administrators, executors and assigns.

Article 23 Union dues-Check-off

The company agrees to deduct reasonable dues and initiation fees from the first pay check of each month from all employees covered by this Agreement who authorize in writing such deductions. The form of such written authorization shall be submitted by the Union to the

Company for approval. The Company shall remit such deductions to the Union not later than fifteen (15) days after they are withheld.

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's Social Security number and the amount deducted from that employee's paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employer's actual cost for the expenses incurred in administering the weekly payroll deduction plan.

Article 24

Union Security

It is hereby understood and agreed by and between the Company, and the Fleet Service Employees, in the employ of the Company, as represented by the Union, that:

A. Each employee of the Company covered by the Agreement shall become a member of the Union sixty (60) days from the date of employment or sixty (60) days from the effective date of this Article, whichever is later, and shall as a condition of employment maintain membership in the Union while this Article is in effect, to the extent of paying proper and required periodic dues, initiation fees and assessments uniformly required as a condition of acquiring or maintaining membership.

B. If an employee of the Company who is required by paragraph A of this Article to pay the periodic dues, initiation fees and assessments therein specified becomes at least sixty (60) days delinquent in payment or tender of such dues, fees, and/or assessments, the Tre-

surer of the Union shall notify such employee by Registered Mail, Return Receipt Requested, copy to the appropriate Vice President and Labor Relations representative of the Company, or their designee, that the employee is delinquent in the payment of such dues, fees and/or assessments and is subject to discharge as an employee of the Company. Such notice shall also inform the employee that the employee must remit, or tender, the required payment to the Treasurer of the Union within a period of twenty (20) days after receipts by the employee of the notice herein referred to, or be discharged.

C. A discharge under the terms of this Article shall be based solely upon the failure of this employee to pay or tender payment of periodic dues, initiation fees and assessments as specified herein.

D. A grievance by an employee who is discharged as a result of an interpretation or application of the provisions of this Article shall be subject exclusively to the following procedure:

1. An employee who is to be discharged who believes that the provisions of this Article pertaining to him or her, have not been properly interpreted, or applied, may submit his or her request for review in writing within twenty (20) days from the date of his or her notification. The request will be submitted to his or her immediate supervisor, who will review the grievance and render his or her decision in writing no later than twenty (20) days following the receipt of the grievance.

2. The immediate supervisor will forward his or her decision to the employee with a copy to the Union Accredited Representative. If the decision is not satisfactory to both the employee and the Union, then either may appeal the grievance directly to the System Board of Adjustment established under the basic Collective Bargaining Agreement between the parties hereto within twenty (20) days from the date of the supervisor's decision. The terms and provisions of the grievance sections of this Agreement shall be applicable except as otherwise specified herein.

3. If the Union should appeal the decision to the System Board of Adjustment, it shall prepare a joint submission of the grievance set-

ting forth the Union's and employee's position and forward copies to the employee, Cargo Services Manager, or designee, and to the members of the System Board of Adjustment. If the employee should appeal the decision, the employee may request the appropriate Vice President and Labor Relations representative, or his or her designee, to prepare the submission papers in his or her behalf for the System Board of Adjustment. In the latter event, such request shall be made by the employee in writing to his or her immediate supervisor, who will transmit all relevant facts received concerning the grievance, together with a copy of the decision from which appeal is taken. The appropriate Vice President, or his or her designee, will forward copies to the employee, the appropriate Company representatives involved, the designated International Representative of the Union and to members of the System Board of Adjustment.

E. An employee discharged by the Company under the provisions of this Article shall be deemed to have been "discharged for cause" within the meaning of the terms and provisions of this Article.

F. During the life of this Article, the Company agrees to deduct from the pay of each member of the Union, and remit to the Union periodic dues uniformly and properly levied in accordance with the Constitution and Bylaws of the Union and prescribed by the Railway Labor Act, as amended, provided such member of the Union voluntarily executes "Check-Off Form" which shall be prepared and furnished by the Union.

G. When a member of the Union executes such "Check-Off Form" in a matter suitable to the Union, the Union shall forward an original copy to Company Payroll Department or other designated accounting official of the Company. The Union takes full responsibility for the proper format.

H. When a "Check-Off Form", as specified herein, is received by the appropriate accounting official on or before a given pay period, deductions will commence after the Union sends a check off billing consistent with the Check-Off Form with the first regular dues deduction pay check following such pay period billing by the Union or within twenty-five (25) days from such Union billing, whichever

is later. The Payroll Office of the Company will remit, to the appropriate official of the Union, checks in payment of all dues collected no later than the last day of the month in which such amounts are collected by the Company. The company remittance to the Union will be accomplished by lists of names from whom deductions have been made in that particular period and individual amounts deducted based on the Union billing.

No deductions will be made from the wages of any employee who has executed a Check-Off Form and who has been transferred to a job not covered by the Agreement, or who is not in pay status.

Upon return to work within a classification covered by this Agreement, deductions from future wages shall automatically resume.

I. For new hires, or those not previously in the Union and paying such amounts, after the effective date of this Agreement, or Article whichever is later, the Company after receiving the appropriate Check-Off Form and billing from the Union, will commence deducting initiation fees in five (5) equal installments for a five (5) month period from date an employee is hired, or the Check-Off Form is executed, or the Article is effective, whichever is later, pursuant to the terms of, and during, this agreement and during any status quo extension pursuant to the Railway Labor Act.

J. The Company will mail to the Union monthly, a list of new hires, terminations, layoffs, or recalls of employees covered by this Agreement. Such lists will be prepared monthly and will show the name and hire date, termination date, layoff date, and recall date of such employee who were hired, terminated, laid off and recalled during the month for which the list is prepared.

K. On the last working date of the month, or as soon thereafter as possible, or no later than seven (7) days following the end of the month, the Company will prepare and mail to the Union a list of employees who experience a base rate change and/or change of address during the month. Such lists will include the employee's name, old rate, new rate, old address, new address as applicable.

L. The Union agrees that it shall indemnify and hold the Company harmless from any and all claims, suits, charges, awards or damages, including court costs and reasonable attorney's fees, by virtue of the Company's interpretation or application of this Article.

Article 25

Funeral Leave

In the event of a death in the immediate family, bereavement leave to handle family affairs and attend the funeral will be granted to employees for up to three (3) days. The "immediate" family is defined to as: spouse, children, parents, brothers, sisters, mother-in-law, father-in-law, grandparent, son-in-law and daughter-in-law. Payment for scheduled work missed for bereavement leave will be at the employee's regular rate of pay for his or her regular scheduled hours. Payment will not be granted for the employee's scheduled days off. The Company may require evidence of attendance at the funeral where it has reason to suspect abuse of this Article.

Article 26

Bulletin Boards

The Company shall provide bulletin boards marked "International Brotherhood of Teamsters" at each location where employees hereunder are employed for posting of official notices of Union activities not inconsistent with the Railway Labor Act. Such notices shall bear the signature of an officer of the Union and shall not contain anything defamatory or of a personal nature or attacking the Company or its representatives.

Article 27

Union Representatives

It is understood and agreed between the parties to this Agreement that Officers and Business Representatives of the Union may enter onto the Carrier's premises for the purpose of policing this Agreement or investigating grievances arising thereunder. Provided,

however, that said Officers and Business Representatives first notify and obtain permission will be in accordance with all appropriate State and Federal laws, rules and regulations. Such permissions will not be unreasonable withheld by the Carrier.

The authorized agents agree not to unduly interrupt the normal operation and will notify management upon entering the premises. The company also agrees to provide telephone numbers of its appropriate representatives, including mobile phone, or cellular numbers, so that there can be an effort to enable Union representatives to avoid interrupting operations, or appearing without notice; but, at the same time, the Union representatives can obtain permission to enter the premises after being able to communicate with appropriate management representatives.

The Company will determine those names and the telephone numbers that will be provided and the parties agree that if from time to time there are questions about the representatives, while the company will have total control over the designation of its representatives (just as the Union has control over its representatives), the Union can submit a request and within 10 working days, the Company will respond so that if there are changes in management personnel, the parties can cooperate to make appropriate adjustments and make appropriate information available.

The Company shall, upon written request, provide the Union with documents/information that is reasonably related to a pending grievance (s), or the enforcement or administration of the current Collective Bargaining Agreement.

Article 28

Physical Examinations

An employee covered by this Agreement may be required to take a physical examination as specified by the Company. The cost of such examination will be paid by the Company. Thereafter, the Company may request an employee to submit to further Physical examinations during the course of his or her employment or recall

to service after furlough or leave of absence. Physical examinations described herein include scheduled, post-accident or random drug testing by urinalysis, breathalyzer, blood test or other accepted medical means. Refusal of an employee to submit to a physical examination upon request by the Company will subject that employee to discipline up to and including discharge.

Article 29 Miscellaneous

The Company will provide free parking to all employees covered under this Agreement during work on the Company premises.

Any masculine noun or pronoun in this Agreement will refer to an employee covered by this agreement whether male or female.

Article 30 Non-Discrimination

The Employer and the Union agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, color, religion, age, sex, national origin or disability, nor they will limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities because of race, color, religion, age, sex, national origin or disabilities.

Article 31 Relief Cover Employees

Relief Cover Employees:

Relief cover employees will be used to cover employee vacation, or other approved leaves such as (workers comp, FMLA, disability.) It is agreed that the Relief employees will be used to cover the same position of the employees that is on approved time away from work. Relief employees may not be used to cover positions of less than 5 days per week or less than 8 hours per day.

In regard to new, open or vacancy position may be covered by the relief employees while the position is posted.

Schedules open due to approve leave shall be posted on weekly basis. Relief employees shall bid in seniority order to pick the schedule that they want to cover, a steward or a Union representative shall be present for the weekly bid. The bid shall commence every Friday between 4:00 pm and 6:00 pm. At the end of the bid the steward shall be entitled to a copy of the complete bid and a copy shall be send to the Union Business Agent at the end of the Bid.

The bid shall show the name of the employees that is out due to a approve leave of absent the days off, start time and end time including the work area that the employee will cover.

It is agreed to keep a ratio of 20 Cargo Handler (warehouse) Relief employees or less and 4 Cargo Agent (office) Relief employees. Should number of bargaining employees significantly change; it is agreed that both parties shall meet in order to discuss the number of Relief employees to be kept. It is agreed to furnish a copy of the Relief schedules to business agent.

High Seasons:

It is agreed there are three high seasons. Valentine's Day peak season runs from Mid-January through first week of February. Mother's Day peak runs from mid-April through first week of May. End year peak season runs from third week November through week of Christmas.

It is agreed the Company and Union will meet one month in advance to review the schedules for Relief Cover Employees during high seasons Relief employees will not be scheduled earlier than regular shifts, unless the earlier start time is offer in seniority order to the regularly scheduled employees are not interested to start earlier. The high seasons bid for the vacation relief shall be offer to the Relief employees in seniority order. In case of lay off the Relief Cover employees shall be layoff first in seniority order.

In the event that a layoff affects (7) seven or less fixed position in the general bid the junior(s) employees shall became a Relief Cov-

er. The Master seniority list will be the main factor to determine who is the junior employee.

A. In the event a layoff affects more than (7) seven fixed positions in the general bid its understood by the parties that the Employer will contact the Union to meet and discuss and reach a resolution in regards to the affected lay off, if the parties are unable to obtain a resolution then a general bid shall be done within 30 days following the procedure step indicated in article (7) (seniority) for general bids. The Company agrees that it will not exercise its rights under the Article in an unreasonable manner and such actions shall be subject to the grievance procedure.

All employees referred as "Relief Cover" are cover under the term and condition of the Collective Bargaining Agreement.

Article 32

Employee Relations

The parties agree that the principle of a fair days work for a fair days pay shall be observed at all times and employees shall perform their duties in a manner that best represents the Employer interest. The Employer shall not intimidate or harass an employee in the performance of his or her duties. The employer shall treat employees with dignity and respect at all times. Employees will also treat each other as well as the Employer with dignity and respect.

Article 33

Duration

This Agreement shall become effective upon ratification. This Agreement shall remain in full force and effect for the duration of the current NMA and will, therefore, continue in full force and effect for the duration of the NMA, which succeeds the current NMA. This Supplement to the successor NMA will be subject to cancellation or termination at that time provided that the notice provisions of the NMA are followed.

In Witness Whereof, the parties hereto have signed this Agreement effective _____ and signed the document to commemorate their earlier agreement on this _____ day of _____, 2018.

UNION
TEAMSTERS UNION
LOCAL 769
REPRESENTATIVE

EMPLOYER
UPS
LATIN AMERICA
REPRESENTATIVE

LETTER OF AGREEMENT

UPS Latin America, Inc. (“Company”) and Teamsters Local 769 (“Union”) agree to the following as an addition to their 2018-2023 Supplemental Agreement:

1. The monthly service pension benefit from the UPS Pension Plan otherwise due to an employee who (i) was hired by Challenge Air Cargo, Inc. before January 1, 1992; (ii) will reach or exceed age sixty-five (65) after the ratification of the 2018-2023 National Master Agreement (NMA) but no later than July 31, 2023; and (iii) who terminates employment after attaining normal retirement age under the UPS Pension Plan shall be no less than \$1,250. This benefit shall commence upon retirement and will be paid in accordance with the terms and conditions contained in the UPS Pension Plan. Since this benefit will commence after an employee has attained his or her normal retirement age, there will be no early retirement reduction of the benefit.

2. The monthly service pension provided by this Letter of Agreement shall terminate and no longer be in effect as of August 1, 2023.

**MEMORANDUM OF UNDERSTANDING
REGARDING TO THE USED OF THE SCANNER
AT THE OPERATION.**

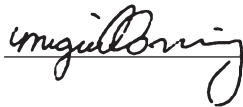
UPS Air Cargo (The "Employer") and Teamsters Local Union No. 769 (the "Union") have, on the date set forth below, entered into this Memorandum of Understanding and agree as follows:

The Employer will assign the palletizing scanner responsibility in seniority order by work area at the beginning of each shift when an employee is reassigned by the supervisor or manager and/ or a senior employee(s) are scheduled to start later than the junior employee using the scanner in the above referenced matters the junior employee using the scanner shall finish the pallet that he/her is working on it prior to employees reassignment of the scanner responsibility to the senior employee (s).

This MOU shall continue in effect through the duration of the new 2018 contract.

*Company
Miguel Dominguez*

*Union
David Renshaw*





7-6-18

6.28.18

Date

Date