

NATIONAL MASTER FREIGHT AGREEMENT

For the Period of
April 1, 20082019
through
March 31, 20132024

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 ~~_____ (Company or Association)~~ **YRC Inc. (d/b/a YRC Freight), USF Holland LLC, and New Penn Motor Express LLC,** each hereinafter **individually** referred to as the EMPLOYER and the TEAMSTERS NATIONAL FREIGHT INDUSTRY NEGOTIATING COMMITTEE representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No. _____ 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, EXCEPT THE FOLLOWING:*

Section 1. Employers Covered

The Employers **covered are YRC Inc. (d/b/a YRC Freight), USF Holland LLC, and New Penn Motor Express LLC, each herein individually referred to as the Employer.** ~~consists of Associations, members of Associations who have given authorization to the Associations to represent them in the negotiation and/or execution of this Agreement and Supplemental Agreements, and individual Employers who become signator to this Agreement and Supplemental Agreements as hereinafter set forth. The signator Associations enter into this Agreement and Supplemental Agreements as hereinafter set forth. The Employers~~ The signator Associations represent that they are duly authorized to enter into this Agreement and Supplemental Agreements. ~~on behalf of their members under and as limited by their authorizations as submitted prior to negotiations.~~

Section 3. Transfer of Company Title or Interest

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

offs or any other method by which a business is transferred.

It is understood by this Section that the signator Employer shall not sell, lease or transfer such run or runs or rights to a third party to evade this Agreement. In the event the Employer fails to require the purchaser, transferee, or lessee to assume the obligations of this Agreement, as set forth above, the Employer (including partners thereof) shall be liable to the Local Union(s) and to the employees covered for all damages sustained as a result of such failure to require the assumption of the terms of this Agreement until its expiration date, but shall not be liable after the purchaser, the transferee or lessee has agreed to assume the obligations of this Agreement. ~~The obligations set forth above shall not apply in the event of the sale, lease or transfer of a portion of the rights comprising less than all of the signator Employer's rights to a non-signator company unless the purpose is to evade this Agreement.~~ Corporate reorganizations by a signatory Employer, occurring during the term of this Agreement, shall not relieve the signatory Employer or the reorganized Employer of the obligations of this Agreement during its term.

~~When a signator to this Agreement purchases rights from another signator, the provisions of Article 5 shall apply. The applicable layoff provisions of this Agreement shall apply.~~

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

The term rights shall include routes and runs. **For the avoidance of doubt, this Section shall not apply to the lease, sale, transfer, or other disposition of real estate or other assets of an Employer in the ordinary course of business.**

ARTICLE 2. SCOPE OF AGREEMENT *NO CHANGE, EXCEPT THE FOLLOWING:*

MASTER

Section 3. Non-covered Units

This Agreement shall not be applicable to those operations of the Employer where the employees are covered by a collective bargaining agreement with a Union not signatory to this Agreement, or to those employees who have not designated a signatory Union as their collective bargaining agent.

Card Check

(a) When a majority of the eligible employees performing work covered by an Agreement designated by the National Negotiating Committee to be Supplemental to the National Master Freight Agreement execute a card authorizing a signatory Local Union to represent them as their collective bargaining agent at the terminal location, then, such employees shall automatically be covered by this Agreement and the applicable Supplemental Agreements. ~~If an Employer refuses to recognize the Union as above set forth and the matter is submitted to the National Labor Relations Board or any mutually agreed upon process for determination and such determination results in certification or recognition of the Union, all~~ **All** benefits of this Agreement and applicable Supplements shall be retroactive to the date of demand for recognition **if demanded by the Union**. In such cases the parties may **also** by mutual agreement negotiate wages and conditions, subject to Regional Joint Area Committee approval.

If a majority of employees at any appropriate bargaining unit at a separate company acquired or controlled by a signatory Employer sign authorization cards to be represented by the IBT or any of its affiliates, the Employer shall immediately recognize and bargain with TNFINC (and/or a TNFINC designated Local Union) for an agreement covering those employees.

The parties agree that a constructive bargaining relationship is essential to efficient operations and sound employee relations. The parties recognize that **the right whether to organize is the right of employees. Therefore, the Employer agrees that it will remain strictly neutral in any organizational campaigns and shall not make any statements or take any positions in opposition to employee organizing.** ~~organizational campaigns occur in bargaining relationships and that both parties are free to accurately state their respective positions concerning the organization of certain groups of employees. However, the parties also recognize that campaigns must be waged on the facts only. Accordingly~~ **In addition**, the parties will not engage in any personal attacks against Union or Company representatives or attacks against the Union or Company as an institution during the course of any such campaign.

Section 4. Single Bargaining Unit

The employees, Unions, ~~and~~ Employers ~~and Associations~~ covered under this Master Agreement and the various Supplements thereto shall constitute one (1) bargaining unit and contract. It is understood that the printing of this Master Agreement and the aforesaid Supplements in separate Agreements is for convenience only and is not intended to create separate bargaining units.

This National Master Freight Agreement applies to city and road operations, and other classifications of employment authorized by the signatory Employers to be ~~represented by Employer Associations or Employers, where applicable, participating in national collective bargaining.~~ The common problems and interest, with respect to basic terms and conditions of employment, have resulted in the creation of the National Master Freight Agreement and the respective Supplemental Agreements. Accordingly, the ~~Associations and~~ Employers, parties to this Agreement, acknowledge that they constitute a single national multi-employer collective bargaining unit, composed of the ~~Associations named hereinafter and those~~ Employers ~~authorizing such associations to represent them for the purpose of collective bargaining, and solely to the extent of such authorization, and such other individual employers which have, or may, become parties to this Agreement.~~

ARTICLE 3. RECOGNITION, UNION SHOP AND CHECKOFF *NO CHANGE, EXCEPT THE FOLLOWING:*

Section 1. Recognition

Savings Clause

(f) If any provision of this Article is invalid under ~~applicable law the law of any state wherein this Agreement is executed,~~ such provision shall be modified to comply with the requirements of ~~applicable state~~ law or shall be renegotiated for the purpose of adequate replacement. If such negotiations shall not result in mutually satisfactory agreement, either party shall be permitted all legal or economic recourse.

Section 2. Probationary and Casual Employees

(a) Probationary Employees

(1) A probationary employee shall work under the provisions of this Agreement, but shall be employed on a trial basis as provided for in each Supplement.

(2) During the probationary period, the employee may be terminated without further recourse; provided, however, that the Employer may not terminate the employee for the purpose of evading this Agreement or discriminating against Union members. A probationary employee who is terminated by the Employer during the probationary period and is then worked again at any time during the next full twelve (12) months at any of that Employer's locations within the jurisdiction of the Local Union covering the terminal where he/she first worked, except in those jurisdictions where the Local Union maintains a hiring hall or referral system, shall be added to the regular seniority list with a seniority date as of the date that person is subsequently worked. The rules contained in subsection (a) (2) are subject to provisions in the Supplements to the contrary.

(3) Probationary employees shall be paid at the new hire rate of pay during the probationary period; however, if the employee is terminated by the Employer during such

MASTER

period, he/she shall be compensated at the full contract rate of pay for all hours worked retroactive to the first (1st) day worked in such period.

Effective April 1, 2019, CDL-qualified employees hired into driving positions who are not currently on the seniority list at ~~an NMFA a carrier covered by this Agreement, but~~ and who for two (2) or more years regularly performed CDL-required driving work for a ~~commonly owned NMFA carrier covered by this Agreement,~~ shall be compensated at **one hundred percent (100%) ~~90%~~ of the full contract rate of pay ~~for a period of one (1) year and go to the full contractual rate thereafter,~~ provided they have not had a break in service in excess of three (3) years.**

(4) The Union and the Employer may agree to extend the probationary period for no more than thirty (30) days, but the probationary employee must agree to such extension in writing.

(b) Casual Employees

(7) b. Regular Employment

The Employer agrees to offer regular employment to those employees on letter of layoff from a commonly-owned NMFA carrier at other terminals located within the jurisdiction of the employee's Local Union who have made application for regular employment at the terminal offering regular employment. Employment shall be offered in accordance with the following order, unless the Supplemental Agreement or an agreed to practice provides a different order of call, in which case such other order of call shall prevail:

1. Preferential casuals, where applicable.
2. Employees of the Employer, on a seniority basis.
3. Employees of a commonly-owned NMFA carrier based on the date such employees made application.

Effective April 1, 2019, CDL-qualified employees hired into driving positions who are not currently on the seniority list at a carrier covered by this Agreement, but who for two (2) or more years regularly performed CDL-required driving work for a carrier covered by this Agreement, shall be compensated one hundred percent (100%) of the full contract rate, provided they have not had a break in service in excess of three (3) years. Employees who for two (2) or more years regularly performed CDL required driving work for a commonly owned NMFA carrier shall be compensated at 90% of the full contract rate of pay for a period of one (1) year and go to the full contractual rate thereafter.

Other Employees hired into regular employment shall be paid in accordance with the new hire rate set forth in Article 36, herein and shall establish seniority in accordance with the applicable Supplemental Agreement. Employees who accrue seniority under this provision who are on layoff from another Employer shall retain seniority rights at the terminal they are laid off from until such time as they are recalled to that terminal. Employees who accrue seniority under this provision who are on layoff

from another terminal of the same Employer shall retain their seniority at the terminal they are laid off from until such time as recalled to that terminal. At that time, the employee must either accept recall and forfeit seniority at the new terminal or refuse recall and forfeit seniority at the terminal he/she is being recalled to.

Section 6. Electronic Funds Transfer

If the Employer institutes an electronic funds transfer (EFT) system, employees may participate. Where not prohibited by State Law, all employees are required to use electronic deposit of their paychecks. If the employee is enrolled on Direct Deposit and the employee's pay is not deposited to their bank accounts on payday due to Employer error, the employee's pay will be deposited to the employee's account by means of Electronic Funds Transfer or the employee will be paid by station draft that same day. If an employee is unable to obtain a bank account, he/she will be paid electronically using a pay card/debit card. If for reasons beyond the Employer's control, such as weather delays, express mail failure, etc. an employee's "paycheck" or debit card does not arrive at the employee's facility by payday, a replacement check will be issued and mailed to the employee's facility by the end of the business day.

Section 8. Non-CDL Driving Positions

The parties recognize that the recruitment and retention of CDL-qualified drivers continues to be challenging, even with recent pay rate increases and ongoing recruitment efforts. As a result, the Employers in connection with their local pick-up-and-delivery operations frequently must rely on local cartage companies and other third parties to pick up and deliver freight. This is the case even though the use of Employer employees to perform this work is strongly preferred.

Moreover, the non-union local cartage companies and other non-union third party carriers do not even use CDL-A drivers to perform portions of this work. The Employers and TNFINC realize that this is core bargaining unit work that if possible should be performed by bargaining unit personnel.

In recognition of these challenges and in an effort to recapture local pick-up-and-delivery work that currently is being performed by non-union third parties, the parties agree as follows:

1. **The Employers may establish Non-CDL Driver bids. Non-CDL Drivers may be assigned to operate box trucks (or straight trucks, vans, etc.) in the city operation that do not require the possession of a CDL license, as well as to work the dock and perform other duties as assigned.**
2. **Non-CDL Drivers shall be paid a straight**

MASTER

time hourly rate of \$2.00 per hour less than the highest applicable CDL rate at the employee's domicile.

3. To the extent any non-CDL qualified employee bidding into a Non-CDL Driver position is at a rate that is higher than the current Non-CDL Driver rate, he or she shall maintain that higher rate. Existing CDL-qualified employees shall not be eligible to bid on Non- CDL Driver positions, except as otherwise provided in this Section or as otherwise mutually agreed.
4. Employees in or seeking to obtain a Non-CDL Driver position shall be subject to the same motor vehicle record requirements as CDL-qualified drivers.
5. Non-CDL Drivers may not be used to substitute for or otherwise replace available CDL- qualified City or P&D Drivers in the following manner:
 - a. The Employers may not utilize Non-CDL Drivers at any location where there are CDL-qualified City or P&D Drivers on layoff, including daily layoff.
 - b. The Employers may not deny an available CDL-qualified City or P&D Driver work on a given day without first offering him or her the opportunity to perform work normally handled by Non-CDL Drivers, including through the operation of equipment that does not require a CDL license. In the event this occurs, the CDL- qualified City or P&D driver shall receive his or her normal rate of pay for the shift.
 - c. The Employers may not use Non-CDL Drivers to avoid filling vacant CDL-qualified positions or to avoid utilizing CDL-qualified drivers in the city or P&D operations.
6. Employees in Non-CDL driving positions shall not be subject to random drug/alcohol testing unless required by applicable law.

ARTICLE 4. STEWARDS

NO CHANGE, EXCEPT THE FOLLOWING:

The job steward, or his/her designated alternate, shall be permitted reasonable time to investigate, present and process grievances on the company property without loss of time or pay during his/her regular working hours without interruption of the Employer's operation by

calling group meetings; and where mutually agreed to by the Local Union and the Employer, off the property or other than during his/her regular schedule without loss of time or pay. Such time spent in handling grievances during the job steward's or his/her designated alternate's regular working hours shall be considered working hours in computing daily and/or weekly overtime if within the regular schedule of the "job steward." The applicable road steward shall be paid his/her hourly rate for time spent in grievance hearings/meetings attended by the Employer and the Union before or after his/her run.

The job steward, or his/her designated alternate, shall be permitted reasonable time off without pay to attend Union meetings called by the Local Union. The Employer shall be given twenty-four (24) hours' prior notice by the Local Union.

ARTICLE 5.

NO CHANGE, EXCEPT THE FOLLOWING:

Section 5. Work Opportunities

Over-the-road and CDL-qualified local cartage employees who have been on letter of layoff, for more than thirty (30) days shall be given an opportunity to relocate to permanent employment (prior to the employment of new hires) occurring at other domiciles of the Employer provided they notify the Employer and Local Union in writing of their interest in a relocation opportunity. The offer of relocation will be made in the order of applicable seniority of the laid-off employees domiciled within the Regional area. The Employer shall be required to make additional offers of relocation to an employee who has previously rejected a relocation opportunity provided the employee again notifies the Employer in writing of his/her continued interest in additional relocation opportunities. However, the Employer will only be required to make one relocation offer in any six (6) calendar month period. Any employee accepting such offer shall be paid at the employee's applicable rate of pay and shall be placed at the bottom of the seniority board for bidding and layoff purposes, but shall retain company seniority for fringe benefits only. ~~A relocating employee shall pay his/her own moving expenses and shall, u~~ Moving expenses shall be paid in accordance with Article 8, Section 6. Additionally, rights under this section shall apply across the three Employers covered by this Agreement regardless of the Employer at which the employee previously worked. Upon reporting to such new domicile, a relocating employee shall be deemed to have relinquished his/her right to return with seniority to the domicile from which he/she relocated. The provisions of this Section shall not supersede an established order of call/hiring in the Supplemental Agreement.

ARTICLE 6.

NO CHANGE, EXCEPT THE FOLLOWING:

Section 4. New Equipment

Where new types of equipment and/or operations for which rates of pay are not established by this Agreement

MASTER

are put into use after April 1, 2003~~19~~, within operations covered by this Agreement, rates governing such operations shall be subject to negotiations between the parties.

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

The above provisions shall also apply in the event the law (state or federal) is changed to permit longer combination vehicles or aggregate weight increases of 8,000 pounds or more in the weight limits that are currently provided in the Surface Transportation Assistance Act of 1982.

Employees expected to use computers or other new electronic technology will be trained to use them and will be paid for all training time. Employees expected to use computers or other electronic technology will be given sufficient time to learn to use them.

ARTICLE 7. LOCAL AND AREA GRIEVANCE MACHINERY NO CHANGE

ARTICLE 8. NATIONAL GRIEVANCE PROCEDURE NO CHANGE, EXCEPT THE FOLLOWING:

Section 4.

(a) It is mutually agreed that the Local Union will, within two (2) weeks of the date of the signing of this Agreement, serve upon the Employer a written notice listing the Union's authorized representatives who will deal with the Employer, make commitments for the Local Union generally and, in particular, those individuals having the sole authority to act for the Local Union in calling or instituting strikes or any stoppages of work which are not in violation of this Agreement. The Local Union may from time to time amend its listing of authorized representatives by certified mail. The Local Union shall not authorize any work stoppages, slowdown, walkout, or cessation of work in violation of this Agreement. It is further agreed that in all cases of an unauthorized strike, slowdown, walkout, or any unauthorized cessation of work which is in violation of this Agreement the Union shall not be liable for damages resulting from such unauthorized acts of its members.

In the event of a work stoppage, slowdown, walkout or cessation of work, not permitted by the provisions of Article 8, Section 3(a), (b), or (c) alleged to be in violation of this Agreement, the Employer shall immediately send a wire or fax to the Freight Coordinator in the appropriate Regional Area and to the Chairman of TNFNC to determine if such strike, etc., is authorized.

No strike, slowdown, walkout or cessation of work alleged to be in violation of this Agreement shall be deemed to be authorized unless notification thereof by telegram has been received by the Employer and the

Local Union from such Regional Area. If no response is received by the Employer within twenty-four (24) hours after request, excluding Saturdays, Sundays, and holidays, such strike, etc., shall be deemed to be unauthorized for the purpose of this Agreement.

In the event of such unauthorized work stoppage or picket line, etc., in violation of this Agreement, the Local Union shall immediately make every effort to persuade the employees to commence the full performance of their duties and shall immediately inform the employees that the work stoppage and/or picket line is unauthorized and in violation of this Agreement. The question of whether employees who refuse to work during such unauthorized work stoppages, in violation of this Agreement, or who fail to cross unauthorized picket lines at their Employer's premises, shall be considered as participating in an unauthorized work stoppage in violation of this Agreement may be submitted to the grievance procedure, but not the amount of suspension herein referred to.

It is specifically understood and agreed that the Employer during the first twenty-four (24) - hour period of such unauthorized work stoppage in violation of this Agreement, shall have the sole and complete right of reasonable discipline, including suspension from employment, up to and including thirty (30) days, but short of discharge, and such employees shall not be entitled to or have any recourse to the grievance procedure. In addition, it is agreed between the parties that if any employee repeats any such unauthorized strike, etc., in violation of this Agreement, during the term of this Agreement, the Employer shall have the right to further discipline or discharge such employee without recourse for such repetition. After the first twenty-four (24) - hour period of an unauthorized stoppage in violation of this Agreement, and if such stoppage continues, the Employer shall have the sole and complete right to immediately further discipline or discharge any employee participating in any unauthorized strike, slowdown, walkout, or any other cessation of work in violation of this Agreement, and such employees shall not be entitled to or have any recourse to the grievance procedure. The suspension or discharge herein referred to shall be uniformly applied to all employees participating in such unauthorized activity. The Employer shall have the sole right to schedule the employee's period of suspension.

The International Brotherhood of Teamsters, the Teamsters National Freight Industry Negotiating Committee, Joint Councils and Local Unions shall make immediate efforts to terminate any strike or stoppage of work as aforesaid which is not authorized by such organizations, without assuming liability therefore. For and in consideration of the agreement of the International Brotherhood of Teamsters, Teamsters National Freight Industry Negotiating Committee, Joint Councils and Local Unions affiliated with the International Brotherhood of Teamsters to make the aforesaid efforts to require Local Unions and their members to comply with the law or the provisions of this Agreement, including the provisions limiting strikes or work stoppages, as aforesaid, the ~~Associations and~~ Employers who are parties hereto agree that they will not hold the International Brotherhood of Teamsters, the Teamsters National

MASTER

Freight Industry Negotiating Committee, Joint Councils and Local Unions liable or sue them in any court or before any administrative tribunal for undertaking such efforts to terminate unauthorized strikes or stoppages of work as aforesaid or for undertaking such efforts to require Local Unions and their members to comply with the law or the provisions of this Agreement, or for taking no further steps to require them to do so. It is further agreed that ~~the signator Associations and~~ Employers will not hold the International Brotherhood of Teamsters, Teamsters National Freight Industry Negotiating Committee, Joint Councils or Local Unions liable or sue them in any court or before any administrative tribunal for such unauthorized work stoppages alleging condonation, ratification or assumption of liability for undertaking such efforts to terminate strikes or stoppages of work, or requiring Local Unions and their members to comply with the law or the provisions of this Agreement.

The provisions of this Article shall continue to apply during that period of time between the expiration of this Agreement and the conclusion of the negotiations or the effective date of the successor Agreement, whichever occurs later, except as provided in Article 39. It is understood and agreed that failure by the International Brotherhood of Teamsters, Teamsters National Freight Industry Negotiating Committee, and/or Joint Councils to authorize a strike by a Local Union shall not relieve such Local Union of liability for a strike authorized by it and which is in violation of this Agreement.

(b) The question of whether the International Union, Teamsters National Freight Industry Negotiating Committee, Joint Council or Local Union have met its obligation set forth in the immediately preceding paragraphs, or the question of whether the International Union, Teamsters National Freight Industry Negotiating Committee, and Joint Council or the Local Union, separately or jointly, participated in an unauthorized work stoppage, slowdown, walkout or cessation of work in violation of this Agreement by calling, encouraging, assisting or aiding such work stoppage, etc., in violation of this Agreement, or the question of whether an authorized strike provided by Article 8, Section 3(a), (b) or (c) is in violation of this Agreement, or whether an Employer engaged in a lockout in violation of this Agreement, shall be submitted to the grievance procedure at the national level, prior to the institution of any damage suit action. When requested, the co-chairmen of the National Grievance Committee shall immediately appoint a subcommittee to develop a record by collecting evidence and hearing testimony, if any, on the questions of whether the International Union, Teamsters National Freight Industry Negotiating Committee, Joint Council or Local Union have met its obligations as aforesaid, or of Union Participation or Employer lockout in violation of this Agreement. The record shall be immediately forwarded to the National Grievance Committee for decision. If a decision is not rendered within thirty (30) days after the co-chairmen have convened the National Grievance Committee, the matter shall be considered deadlocked.

A majority decision of the National Grievance Committee on the questions presented as aforesaid shall be final and binding on all parties. If such majority decision is

rendered in favor of one (1) or more of the Union entities, or the Employer, in the case of lockout, no damage suit proceedings on the issues set forth in this Article shall be instituted against such Union entity or such Employer. If, however, the National Grievance Committee is deadlocked on the issues referred to in this subsection 4(b), the issues must be referred to the National Review Committee for resolution prior to either party instituting damage suit proceedings. If the National Review Committee decides that a strike was unlawful, it shall not have the authority to assess damages. Except as provided in this subsection 4(b), agreement to utilize this procedure shall not thereafter in any way limit or constitute a waiver of the right of the Employer or Union to commence damage suit action. However, the use of evidence in this procedure shall not waive the right of the Employer or Union to use such evidence in any litigation relating to the strike or lockout, etc., in violation of this Agreement. There shall not be any strike, slowdown, walkout, cessation of work or lockout as a result of a deadlock of the National Grievance Committee on the questions referred to under this subsection 4(b) and any such activity shall be considered a violation of this Agreement.

(c) In the event that an Employer, party to this Agreement, commences legal proceedings against the Union after the Union's compliance with the provisions of Article 8, Section 3(a), (b) or (c), the Employer ~~Associations~~ will cooperate in the presentation to the court of the applicable majority grievance committee decision.

(d) Nothing herein shall prevent the Employer or Union from securing remedies granted by law except as specifically set forth in subsection 4(b).

Section 6. Change of Operations

Change of Operations Committee Procedure

b) The National Grievance Committee shall adopt Rules of Procedure concerning the application and administration of this Article.

The Employer shall notify all affected Local Unions of the proposed change of operations at least thirty (30) calendar days prior to the hearing at the Regional Joint Area Committee, and the Employer and the Local Unions involved shall have a mutual responsibility to inform the employees subject to redomicile prior to such hearing in accordance with the practice and procedures agreed to in the respective Area Committee. Any exception or waiver of the aforesaid thirty (30) day period shall be mutually agreed to between the Employer and the Local Unions involved and approved by the Regional Area Change of Operations Committee.

Where there is no objection from the involved Local Unions to a proposed change of operations (as evidenced in a letter or e-mail from the involved Local Unions) and the matter is approved by both the Union's Regional Coordinator and the Union's National Freight Director, the Employer may implement the change prior to a formal hearing. The Change of Operations Committee would maintain jurisdiction for a period of twelve (12) months

MASTER

following the implementation to address any disputes concerning the implementation.

Moving Expenses

(c) The Employer shall pay reasonable expenses to demount and remount an employee's mobile home, if used as his/her residence and in such instance shall pay normal expenses to move such mobile home, including the use of other modes of transportation where required by law. However, it is mutually understood that the cost of such move shall not exceed **twelve thousand, five hundred nine thousand** dollars (~~\$12,500-9,000.00~~) per move. Commencing April 1, ~~2020~~2004 and every April 1st thereafter under this agreement, this amount will be increased by the prior year's average annual increase in the CPI-W, U.S. city average, Housing, Household Operations expenditure category titled "Moving, storage, freight expense". A decrease in the percent change in the Index will not result in a decrease of the mobile home moving allowance once established. In the event the index is no longer published by BLS, the parties will agree to meet and find a substitute Index as an escalator.

Where an employee is required to transfer to another domicile in order to follow employment as a result of a change of operations, the Employer shall move the employee and assume the responsibility for proven loss or damage to household goods due to such move, including insurance against loss or damage. Should any employee possess household items of unusual or extraordinary value which will be included in the move, such items shall be declared and an appraised value determined prior to the move. The Employer shall provide packing materials for the employee's household goods when requested or at the employee's request pay all costs and expenses of moving such household goods, including packing.

An employee shall have a maximum of one (1) year to move in accordance with the provisions of an approved change of operations unless, prior to the expiration of such year, he/she requests, in writing, an extension for a reasonable period of time due to an unusual or special problem. The Employer shall provide lodging for the employee at the point of redomicile, not to exceed ninety (90) calendar days, and in addition, shall reimburse the employee ~~sixty-one~~ forty cents (~~6140¢~~) per mile to transport ~~two one (2-1)~~ personal automobiles to the new location.

The Employer shall not be responsible for moving expenses if the employee changes his/her residence as a result of voluntary transfer.

None of the Employer obligations set forth in this Subsection (c) - Moving Expenses shall apply to transfers of domiciles within a fifty (50) - mile radius.

Closing of Terminals-Elimination of Work

(2) a. When a terminal(s) is closed and the work of such terminal(s) is eliminated, an employee who was formerly employed at another terminal shall have the right to return to such former terminal and exercise his/her continuous classification (road or city) seniority, provided he/she has

not been away from such former terminal for more than a five (5)-year period.

Layoff

b. When a terminal(s) is closed and the work of such terminal(s) is eliminated, employees who are laid-off thereby shall be given first (1st) opportunity for available regular employment in the classification in which they are employed at the time of such layoff (prior to the employment of new hires but subject to the order of call/hiring of the Supplemental Agreement) occurring at any other terminal(s) of the Employer within the area of the Supplemental Agreement where such employee was employed provided they notify the Employer in writing of their interest in a transfer opportunity. The offer of transfer will be made in the order of continuous classification seniority of the laid off employees within the area of the Supplemental Agreement. The Employer shall be required to make additional offers of transfer to an employee who has previously rejected a transfer opportunity provided the employee again notifies the Employer in writing of his/her continued interest in additional transfer opportunities. However, the Employer will only be required to make one transfer offer in any six (6) calendar month period. The obligation to offer such employment shall continue for a period of five (5) years from the date of closing. Any employee accepting such offer shall be employed at his/her applicable rate of pay and shall be placed at the bottom of the seniority board for bidding and layoff purposes, but shall retain company seniority for fringe benefits only. A transferring employee shall pay his/her own moving expenses.

Merger of Terminals by Commonly-Owned Separate Employers Covered by this Agreement

Seniority shall be dovetailed when commonly owned separate employers covered by this agreement merge (in a shutdown or partial shutdown) two (2) or more terminals. If, after the dovetail, there is insufficient work at the remaining location(s), the remaining affected employees shall be entitled to all contractual rights including Article 5, Section 5 rights but shall have moving expenses paid as set forth in Article 8, Section 6. For purposes of this entire section, employees shall remain in their previous health and welfare and pension funds. The Employer at the remaining location(s) shall use all efforts to find work opportunity for all displaced employees. All items under this provision shall be contained in an approved Change of Operations Committee decision. All other issues shall be addressed by the Change of Operations Committee consistent with the language of the Agreement.

ARTICLE 9. PROTECTION OF RIGHTS NO CHANGE

ARTICLE 10. LOSS OR DAMAGE NO CHANGE

ARTICLE 11. BONDS AND INSURANCE NO CHANGE

MASTER

ARTICLE 12. UNIFORMS *NO CHANGE*

ARTICLE 13. PASSENGERS

No driver shall allow anyone, other than employees of the Employer who are on duty, to ride on his truck except by written authorization of the Employer, or except in cases of emergency arising out of disabled commercial equipment or an Act of God. No more than two (2) people shall ride in the cab of a tractor unless required by government agencies or the necessity of checking of equipment. This shall not prohibit drivers from picking up other drivers, helpers or others in wrecked or broken down motor equipment and transporting them to the first (1st) available point of communication, repair, lodging or available medical attention. Nor shall this prohibit the transportation of other drivers from the driver's own company at a delivery point or terminal to a restaurant for meals.

ARTICLE 14. COMPENSATION CLAIMS *NO CHANGE, EXCEPT THE FOLLOWING:*

Section 2. Modified Work

(b) Implementation of a modified work program shall be at the Employer's option and shall be in strict compliance with applicable federal and state worker's compensation statutes. Acceptance of modified work shall be on a voluntary basis at the option of the injured employee. However, refusal to accept modified work by an employee, otherwise entitled to worker's compensation benefits, may result in a loss or reduction of such benefits as specifically provided by the provisions of applicable federal or state worker's compensation statutes. Employees who accept modified work shall continue to be eligible to receive "temporary partial" worker's compensation benefits as well as all other entitlements as provided by applicable federal or state worker's compensation statutes.

Employees who have been prescribed medications by a doctor where such medications prevent them from driving to and from work or where the treating physician certifies that the injury itself prevents the employee from driving to and from work, shall not be scheduled for modified duty.

Employees who need additional medical and/or physical therapy may go for such treatments during scheduled hours for modified work whenever practical and reasonable.

Section 3. Workers Compensation Pay Dispute

Should an employee have a undisputed pay claim concerning the established state worker compensation amount required by Law, the Employer will provide each individual an emergency dispute phone number which will be operational twenty four (24) hours, seven (7) days a week. The Employer's Workers Compensation Manager will have authority to make immediate payment. The pay shortage will be reconciled by **direct deposit or**

check delivered by express overnight mail within twenty four (24) hours of the call. If the disputed pay is not received within the twenty-four hour period, an eight (8) hour penalty will be paid the employee for every day until the pay is received. **Where not prohibited by law, all employees shall be required to use direct deposit for workers' compensation payments.**

ARTICLE 15. MILITARY CLAUSE

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

In addition to any contribution required under USERRA, the Employer shall continue to pay health & welfare contributions for regular active employees involuntarily called to active duty status from the military reserves or the National Guard for military-related service, excluding civil domestic disturbances or emergencies. Such contributions shall only be paid for a maximum period of eighteen (18) months. **Furthermore, the employee shall continue to accrue vacation time (at the normal rate he would otherwise have accrued it had he been actively working) and be able to cash out vacation in full week increments while deployed. Amounts shall be paid in accordance with the applicable supplement but in no event shall it be less than forty-five (45) hours per week at the current rate. Vacation cash-out requests must be submitted in writing or by e-mail and shall be processed within fourteen (14) days. Accrued vacation that has not been used or paid out by the conclusion of the employee's vacation year shall be paid out within thirty (30) days.**

ARTICLE 16. EQUIPMENT, SAFETY AND HEALTH *NO CHANGE, EXCEPT THE FOLLOWING:*

Section 2. Dangerous Conditions

Under no circumstances will an employee be required or assigned to engage in any activity involving dangerous conditions of work, or danger to person or property or in violation of any applicable statute or court order, or in violation of a government regulation relating to safety of person or equipment.

The term "dangerous conditions of work" does not relate to the type of cargo which is hauled or handled.

If the "ABS" warning indicator is activated prior to dispatch at a shop location, the tractor will be repaired or switched out. If it occurs "on-route" it shall be remedied at the next shop location.

MASTER

Section 5. Qualifications on Equipment

If the Employer or government agency requests a regular employee to qualify on equipment requiring a classified or special license, or in the event an employee is required to qualify (recognizing seniority) on such equipment in order to obtain a better job opportunity with his/her Employer, the Employer shall allow such regular employee the use of the equipment so required in order to take the examination on the employee's own time.

Costs of such license required by a government agency will be paid for by the employee.

An employee unable to successfully pass the DOT Commercial Driver's License (CDL) examination will be allowed to take a leave of absence for a period not to exceed ~~two one~~ (24) years without loss of seniority provided the employee makes a bona fide effort to pass the test each time the opportunity presents itself. The employee will be given work opportunities ahead of casuals to perform non-CDL required job functions. Such employee shall be allowed to claim any open non-CDL bid his/her seniority will allow. This bidding provision shall not apply to road drivers in a separate seniority classification or combination facilities with the exception of locations that have an established practice or agreement providing for disqualified employees to bid on non-CDL positions.

Once obtained an employee must maintain his/her commercial driver's license with required endorsements unless disqualified by regulatory mandate or documented medical disability.

Section 6. Equipment Requirements

(r) All newly manufactured road tractors regularly assigned to the fleet after July 1, 1991, shall be equipped with heated mirrors. All road tractors ordered after April 1, 2003 shall be equipped with a power mirror on the curbside. However, it shall not be a violation of this provision for the tractor to be dispatched to the next Company point of repair if the heated and/or power mirror is inoperative.

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

(y) The Employer shall repair inoperable air conditioning systems on Employer city tractors throughout the year between the dates of March 15 and November 15. The Employer shall perform such repairs within fourteen (14) days of written notification from an employee or the Local Union that the air conditioning system on a particular city tractor is inoperable. It shall not be a violation of this Section to operate any unit while waiting for repairs.

(bb) All trailer jockeys ordered following the ratification of this Agreement shall have electric power mirrors on the right hand side. Any trailer jockeys or hosting tractors ordered in the states listed below following the ratification of this Agreement will

be equipped with air conditioning and will be maintained in proper operating condition throughout the year. The Employer shall perform such repairs within fourteen (14) days of written notification from an employee or the Local Union that the air conditioning system on a particular trailer jockey or hosting tractor is inoperable. It shall not be a violation of this Section to operate any unit while waiting for repairs.

States: Alabama, Arkansas, Arizona, California, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, New Mexico, Nevada, Oklahoma, South Carolina, Tennessee, and Texas.

The Employer and the Union shall meet periodically to discuss the feasibility of additional locations.

(cc) Forklift seats shall have sufficient seat cushion as well as spring suspension system under the seat. Forklift seats also shall have incline and decline capability. Forklift seats should also be adjustable and able to slide back and forth. This Section shall apply to forklifts ordered after ratification of this Agreement.

(dd) Forklifts must have tires that are in good working order with no sizeable chunks of missing tire. Forklifts shall also be equipped with mirrors and lights and have longer blades (no less than 36in.).

Section 11. Facilities

The Employer agrees to maintain clean restrooms and breakrooms on a regular basis throughout the day. All restrooms and breakroom facilities shall be maintained and kept in proper working order.

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, EXCEPT THE FOLLOWING:

Section 2. Joint Industry Development Committee

The parties recognize that the unionized LTL industry is losing market share and jobs to competitors. The parties recognize that it is in the interest of the Union and the Employers to return the LTL industry to health and to foster its growth. Only if the industry prospers and grows will the industry's employees, whom the Union represents, achieve true job and economic security. Only if the industry prospers and grows will the industry have access to the resources it needs to capitalize and be competitive.

Recognizing that returning the industry to health should be a cooperative, long-term effort, the Teamsters National Freight Industry Negotiating Committee ("TNFINC") and

MASTER

the Employer ~~Association~~ agree to establish a Joint Industry Development Committee to serve as a vehicle for this effort. The purpose of the Committee will be to perform the following tasks: address the principles of an intermodal truckload agreement as a means of capturing new market and creating additional city/P&D jobs; develop data to evaluate and monitor industry and competitor productivity, costs and operations; catalogue, compare and evaluate work rules, practices and procedures among the various NMFA supplements and the Employers ~~Association's companies~~; make joint recommendations to the parties about any changes in the NMFA and its supplements that the Committee believes should be considered in the next round of negotiations for the new NMFA; solicit grants for joint activities that benefit the industry and its bargaining unit employees, such as driver training schools; and monitor pending legislation and executive action on the national, state and local level that may affect the welfare of the industry and, where appropriate, jointly recommend actions that further the interests of the industry and its bargaining unit employees and jointly present the views of the Joint Committee to legislative and executive bodies.

The Committee shall operate as a labor-management committee within the meaning of Section 302(c)(9) of the LMRA, as amended, established and functioning so as to fulfill one or more of the purposes set forth in Section 6(c)(2) of the Labor Management Cooperation Act of 1978. The Committee shall have the full support of both the International Brotherhood of Teamsters and the Employer ~~Association~~ in the Committee's efforts to identify problems, formulate plans to solve those problems and, where appropriate, conduct joint activities designed to implement the plans.

The Chairman of TNFINC will appoint five (5) Union representatives to the Joint Committee. The Employer ~~Association~~ will appoint five (5) Employer representatives to the Joint Committee. Appointments to the Joint Committee will be made in a manner to assure that there are persons serving who are familiar with the full range of operations undertaken by Employer ~~Association's carriers~~ under all supplemental agreements. The Joint Committee shall meet at least quarterly and may appoint continuing subcommittees to carry out specific tasks. The Union and Employer representatives to the Joint Committee will establish procedures for the operation of this Committee.

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 AND EMPLOYEE IDENTIFICATION **NO CHANGE**

ARTICLE 25. SEPARABILITY AND SAVINGS **CLAUSE** **NO CHANGE**

ARTICLE 26. TIME SHEETS, TIME CLOCKS, VIDEO CAMERAS, AND COMPUTER TRACKING DEVICES **NO CHANGE, EXCEPT THE FOLLOWING:**

Section 2. Use of Video Cameras for Discipline and Discharge

The Employer may not use video cameras to discipline or discharge an employee for reasons other than theft of property, violence, or dishonesty or falsification of documents. If the information on the video tape is to be used to discipline or discharge an employee, the Employer must provide the Local Union, prior to the hearing, an opportunity to review the video tape used by the Employer to support the discipline or discharge. Where a Supplement imposes more restrictive conditions upon use of video cameras for discipline or discharge, such restrictions shall prevail.

The Employer shall not install or use video cameras in areas of the Employer's premises that violate the employee's right to privacy such as in bathrooms or places where employees change clothing or provide drug or alcohol testing specimens.

The Employer shall not install any inward facing video cameras/recorders in any vehicles. "Onboard" cameras may not be used for disciplinary purposes under any circumstances.

Section 3. Computer Tracking Devices

Computer tracking devices, commonly known as "Black Boxes", **GPS, or other tracking technologies** mandated by regulations shall not be used for disciplinary purposes, except in those incidents of violations of Federal Mandated Regulations or when an employee has intentionally committed malicious damage to the Employer's equipment or when an employee has unsafely operated the Employer's commercial motor vehicles. **Not shall cameras, ELDs or other technology be used to harass or excessively monitor employees.**

ARTICLE 27. EMERGENCY REOPENING

In the event of war, declaration of emergency, imposition of mandatory economic controls, the adoption of national health care or any congressional or federal agency action which has a significantly adverse effect on the financial structure of the trucking industry or adverse impact on the wages, benefits or job security of the employees, during the life of this Agreement, either party may reopen the same upon sixty (60) day's prior written notice and request renegotiation of the provisions of this Agreement directly affected by such action.

Upon the failure of the parties to agree in such negotiations within the subsequent sixty (60)-day period, thereafter, either party shall be permitted all lawful economic recourse to support its request for revisions. If governmental approval of revisions should become

MASTER

necessary, all parties will cooperate to the utmost to attain such approval. The parties agree that the notice provided herein shall be accepted by all parties as compliance with the notice requirements of applicable law, so as to permit economic action at the expiration thereof.

In the event pension legislation is enacted that directly impacts the Employer's contribution obligations, results in the reduction of employees' benefits or accruals, or requires employees to contribute to their pensions, the provisions of this Article 27 shall apply – including the right to take economic action.

ARTICLE 28. SYMPATHETIC ACTION NO CHANGE

ARTICLE 29. SUBSTITUTE SERVICE NO CHANGE, EXCEPT THE FOLLOWING:

Section 2. Maintenance of Records

(c) With regard to trailers moved on rail as an approved intermodal operations set forth in Section 3, the Employer shall report in writing on a monthly basis to each Local Union affected, the number of trailers put on the rail at the rail origin points of the approved intermodal operations. The Employer shall also report the origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard for the rail yard.

In addition, the Employer shall, on a ~~monthly~~ quarterly basis, send to the office of the National Freight Director a report containing the total intermodal rail miles as reported on line 6 of the Bureau of Transportation Statistics (BTS) Schedule 600 annual report and the total miles as reported on line 7 of the BTS Schedule 600 annual report.

~~(d) With regard to the use of a Preferred Company as provided in Section 6, the Employer shall report in writing on a monthly basis to each Local Union affected, the number of trailers tendered to any Preferred Company. The Employer also shall report the origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves the Employer's yard.~~

~~In addition, the Employer shall, on a quarterly basis, send to the office of the National Freight Director a report containing the total number of miles the Employer utilized any Preferred Company consistent with the requirements of Article 29, Section 6.~~

Section 3. Intermodal Service

(b) Use of Intermodal Service

1. Subject to the conditions set forth hereinafter, an Employer may establish a new intermodal service over the same route where the Employer has established relay runs or through runs.

Present relay or through operations may not be reduced, modified or changed in any other manner as the result of the implementation of a new intermodal service until such time as the proposed intermodal operation has been approved by the National Intermodal Committee. The

Employer shall submit to the National Intermodal Committee an application for approval which shall identify the road operation(s) the intended intermodal service will reduce and/or eliminate; a list identifying the name and seniority date of each driver affected by the intended intermodal service(s); and a list by domicile of each of the road drivers openings available.

In the event the National Intermodal Committee is unable to agree on whether or not the Employer's proposed intermodal operations meet the criteria set forth below, the proposed operation shall not be approved until such time as those issues are resolved. This provision shall not be utilized as a method to delay and/or deny a proposed intermodal operation when the criteria set forth below have been clearly satisfied.

(a) There shall be no more than two (2) intermodal changes approved during the term of this Agreement; and

(b) No more than ten (10) percent of the Employer's total active road driver seniority list as of April 1, ~~2019~~ 1998 shall be affected by the intermodal changes approved during the term of this Agreement.

In the event a proposed intermodal operation also includes the transfer of work that is subject to the provisions of Article 8, Section 6, the proposed intermodal operations and the transfer of work subject to Article 8, Section 6, may be heard by a combined National Intermodal/Change of Operations Committee on a joint record, and the seniority rights of all affected employees shall be determined by such Committee, which shall have the authority granted in Article 8, Section 6(g).

2. An approved intermodal operation that provides service over established relay and/or through operations shall include protection for all bid drivers during each dispatch day and all extra board drivers during each dispatch week at each of the affected domiciles.

For purposes of determining the weekly protection for extra board drivers, the affected driver's average weekly earnings during the previous four (4) week period in which the driver had normal earnings shall be considered the weekly protection when violations occur.

3. When transporting any shipment by intermodal service within the Employer's terminal network, the Employer shall utilize its drivers subject to the applicable respective area supplemental agreements to pickup such shipments from the shipper at point of origin and/or the Employer's terminal and deliver them to the applicable intermodal exchange point. The Employer also shall use its drivers to deliver intermodal shipments to the consignee or the Employer's terminal. A driver may be required to drive through other terminal service areas to the intermodal exchange point to pickup and deliver intermodal shipments without penalty.

4. Total intermodal rail miles included on line 303 of Schedule 300 of the BTS Annual Report shall not exceed ~~29~~ 28 percent of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. In the event intermodal rail miles exceed this ~~29~~ 28 percent maximum, the Employer

MASTER

~~shall be required to remove an appropriate amount of freight from the rail and add a corresponding number of drivers at each affected domicile. Effective for Calendar Year 2005 and thereafter, the maximum amount of rail miles as a percent of total miles as calculated above will be reduced from 28% to 26%. Subject to the provisions of Section 6 of the Article, total intermodal rail miles included on line 303 of Schedule 300 of the BTS Annual Report shall not exceed 24 percent of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. In the event intermodal rail miles exceed this 24% maximum, the Employer shall be required to remove an appropriate amount of freight from the rail and add a corresponding number of drivers at each affected domicile.~~

The parties recognize that the current shipping markets demand expedited delivery of freight in a manner that may not be accomplished by hauling certain freight by rail. These market demands create a need to reduce the amount of freight hauled by rail and to use alternative methods of substitute service. As contemplated by Article 20, Section 4, new business opportunities may be pursued that promote new Teamster job opportunities while protecting existing Teamster jobs, benefits, and working conditions. ~~With these facts in mind, the rail miles as a percentage of total miles will be reduced as follows: effective Calendar Year 2010, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 24% to 21.5%. Effective Calendar Year 2011, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 21.5% to 21%. Effective Calendar Year 2012, the maximum amount of rail miles as a percentage of total miles as calculated above will be reduced from 21% to 19%. The reduction in rail miles during the term of this Agreement is subject to the provisions of Article 29, Section 6.~~

The National Intermodal Committee shall establish rules and guidelines that will allow the Union the opportunity to verify and audit the Employer's BTS rail reports. In the event the Union establishes through the grievance procedure that an Employer has falsified the BTS reports in order to increase the maximum amount of intermodal rail miles permitted under this Article, the remedy for such a violation shall include a cessation of the Employer's affected intermodal service until such time as the issue has been resolved to the satisfaction of the Union.

In the event the BTS rail and/or line haul miles reporting requirements are modified and/or eliminated, the parties will meet to develop a substitute reporting procedure consistent with those of the BTS.

(c) Job Protection for Current Road Drivers

1. Rail operations that are subject to the provisions of Section 1(b) above shall not result in the layoff or involuntary transfer of any driver at any affected road driver domicile.

2. During the term of this Agreement, an Employer shall be permitted no more than two (2) Intermodal Changes whereby the Employer may reduce and/or eliminate

existing road operation(s) through the use of intermodal service. It is specifically agreed that a total of no more than ten (10) percent of the Employer's total active road driver seniority list as of April 1, ~~2019~~ 2003, shall be affected by the Intermodal Changes during the term of this Agreement.

Any road driver who is adversely affected by an approved Intermodal Operation and would thereby be subject to layoff, or who is on layoff at an affected domicile at the time an Intermodal Operation is approved, shall be offered work opportunity at other road driver domiciles within the Employer's system. The Employer shall include in its proposed Intermodal Operations specific facts that adequately support the Employer's claims that there will be sufficient freight to support the work opportunities the Employer proposes at each gaining domicile. In the event there is more than one (1) domicile involved, the drivers adversely affected shall be dovetailed on a master seniority list and an opportunity to relocate shall be offered on a seniority basis, subject to the provisions of Article 8, Section 6. The "hold" procedures set forth in Article 8, Section 6 of the NMFA shall be applicable. Where the source of the proposed work opportunity is presently being performed by bargaining unit employees over the road, the Employer shall be required to make reasonable efforts to fill the offered positions as set forth in Article 8, Section 6(d)(6).

Drivers who relocate under this provision shall be dovetailed on the applicable seniority list at the domicile they bid into. Health & welfare and pension contributions shall be remitted in accordance with the provisions of Article 8, Section 6(a) and moving and lodging shall be paid in accordance with Article 8, Section 6(c) of the NMFA.

It is understood and agreed that the intent of this provision is to provide the maximum job security possible to those drivers affected by the use of intermodal service. Therefore, the number of drivers on the affected seniority lists at rail origin points at the time an intermodal change becomes effective shall not be reduced during the term of this Agreement other than as may be provided in subsequent changes of operations. Drivers on the affected seniority lists at gaining domiciles at the time an intermodal change becomes effective, shall not be permanently laid off during the term of this Agreement.

The senior driver voluntarily laid off at an intermodal losing domicile will be restored to the active board each time foreign drivers or casuals (where applicable) make ten (10) trips (tours of duty) within any thirty (30) calendar day period on a primary run of such domicile, not affected by a Change of Operations.

For the purposes of this Section, short-term layoffs (1) that coincide with normal seasonal freight flow reductions that are experienced on a regional basis and that include a reduction in rail freight that corresponds to the reduction in truck traffic, or (2) that are incidental day-to-day layoffs due to reasons such as adverse weather conditions and holiday scheduling, shall not be considered as a permanent layoff. Layoffs created by a documented loss of a customer shall not exceed thirty (30) days. Any layoff for reasons other than as described above shall be

MASTER

considered as a permanent layoff. The Employer shall have the burden of proving that a layoff is not permanent.

In order to ensure that the work opportunities of the drivers at the gaining domiciles are not adversely affected by the redomiciling of drivers, the bottom twenty-five percent (25%) of the drivers at a gaining domicile shall not have their earnings reduced below an average weekly earnings of ~~seven hundred dollars (\$700)~~ **eight hundred fifty dollars (\$850)**. This ~~seven hundredweight eight hundred fifty dollar (\$700850)~~ average wage guarantee shall not start until the fourth (4th) week following the implementation of the approved Intermodal Change of Operation.

It is not the intent of this provision to establish an ~~seven hundred eight hundred fifty dollar (\$700850)~~ per week as an artificial base wage but rather a minimum guarantee. This provision shall not preclude the short-term layoffs as defined above. The Employer shall have the burden of proving that drivers at the gaining domiciles have not had their work opportunities adversely affected by the redomiciling of drivers.

The ~~seven hundred eight hundred fifty dollar (\$700850)~~ average wage guarantee shall be determined based on the average four (4) weeks earnings of each active protected driver on the bottom twenty-five percent (25%) of the seniority roster. When the earnings of any active protected driver in the bottom twenty-five percent (25%) of the seniority roster totals less than ~~two thousand, eight hundred three thousand, four hundred~~ **three thousand, four hundred** dollars (~~\$2,8003,400~~) during each four (4) week period, the driver shall be compensated for the difference between actual earnings and ~~two thousand, eight hundred three thousand, four hundred~~ **three thousand, four hundred** dollars (~~\$2,8003,400~~).

The four (4) week average shall be calculated each week on a "rolling" basis. A "rolling" four (4) week period is defined as a base week and the previous three consecutive weeks. Where an Employer makes a payment to an employee to fulfill the guarantee, the amount paid shall be added to the employee's earnings for the base week of the applicable four (4) week period and shall be included in the calculations for subsequent four (4) week "rolling" periods to determine whether any further guarantee payments to the employee are due.

Time not worked shall be credited to drivers for purposes of computing earnings in the following instances:

a. Where a driver is offered a work opportunity that the driver has a contractual obligation to accept, and the driver elects not to accept such work, the driver shall have an amount equal to the amount of the wages such work would have generated credited to such driver for purposes of determining the ~~seven hundred dollar (\$700)~~ **eight hundred fifty dollar (\$850)** average wage guarantee.

No driver shall be penalized by having contractual earned time off credited for purposes of determining the ~~seven hundred dollar (\$700)~~ **eight hundred fifty dollar (\$850)** average wage guarantee. However, where a driver takes earned time off in excess of forty-eight (48) hours during any work week, that work week shall be excluded from the rolling four (4) week period used to determine the

~~seven hundred dollar (\$700)~~ **eight hundred fifty dollar (\$850)** average wage guarantee.

b. Where a driver uses a contractual provision to refuse or defer work so as to knowingly avoid legitimate work opportunity and therefore abuse the ~~seven hundred dollar (\$700)~~ **eight hundred fifty dollar (\$850)** average wage guarantee, the driver shall have an amount equal to the amount of the wages such work would have generated credited to such driver for purposes of determining the ~~seven hundred dollar (\$700)~~ **eight hundred fifty dollar (\$850)** average wage guarantee.

Nothing in this subsection applies to or shall be construed to limit claims by any driver on the seniority roster at a gaining domicile alleging that the driver's work opportunity was adversely affected following the implementation of the Intermodal Change of Operations because of the Employer's failure to provide adequate work opportunities for existing and redomiciled drivers. However, after the point that the Employer has provided adequate work opportunities for protected drivers (existing and redomiciled), the wage protection for active drivers in the bottom twenty-five percent (25%) of the seniority roster shall be limited to the ~~seven hundred dollar (\$700)~~ **eight hundred fifty dollar (\$850)** guarantee.

As soon as a factual determination has been made that a driver in the bottom twenty-five percent (25%) of the seniority roster is entitled to the ~~seven hundred dollar (\$700)~~ **eight hundred fifty dollar (\$850)** average wage guarantee, the driver's claim shall be paid. All other types of claims that the driver's work opportunities have been adversely affected shall be held in abeyance until determined through the intermodal grievance procedure.

Section 6. YRC Freight Purchased Transportation Service

The parties recognize the competitive nature of the LTL trucking industry and the importance of customer service. To that end, YRC Freight shall be permitted to use Purchased Transportation Service (PTS) in certain circumstances. The intention of the parties with the use of PTS is to generate growth and additional job opportunities for bargaining unit personnel by enhancing YRC Freight's ability to compete in the marketplace. Prior to using PTS at any location, YRC Freight will send a certified letter to the affected Local Union and TNFINC.

The following shall cover YRC Freight's use of PTS and outline employee protections in connection with PTS. This provision shall not apply to Holland or New Penn. YRC Freight shall be permitted to use a limited amount of PTS for over-the-road transportation only and in connection with the movement of freight between distribution centers. The use of PTS will not, however, result in a layoff for active road drivers at those locations where PTS is used. The use of PTS also will not result in a loss of earnings for active road drivers at locations where PTS is used. These protections are described in more detail below.

Nothing in this Section is intended to permit the use of PTS for any other operation (i.e., P&D, Local Cartage,

MASTER

drayage, or shuttle operations). The use of PTS under this Section is for direct, closed-door service from distribution center to distribution center only. A PTS provider will not VIA to a YRC Freight customer or another YRC Freight terminal location. Article 29 of the NMFA remains in effect, except as specifically provided for in this Section.

1) YRC Freight will not use PTS at any location where road drivers are laid off for economic reasons. Instead, YRC Freight will recall laid off road drivers before it begins the use of PTS. PTS usage also should be engineered to the fullest extent possible to minimize its use and to maximize the use of bargaining unit employees and to allow bargaining unit employees to perform preferential runs and maximize earning opportunity. Road drivers who are on layoff because they were offered but declined a transfer opportunity in connection with a Change of Operations are not considered "laid off" for purposes of this provision.

2) All road drivers at those locations where PTS is used shall be protected from layoff directly caused by the use of PTS. This protection does not apply to a road driver who has been offered but declined a transfer pursuant to any Change of Operations.

3) YRC Freight also shall protect by red circle the number of active road drivers as that red circle number exists as of the date of ratification at each terminal location where PTS is used. The number of active road drivers at a location shall not be reduced below the red circle number as a direct result of the use of purchased transportation. The red circle number itself shall not be changed other than (a) as may be provided for in an approved Change of Operations or (b) to the extent YRC Freight on a consistent, sustained basis utilizes more than the existing red circle number of road drivers at a location where PTS is utilized, in which case the red circle number shall be increased accordingly.

4) Notwithstanding anything in this Agreement to the contrary, YRC Freight shall be permitted to utilize companies for over-the-road purchased transportation substitute service. The maximum amount of combined PTS and intermodal rail miles shall be limited to 29% (starting with Calendar Year 2019) of YRC Freight's total miles as reported on line 301 of Schedule 300 of the DOT/FMCSA Annual Report during any calendar year. TNF INC IN ITS SOLE DISCRETION MAY LIMIT OR DISCONTINUE THE USE OF PURCHASED TRANSPORTATION IN ANY GEOGRAPHIC AREA WHERE IT DEEMS APPROPRIATE UPON THIRTY (30) DAYS WRITTEN NOTICE TO YRC FREIGHT.

5) At those locations where PTS is utilized, YRC Freight shall provide protection for all active bid road drivers during each dispatch day that PTS service is used and all active extra board road drivers during each dispatch week that PTS service is used. For purposes of determining the weekly protection for active extra board drivers, the affected driver's weekly earnings during the previous four (4) week period in which the driver had normal earnings shall be

considered the weekly protection when PTS is utilized in the dispatch week.

6) At those locations where PTS is utilized, YRC Freight shall provide protection for bid foreign drivers coming out of bed. In addition to receiving layover pay in accordance with the applicable Supplement, a bid foreign driver who is rested and available for dispatch shall be paid at the applicable hourly rate beginning when PTS is dispatched from the layover location in the same direction as his or her home domicile and ending when he or she is dispatched. This protection may result in a foreign driver receiving both layover pay and hourly pay in connection with PTS usage for the same period of time. Protection shall be on a one-for-one basis, consistent with the other protections in this Section, and shall apply only with respect to PTS dispatched after the foreign driver is rested and available for dispatch.

As an example: A bid Charlotte, NC road driver who is in bed in Harrisburg, PA becomes DOT rested and a PTS dispatch is made to Atlanta, GA prior to that Charlotte bid road driver being dispatched. Because this is a relay over Charlotte, NC in normal operations, the Charlotte, NC road driver would be due runaround pay because he or she was rested and would normally take the Atlanta, GA load to Charlotte, NC. Runaround pay in this example would be owed from the time the applicable PTS was dispatched until the Charlotte bid road driver is dispatched, in addition to any layover pay in accordance with the provisions of the applicable supplement.

7) The protection for boards at intermediate relay locations will be weekly earnings, calculated using the four (4) week average method. As an example, if PTS is dispatched from Kansas City destined for Atlanta, the board at the intermediate relay in Nashville will have earnings protected in that week.

8) In the event a Union carrier becomes available to YRC Freight and said carrier is cost competitive and equally qualified, YRC Freight will give such carrier first and preferred opportunity to bid on purchased transportation business. YRC Freight shall provide to the Union an up-to-date list of purchased transportation providers utilized within thirty (30) days of the end of each calendar quarter. In the event a PTS provider repeatedly violates the conditions established under this Agreement, the Union shall have the ability to remove the carrier from future PTS utilization.

9) YRC Freight will designate a specific area on the terminal yard where a PTS provider may slide his or her own power when dropping and/or picking a trailer. The PTS provider shall not be permitted to perform any other hostling duties, including pushing or pulling trailers from the dock.

10) YRC Freight shall report in writing on a monthly basis to each Local Union affected and to the Freight Division, the number of trailers tendered to any

MASTER

purchased transportation provider. YRC Freight also shall report the carrier's name (including DOT number), origin, destination, trailer/load number, trailer weight and the time the trailer/load leaves YRC Freight's yard. Corresponding information shall be provided on a monthly basis with respect to the use of intermodal service. In addition, YRC Freight shall, on a monthly basis, unless otherwise required, send to the office of the National Freight Director a report containing all of the above indicated information in addition to the total number of miles YRC Freight utilized with purchased transportation, inclusive of the type of PTS utilized, including whether the purpose was for avoiding empty miles, overflow or one-time business opportunities such as product launches.

11) To preserve and/or grow existing road boards, each time YRC Freight uses purchased transportation providers to run over the top of linehaul domicile terminal locations and/or relay domiciles, said dispatches shall be counted as supplemental or replacement runs, as applicable, for purposes of calculating the requirement to add new employees to the road board. The formula for recalling or adding employees to the affected road board shall be thirty (30) supplemental runs in a sixty (60) day period. The only exceptions to this condition are one-time business opportunities (such as product launches).

12) TNFINC shall have the sole discretion to temporarily increase the percentage limitation outlined above in response to Acts of God, significant business opportunities that would benefit the bargaining unit, and other similar extraordinary circumstances.

13) Any disputes regarding PTS will be referred to the applicable Regional Joint Area Committee for resolution. If deadlocked, the issue then shall be forwarded to the National Grievance Committee.

1. Notwithstanding anything in this Agreement to the contrary, the Employer shall be permitted to utilize companies for over the road purchased transportation substitute service. The parties shall designate at least one (1) Preferred Company for over the road purchased transportation substitute service under this Section. Until December 31, 2009, the maximum amount of over the road purchased transportation shall be limited to 4% of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. During Calendar Year 2010, the maximum amount of over the road purchased transportation shall be increased from 4% to 6.5% of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. During Calendar Year 2011, the maximum amount of over the road purchased transportation shall be increased from 6.5% to 7% of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. During Calendar Year 2012, the maximum amount of over the road purchased transportation shall be increased from 7% to 9% of the Employer's total miles as reported on line 301 of Schedule 300 of the BTS Annual Report during any calendar year. In the event the parties fail to designate at

least one (1) Preferred Company for over the road purchased transportation substitute service, the maximum amount of rail miles provided for in Section 3(b)(4) of the Article shall be returned to 26% for the remainder of this Agreement. It is agreed that any Preferred Company utilized under this Section shall be permitted to drop and pick up trailers at the Employer's terminal locations, but shall be required to do so in areas of the terminal specifically designated for such exchange.

2. For purposes of the Employer's existing rail origin points as described in Article 29, Section 3, the use of a Preferred Company under this Section over established relay and/or through operations shall include protection for all bid drivers during each dispatch day and all extra board drivers during each dispatch week at the originating domiciles. For purposes of determining the weekly protection for extra board drivers, the affected driver's average weekly earnings during the previous four (4) week period in which the driver had normal earnings shall be considered the weekly protection when violations occur. In the event that the Employer uses a Preferred Company as substitute service, the Article 29, Section 3 job protections for current road drivers shall apply.

Section 7. USF Holland Purchased Transportation Service

The recruitment and retention of CDL-qualified employees continues to be challenging across the industry, with driver shortages anticipated for the foreseeable future. At USF Holland, this has caused difficulty in servicing existing freight and limited the Employer's ability to grow what otherwise would be bargaining unit work. To address these issues, Holland shall be permitted to utilize road purchased transportation to move freight between its terminal locations. Road purchased transportation may be utilized for closed-door service only, and may not be utilized to reduce or otherwise limit work opportunities for employees. There shall be a specific separate staging area in the yard where PTS shall drop and hook. In addition, purchased transportation may not be utilized to avoid hiring or limit the size of the bargaining unit at Holland, as bargaining unit employees are the preferred method of moving freight. The following protections shall, therefore, apply to Holland's use of road purchased transportation:

1. Purchased transportation usage shall be capped at eight percent (8%) of Holland's total miles, as reported on line 301 of Schedule 300 of the DOT/FMCA Annual Report during any calendar year.
2. Purchased transportation may not be utilized if road drivers are laid off for economic reasons at any Holland location. Road drivers who are on layoff because they were offered but declined a transfer opportunity in connection with a Change of Operations are not considered "laid off" for purposes of this Section.

MASTER

3. All active road drivers at a Holland terminal from which purchased transportation is dispatched shall be protected in that dispatch day on a one-for-one basis.
 - a. Bid drivers domiciled at that location shall have their bid protected. If an employee's bid run is cancelled because purchased transportation is used for that run, he or she shall be paid for the bid run. In the event an employee's bid run is cancelled for any other reason, the employee will be offered work opportunities as they are today.
 - b. Open/Extra Board drivers domiciled at that location shall receive run-around pay in the event they are not dispatched in a day because purchased transportation is used at that location.
 - c. Foreign drivers at that location who go on rest in the dispatch day when purchased transportation is used and are not dispatched within twenty-four (24) hours shall receive an eight (8) hour guarantee in addition to any layover pay provided for in the applicable supplement.
4. If the above protections outlined in Paragraph 3 above are triggered because the board does not clear at a Holland location from which purchased transportation is dispatched, active road drivers at intermediate Holland locations between the purchased transportation provider's origin Holland terminal and destination Holland terminal shall receive the same protections on a one-for-one basis. Intermediate Holland locations for purposes of this Section shall be defined as those Holland terminals that are in the same travel direction as the applicable purchased transportation and within 50 miles of the most direct travel route from the point of dispatch to the point of destination.
5. TNFINC IN ITS SOLE DISCRETION MAY LIMIT OR DISCONTINUE THE USE OF PURCHASED TRANSPORTATION IN ANY GEOGRAPHIC AREA WHERE IT DEEMS APPROPRIATE UPON THIRTY (30) DAYS WRITTEN NOTICE TO HOLLAND. TNFINC also shall have the sole discretion to temporarily increase the percentage limitation outlined above in response to Acts of God, significant business opportunities that would benefit the bargaining unit, and other similar extraordinary circumstances.
6. Purchased transportation usage should be engineered to the fullest extent possible to minimize its use and to maximize the use of

bargaining unit employees and to allow bargaining unit employees to perform preferential runs and maximize earning opportunity.

7. Any disputes regarding PTS will be referred to the applicable Regional Joint Area Committee for resolution. If deadlocked, the issue then shall be forwarded to the National Grievance Committee.

ARTICLE 30. JURISDICTIONAL DISPUTES NO CHANGE

ARTICLE 31. MULTI-EMPLOYER, MULTI-UNION UNIT NO CHANGE

ARTICLE 32. SUBCONTRACTING NO CHANGE, EXCEPT THE FOLLOWING:

Section 8. No Autonomous Vehicles

The Employer shall not operate driverless trucks, drones, or remotely operated vehicles to move freight over public roads.

ARTICLE 33. WAGES, CASUAL RATES, PREMIUMS AND COST-OF-LIVING COLA)

*****SEE: NATIONAL SUMMARY OF ECONOMICS*****

1-General Wage Increases: All Regular Employees Wage Rates

(a) General Wage Increases: All Regular Employees

All regular employees subject to this Agreement will receive the following general wage increases:

Effective Dates	Hourly	Mileage
April 1, 2019	\$1.00 per hour	2.500 cents per mile
April 1, 2020	\$0.70 per hour	1.750 cents per mile
2021	\$0.70 per hour	1.750 cents per mile
2022	\$0.80 per hour	2.000 cents per mile
2023	\$0.80 per hour	2.000 cents per mile
Total	\$4.00 per hour	10.00 cents per mile

Annual rate increases shall be paid on the straight time wage or mileage rates currently in effect as of March 31, 2019, which shall become the new base rates. Annual rate increases beginning in 2021 and continuing through 2023 shall be split equally between April 1 and October 1 each year (e.g., \$.35 per hour / .875¢ per mile April 1, 2021 and \$.35 per hour / .875¢ per mile October 1, 2021).

(b) Non-CDL Driver Rate

The straight time hourly wage rate for employees in Non-CDL Driver positions shall be \$2.00 per hour less than the applicable CDL rate at the employee's domicile, subject to the General Wage Increases outlined in Section 1(a) above.

MASTER

2. Casual Rates

(a) City and Combination Casuals

Hourly rates for city and combination casuals (CDL required) shall increase by ~~85.80%~~ of the general wage increase for regular employees on the dates shown in Section 1 of this Article.

(b) Dock Only Casuals and Clerical Casuals

Current and future dock only casuals and clerical casuals shall be paid a rate of \$17.50 per hour, subject to the following progression:

<u>Effective first day of employment:</u>	<u>\$16.00</u>
<u>per hour</u>	
<u>Effective eighteen (18) months and one (1) day:</u>	<u>\$16.50</u>
<u>per hour</u>	
<u>Effective thirty-six (36) months and one (1) day:</u>	<u>\$17.00</u>
<u>per hour</u>	
<u>Effective fifty-four (54) months and one (1) day:</u>	<u>\$17.50</u>
<u>per hour</u>	

These rates shall remain frozen for the duration of the Agreement.

3. Utility Employee, ~~and~~ Sleeper Team, and Triples Premiums

(a) In the event an employer subject to this Agreement utilizes the employee classification, those utility employees shall receive an additional one dollar (\$1.00) per hour over and above the applicable supplemental rate.

(b) Effective April 1, 2003, the Sleeper Team Premium will be a minimum of 2 cents per mile over and above the applicable single man rates in each Supplemental Agreement.

(c) Effective April 1, 2019, the Triple Trailer Premium will be a minimum of 4 cents per mile over and above the applicable single man rates in each Supplemental Agreement.

4. Cost of Living Adjustment Clause

All regular employees shall be covered by the provisions of a cost-of living allowance as set forth in this Article.

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 published by the Bureau of Labor Statistics, U.S. Department of Labor and referred to herein as the "Index".

Effective April 1, ~~2009~~**2020**, and every April 1 thereafter during the life of the agreement, a cost-of-living allowance will be calculated on the basis of the difference between the Index for January, ~~2008~~**2019** (published February ~~2008~~**2019**) and the Index for January, ~~2009~~**2020** (published February ~~2009~~**2020**) with a similar calculation for every year thereafter, as follows:

For every 0.2 point increase in the Index over and above the base (prior year's) Index plus ~~3.05%~~, there will be a 1 cent increase in the hourly wage rates payable on April 1, ~~2009~~**2020**, and every April 1 thereafter. These increases shall only be payable if they equal a minimum of five cents (\$.05) in a year.

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.

Mileage paid employees will receive cost-of-living allowances on the basis of .25 mills per mile for each 1 cent increase in hourly wages.

In the event the appropriate Index figure is not issued before the effective date of the cost-of-living adjustment, the cost of living adjustment that is required will be made at the beginning of the first (1st) pay period after the receipt of the Index.

In the event that the Index shall be revised or discontinued and in the event the Bureau of Labor Statistics, U.S. Department of Labor, does not issue information which would enable the Employer and the Union to know what the Index would have been had it not been revised or discontinued, then the Employer and the Union will meet, negotiate, and agree upon an appropriate substitute for the Index. Upon the failure of the parties to agree within sixty (60) days, thereafter, the issue of an appropriate substitute shall be submitted to an arbitrator for determination. The arbitrator's decision shall be final and binding.

5. Education and Training

The employer will pay each regular employee that completes CDL training and certification after April 1, ~~2008~~**2019** the sum of two hundred and fifty dollars (\$250.00) **upon completion and two hundred and fifty dollars (\$250.00) after one (1) year, provided the employee remains employed by the Employer.**

6. Incentive Bonus Program

The parties recognize that the success of the Employer depends on the collective efforts of its employees. The parties also recognize that when executives are rewarded for the Employer's performance, employees covered by this Agreement should be rewarded as well. Effective January 1, 2019 and for performance beginning with calendar year 2019, and each year thereafter, employees covered by this Agreement shall be covered by an Incentive Bonus Program.

The triggers for payout under the Incentive Bonus Program shall be the same as those established annually by the Board of Directors for the Section 16 Officers of YRC Worldwide, Inc. who are required to file Form 4 insider trading documents with the SEC ("Section 16 Officers") for their non-equity incentive plan or similar annual bonus program. In the event Section 16 Officers receive non-equity incentive plan or similar annual bonus compensation, employees covered by this Agreement shall be paid under this Incentive Bonus Program as follows: for every \$1.00

MASTER

of non-equity incentive plan or similar bonus compensation paid to all Section 16 Officers, \$2.00 shall be made available for distribution to employees covered by this Agreement in the form of a one-time bonus payment. TNFINC shall be afforded the opportunity to review any and all calculations made in this regard.

In the event the Board of Directors foregoes a non-equity incentive plan or similar bonus program for Section 16 Officers for a given year and decides instead to establish an equity-based program for Section 16 Officers for a given year, a payout of \$750 under this Incentive Bonus Program shall be triggered for bargaining unit employees when the Section 16 Officers' right to the equity triggers (for example, upon the attainment of a particular stock price).

Any payments triggered under this Incentive Bonus Program shall be made within ninety (90) days of the end of the calendar year. To be eligible for a payment under the Incentive Bonus Program, an employee must work or have been paid for at least one thousand (1,000) hours in the prior calendar year and be employed by the Employer at the time of payout. In no event, however, shall employees be entitled to more than one (1) payment under this Incentive Bonus Program in any calendar year. The higher of any amounts shall be paid in that circumstance.

ARTICLE 34. GARNISHMENTS MISCELLANEOUS NATIONAL PROVISIONS

In the event of notice to an Employer of a garnishment or impending garnishment, the Employer may take disciplinary action if the employee fails to satisfy such garnishment within a seventy two (72) hour period (limited to working days) after notice to the employee. However, the Employer may not discharge any employee by reason of the fact that his earnings have been subject to garnishment for any one (1) indebtedness. If the Employer is notified of three (3) garnishments irrespective of whether satisfied by the employee within the seventy two (72) hour period, the employee may be subject to discipline, including discharge in extreme cases. However, if the Employer has an established practice of discipline or discharge with a fewer number of garnishments or impending garnishments, if the employee fails to adjust the matter within the seventy two (72) hour period, such past practice shall be applicable in those cases.

Section 1. Equal Sacrifice of Non-Bargaining Unit Employees and their Participation

The Employer agrees not to increase wages (including bonuses) and benefits of current non-bargaining unit employees (including management) as an overall percentage beyond the effective overall total compensation percentage increase to be received by the bargaining unit employees. This shall not prevent the Employer from paying variable, performance based compensation as the Employer has paid in past practice. This shall also not prevent the Employer from providing targeted increases to individual

employees if necessary, in the Employer's judgment, to operate the business so long as the overall total compensation increases are within the effective overall total compensation percentage increases to be received by the bargaining unit employees.

The rates and wages for non-union clerical employees, maintenance employees, janitors, and porters will not exceed those for equivalent union positions.

Section 2. Bankruptcy Protection

If the Employer files a Chapter 7 or Chapter 11 bankruptcy petition or is placed in involuntary bankruptcy proceedings, the Employer agrees not to file any documents or motions under Sections 1113 or 1114 of the Bankruptcy Code without the approval of TNFINC.

Section 3. Designated Officers

TNFINC will maintain its right to select, subject to the approval of the Board, two persons to the YRC Worldwide Board of Directors, consistent with existing conditions.

Section 4. Hours of Service & 34-Hour Restart

The parties recognize that there may be circumstances where CDL-qualified employees are interested in working additional hours, but do not have sufficient hours of service available in that week under the current system. The current system also can result in freight either not being serviced or being moved by a third party carrier, given the Employer's ongoing challenges recruiting and retaining CDL-qualified drivers.

This Section is intended to: 1) increase earning opportunities for bargaining unit employees on a voluntary basis; 2) decrease the need for and use of non-union contractors; and 3) allow the Employer to service customers, acquire new business and reduce backlogs. This Section will not alter the bidding or job opportunities that currently exist. Rather, this Section is intended to allow bargaining unit personnel the VOLUNTARY option of performing additional work that likely would otherwise be performed by contractors or third parties.

1. The Employer may change Department of Transportation ("DOT") logging requirements from sixty (60) hours in seven (7) days to seventy (70) hours in eight (8) days (the "70/8 Rule") for road and city operations, to the extent not in place already. In addition, the Federal Motor Carrier Safety Administration's thirty-four (34) hour restart ("34-Hour Restart") shall be available for all road and city operations.
2. The Employer may utilize the 70/8 Rule

MASTER

and/or the 34-Hour Restart only for the purpose of offering additional work opportunities to employees on a VOLUNTARY basis, in accordance with the applicable Supplement and any local agreements, work rules or practices.

3. The 70/8 Rule and the 34-Hour Restart may not be used to force or otherwise require additional hours or overtime. This Section also does not create the ability to force overtime or otherwise require additional work by CDL-qualified employees, beyond what exists in the Supplements and any local agreements, work rules or practices.
4. The 70/8 Rule and the 34-Hour Restart may not be used to restructure driving bids to cover weekend operations, absent agreement between the Employer and the applicable Local Union. Employees will not be denied their normal bids as a result of this Section, even if they decline extra work opportunities.
5. In the event an employee voluntarily accepts additional work opportunities created by the 70/8 Rule and the 34-Hour Restart, he or she shall be required to utilize the 34-Hour Restart and be available for his or her next regular shift. For example, a P&D driver who works twelve (12) hour shifts during his or her normal Monday through Friday bid and then voluntarily accepts an opportunity to work on Saturday must utilize the 34-Hour Restart to be available for his or her normal bid start time on Monday. That P&D driver shall not, however, be required to accept voluntary work opportunities created by this Section in the future. For example, the driver in the example may VOLUNTARILY accept or refuse a work opportunity on one off day and then decide to VOLUNTARILY accept or refuse a similar work opportunity the next off day: the choice is always made by the driver on a VOLUNTARY basis.

Section 5. Dock Only Positions

(a) YRC Freight & New Penn Motor Express

At those locations that do not have the ability to establish non-CDL dock only positions, non-CDL dock employees may be hired and gain seniority pursuant to the applicable Supplemental Agreement. In the event non-CDL dock only positions are established at those locations pursuant to this Section, seniority shall prevail in the

selection of terminal bid postings and a senior CDL-qualified employee shall not be restricted from selecting the bid of his/her choice, including dock bids. For example, if a bid is posted for thirty (30) driving positions and twenty-five (25) are filled, the Employer cannot force CDL-qualified employees into those openings if they utilize their seniority to bid a dock position. This Section shall not, however, modify any Supplemental Agreement, grievance decision or settlement, local agreement, local work rule, or practice governing the filling of CDL and non-CDL bids or positions. A CDL-qualified employee who takes a dock only bid shall maintain his or her CDL rate of pay and shall be required to maintain his or her CDL license.

(b) USF Holland

USF Holland historically has not had the ability to utilize employees in a non-CDL, dock only classification. As a result, dock and other non-driving work at Holland has been performed by CDL-qualified employees. While this arrangement provided certain advantages over the years, the industry-wide shortage of CDL-qualified employees has forced Holland to rely increasingly on non-union local cartage companies and other non-union third parties to deliver freight while its own CDL-qualified employees are performing non-driving work. In many instances, this is the case even though CDL-qualified employees at Holland would prefer to spend more time driving. The arrangement also created situations where employees who lose their CDL license through no fault of their own may not remain employed at Holland.

The parties recognized that this situation required a review of Holland's ability to utilize dock only positions that do not require a CDL. Making this additional resource available will permit Holland to reduce its reliance on third parties, bring work back into the bargaining unit, and improve its overall service performance. It also will provide additional opportunities for CDL-qualified employees at Holland to perform more driving work throughout the course of a shift. In addition, dock only positions will afford work opportunities for employees who through no fault of their own lose their CDL license.

To this end, Holland may establish dock-only positions where a CDL license is not required. Seniority shall continue to prevail in the selection of terminal bid postings and a senior CDL-qualified employee shall not be restricted from selecting the bid of his/her choice, including dock bids. For example, if a bid is posted for thirty (30) driving positions and twenty-five (25) are filled, the Employer cannot force CDL-qualified employees into those openings if they utilize their seniority to bid a dock position.

MASTER

A CDL-qualified employee who takes a dock only bid shall maintain his or her CDL rate of pay and shall be required to maintain his or her CDL license. Employees hired after March 31, 2019 into a dock only position who do not possess a CDL license shall be paid in accordance with the Non-CDL rate (and progression) under the contract. The Employer shall have the ability to determine the number of dock only bids at a given facility. The establishment of dock only bids shall not impact the Employer's ability to require CDL-qualified employees in driving positions to work the dock, just as it does today. In addition, dock only employees with a CDL license may in seniority order be offered opportunities to engage in driving duties as needed.

Section 6. Sliding Power

At distribution centers or breakbulk terminals road drivers on a turn or a VIA may slide power on a pre-strung or pre-hooked set to avoid delay time. Road drivers may not, however, be required to slide power at distribution centers or breakbulk terminals when going onto or coming off of rest. In addition, the ability of road drivers to slide power at these terminals may not be utilized to change hostling or switching bids or decline to fill open hostling or switcher positions.

ARTICLE 35.
NO CHANGE, EXCEPT THE FOLLOWING:

No employee shall be subjected to random drug/alcohol testing unless required by applicable law.

ARTICLE 36. NEW ENTRY (NEW HIRE) RATES

***** REFER TO NATIONAL ECONOMIC SUMMARY*****

Full-Time New Hire Wage Progression and Casual Rates

A. CDL Qualified Driver or Mechanics

The new hire wage progression for regular, full-time CDL-qualified employees and shop mechanics hired after ratification shall be as follows:

<u>Effective First Day of Employment:</u>	<u>90% of the Applicable Wage Rate</u>
<u>Effective First Day plus One (1) Year:</u>	<u>95% of the Applicable Wage Rate</u>
<u>Effective First Day plus Two (2) Years:</u>	<u>100% of the Applicable Wage Rate</u>

Regular, full-time employees in these two categories who currently are in progression also shall be moved to one hundred percent (100%) of the applicable wage rate effective April 1, 2019.

With the approval of TNFINC, the Employer shall have the ability to increase the applicable wage rate at individual locations if the Employer determines in its

discretion that doing so is necessary to attract and retain qualified employees. In the event the Employer decides to exercise this option, it shall provide advance notice to TNFINC in writing.

B. Non-CDL Qualified Employees

The top rate for clerical employees, non-CDL dock employees, maintenance employees, janitors, and porters hired after February 7, 2014 shall be increased from \$18.00 per hour to \$19.00 per hour effective April 1, 2019, subject to the following progression:

<u>Effective First Day of Employment:</u>	<u>\$17.00 per hour</u>
<u>Effective First Day Plus One (1) Year:</u>	<u>\$18.00 per hour</u>
<u>Effective First Day Plus Two (2) Years:</u>	<u>\$19.00 per hour</u>

These rates shall increase by an additional \$.50 per hour effective April 1 of 2020 and 2021 and by an additional \$.25 per hour effective April 1 of 2022 and 2023. These rates do not apply to shop mechanics and employees in Non-CDL driving positions.

ARTICLE 37. NON-DISCRIMINATION ***NO CHANGE***

ARTICLE 38.
NO CHANGE, EXCEPT THE FOLLOWING:

Section 1. Sick Leave

Effective April 1, 1980 and thereafter, all Supplemental Agreements shall provide for five (5) days of sick leave per contract year.

Sick leave not used by ~~March~~ **December** 31 of any ~~contract~~ **calendar** year will be paid on ~~March~~ **January** 31 at the applicable hourly rate in existence on that date. Each day of sick leave will be paid for on the basis of eight (8) hours' straight-time pay at the applicable hourly rate.

Sick leave will be paid to eligible employees beginning on the third (3rd) working day of absence due to sickness or accident except where the employee is hospitalized prior to that date when it will be paid beginning on the date of hospitalization.

Effective January 1, 2009, the accrual and cash out dates for sick leave will become April 1 to January 1. As an example, employees will be entitled to cash out accrued unused sick leave on April 1, 2008, and will accrue an additional 5 days sick leave between April 1, 2008, and December 31, 2008, and will be entitled to cash out any unused sick leave on January 1, 2009. In addition, no employee will lose their entitlement to the cash out of unused sick leave on January 1, 2009, because they were not able to satisfy the present eligibility provision of having received 90 days of compensation during the shorten qualifying period of April 1, 2008, through December 31, 2008.

The additional sick leave days referred to above shall also be included in those Supplements containing sick leave provisions prior to April 1, 1976. The National Negotiating Committees may develop rules and

MASTER

regulations to apply to sick leave provisions negotiated in the 1976 Agreement and amended in this Agreement uniformly to the Supplements. The Committee shall not establish rules and regulations for sick leave programs in existence on March 31, 1976.

In the event a state or local law requires employees to receive sick leave benefits greater than those contained herein, the Employer shall be responsible for providing such benefits above those contained herein at no cost to the employee. Any such requirements shall be in addition to the contractually guaranteed sick time. For example, if an employee is contractually entitled to five (5) sick days and the law requires that the employee receive eight (8) days, he or she shall receive the five (5) contractual days and the three (3) additional days required by law. The employee in this example shall not receive a total of thirteen (13) days.

Section 2. Jury Duty

Effective April 1, 2003, all regular employees called for jury duty will ~~receive the difference between~~ **be paid** eight (8) hours pay at the applicable hourly wage ~~and actual payment received~~ for jury service for each day of jury duty to a maximum of fifteen (15) days pay for each contract year.

Section 3. Family and Medical Leave Act

The Employer may not force an employee to use pre-scheduled vacation time as FMLA leave, provided the vacation involved was prescheduled in accordance with the applicable supplemental agreement. **The Employer may not force an employee to take the last unscheduled week of vacation as FMLA leave.**

The Employer may not force an employee who has taken separate hours of unpaid leave for medical reasons to substitute those hours as accrued leave under the FMLA.

The Employer may not force an employee to substitute accrued leave for FMLA leave if the employee is receiving supplemental loss-of-time disability benefits from a benefit plan under the Agreement.

All locations and terminals of any Employer covered by this Agreement shall be required to comply with this Article regardless of their size.

Section 4. Discipline or Suspension

Any warning letters or notices that the Employer is required to send to the Local Union under a Discipline or Suspension Article(s) in a Supplemental Agreement may be sent by e-mail in lieu of conventional postal delivery.

ARTICLE 39. DURATION

NO CHANGE, EXCEPT THE FOLLOWING:

Section 1.

This Agreement shall be in full force and effect from April 1, ~~2008~~**2019** to and including March 31, ~~2013~~**2024**, and shall continue from year to year thereafter unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other at least sixty (60) days prior to date of expiration.

When notice of cancellation or termination is given under this Section, the Employer and the Union shall continue to observe all terms of this Agreement until impasse is reached in negotiations, or until either the Employer or the Union exercise their rights under Section 3 of this Article.

Section 2.

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 March 31, ~~2013~~**2024** or March 31st of any subsequent contract year, advising that such party desires to revise or change terms or conditions of such Agreement.

Section 3.

The Teamsters National Freight Industry Negotiating Committee, as representative of the Local Unions or the signatory Employer or the authorizing Employer Associations, shall each have the right to unilaterally determine when to engage in economic recourse (strike or lockout) on or after April 1, ~~2013~~**2024**, unless agreed to the contrary.

Section 4.

Revisions agreed upon or ordered shall be effective as of April 1, ~~2013~~**2024** or April 1st of any subsequent contract year.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this day of _____, ~~2008~~**2019** to be effective April 1, ~~2008~~**2019**, except as to those areas where it has been otherwise agreed between the parties.

**NEGOTIATING COMMITTEES
FOR THE LOCAL UNIONS:
TEAMSTERS NATIONAL FREIGHT INDUSTRY
NEGOTIATING COMMITTEE**

[INSERT NAMES]

**FOR THE EMPLOYERS:
YRC Worldwide, Inc.**

[INSERT NAMES]

MASTER

ADDENDUM A

Termination of Prior MOUs

Since 2008, the Employers and TNFINC have been signatory to a series of agreements designed and intended to provide the Employers with the opportunity to restructure, stabilize, and provide job security and work opportunities to Teamster members. The Employers recognize that the Teamster-represented bargaining unit has made tremendous sacrifices in this regard. The parties now desire to return to a more traditional collective bargaining relationship and format. To that end, the following agreements (collectively the MOUs) between the parties are terminated with respect to the Employers:

- Extension of the Agreement for the Restructuring of the YRC Worldwide Inc. Operating Companies
- Agreement for the Restructuring of the YRC Worldwide, Inc. Operating Companies
- Amended and Restated Memorandum of Understanding on the Job Security Plan
- Memorandum of Understanding on the Wage Reduction – Job Security Plan

Likewise, the MOU Subcommittee is terminated. Practices in effect as of March 31, 2019 shall, however, remain with respect to the following items except as otherwise agreed:

- Hostling across job classifications
- Breaks, start times, and scheduling
- Road driver performance of drops and hooks and drops and picks en-route
- Pre-stringing of trailers

Any and all grievances and interpretations arising out of the new collective bargaining agreement and applicable supplements, under the prior MOUs, or any other agreements between the parties concerning terms and conditions of employment shall be addressed under the traditional methods outlined in the collective bargaining agreement. Prior decisions and interpretations of the MOU Subcommittee shall, however, remain in effect.

Economic conditions and other terms and conditions of employment shall be set forth in the new collective bargaining agreement. Future raises and other increases shall not be subject to the 15% reduction.

No current employee shall suffer a reduction in wage rate as a result of this Agreement.

MASTER

ADDENDUM B
NATIONAL UNIFORM ATTENDANCE POLICY

The parties recognize that the vast majority of employees report for work when scheduled and do not have an attendance problem. The parties further recognize, however, that absenteeism among even a small group of employees is detrimental to the Employer's operations. For this reason, the parties adopt the following National Uniform Attendance Policy. The parties agree that the purpose of attendance disciplinary action is to correct an employee's behavior. *This Policy is, therefore, intended to be applied flexibly and fairly, giving due consideration to all circumstances.* Continued disregard of attendance obligation will result in discharge if the employee fails to change the behavior.

Disciplinary Progressions for Absenteeism or Tardiness:

<u>First Offense:</u>	<u>Verbal Warning</u>
<u>Second Offense:</u>	<u>Warning Letter</u>
<u>Third Offense:</u>	<u>One (1) Day Suspension</u>
<u>Fourth Offense:</u>	<u>Three (3) Day Suspension</u>
<u>Fifth Offense:</u>	<u>Discharge</u>

Progressions will be followed in all instances unless extraordinary circumstances dictate an accelerated or decelerated progression. Examples of an accelerated progression would be No Call/No Shows or blatant abuse of time off. An example of decelerated progression would be a long time period between absences.

Discipline may be issued on all unexcused absences. Committees may consider timely, bona fide, verifiable doctors excuses in determining the validity of disciplinary action. Proper communication on all absences is the employee's responsibility.

The Employer may discharge an employee who has received two letters of suspension as long as the letters resulted in agreed to or a committee's action discipline.

Disputes concerning the application of this Policy shall be subject to the grievance procedure.

MASTER

**2019 NATIONAL MASTER
FREIGHT AGREEMENT NEGOTIATIONS
NATIONAL ECONOMIC SETTLEMENT**

Note: The general hourly, mileage and other benefit modifications are as follows and shall be applied in accordance with the appropriate Area Supplement. No current employee shall suffer a reduction in wage rate as a result of this Agreement.

1. Wage Rates

(a) General Wage Increases: All Regular Employees

Effective Dates	Hourly	Mileage
April 1, 2019	\$1.00 per hour	2.50¢ per mile
April 1, 2020	\$.70 per hour	1.750¢ per mile
2021	\$.70 per hour	1.750¢ per mile
2022	\$.80 per hour	2.00¢ per mile
2023	\$.80 per hour	2.00¢ per mile
TOTAL:	\$ 4.00 per hour	10.00¢ per mile

Annual rate increases shall be paid on the straight time wage or mileage rates currently in effect as of March 31, 2019, which shall become the new base rates. Annual rate increases beginning in 2021 and continuing through 2023 shall be split equally between April 1 and October 1 each year (e.g., \$.35 per hour / .875¢ per mile April 1, 2021 and \$.35 per hour / .875¢ per mile October 1, 2021).

(b) Non-CDL Driver Rate

The straight time hourly wage rate for employees in Non-CDL Driver positions shall be \$2.00 per hour less than the applicable CDL rate at the employee’s domicile, subject to the General Wage Increases outlined in Section 1(a) above.

(c) Non-CDL Rate

The top rate for clerical employees, non-CDL dock employees, maintenance employees, janitors, and porters hired after February 7, 2014 shall be increased from \$18.00 per hour to \$19.00 per hour effective April 1, 2019, subject to the following progression:

Effective First Day of Employment:	\$17.00 per hour
Effective First Day Plus One (1) Year:	\$18.00 per hour
Effective First Day Plus Two (2) Years:	\$19.00 per hour

These rates shall increase by an additional \$.50 per hour effective April 1 of 2020 and 2021 and by an additional \$.25 per hour effective April 1 of 2022 and 2023. These rates do not apply to shop mechanics and employees in Non-CDL driving positions.

2. New Hire Progression

The new hire wage progression for regular, full-time CDL-qualified employees and shop mechanics hired after ratification shall be as follows:

Effective First Day of Employment:	90% of the Applicable Wage Rate
Effective First Day plus One (1) Year:	95% of the Applicable Wage Rate
Effective First Day plus Two (2) Years:	100% of the Applicable Wage Rate

MASTER

Regular, full-time employees in these two categories who currently are in progression also shall be moved to one hundred percent (100%) of the applicable wage rate effective April 1, 2019.

Effective April 1, 2019, CDL-qualified employees hired into driving positions who are not currently on the seniority list at a carrier covered by this Agreement, but who for two (2) or more years regularly performed CDL-required driving work for a carrier covered by this Agreement, shall be compensated at one hundred percent (100%) of the full contract rate provided they have not had a break in service in excess of three (3) years.

With the approval of TNFINC, the Employer shall have the ability to increase the applicable wage rate at individual locations if the Employer determines in its discretion that doing so is necessary to attract and retain qualified employees. In the event the Employer decides to exercise this option, it shall provide advance notice to TNFINC in writing.

3. Casual Rates

(a) **City and Combination Casuals**

Hourly rates for city and combination casuals (CDL required) shall increase by 85% of the general wage increase for regular employees on the dates shown.

(b) **Dock Only Casuals and Clerical Casuals**

Current and future dock only casuals and clerical casuals shall be paid a rate of \$17.50 per hour, subject to the following progression:

Effective first day of employment:	\$16.00 per hour
Effective eighteen (18) months and one (1) day:	\$16.50 per hour
Effective thirty-six (36) months and one (1) day:	\$17.00 per hour
Effective fifty-four (54) months and one (1) day:	\$17.50 per hour

These rates shall remain frozen for the duration of the Agreement.

4. Triples Premium

Modify Article 33, Section 3 to add a new sub-section (c):

Article 33. Section 3. Utility Employee, and Sleeper Team, and Triples Premiums

(a) Effective April 1, 2008 and in the event an Employer subject to this Agreement utilizes the Utility Employee classification, each Utility Employee shall receive an hourly premium of \$1.00 per hour over the highest rate the Employer pays to local cartage drivers under the Supplemental Agreement covering the Utility Employee's home domicile.

(b) Effective April 1, 2003, the Sleeper Team Premium will be a minimum of 2 cents per mile over the above applicable single man rates in each Supplemental Agreement.

(c) Effective April 1, 2019, the Triple Trailer Premium will be a minimum of 4 cents per mile over and above the applicable single man rates in each Supplemental Agreement.

5. Cost of Living Adjustment Clause

Modify the third and fourth paragraphs of Article 33, Section 4 as follows:

MASTER

Effective April 1, 2020, and every April 1 thereafter during the life of the Agreement, a cost-of-living allowance will be calculated on the basis of the difference between the Index for January, 2019, (published February, 2019) and the index for January, 2020 (published February, 2020) with a similar calculation for every year thereafter, as follows:

For every 0.2 point increase in the Index over and above the base (prior year's) Index plus 3.5%, there will be a 1 cent increase in the hourly wage rates payable on April 1, 2020, and every April 1 thereafter. These increases shall only be payable if they equal a minimum of five cents (\$.05) in a year.

6. Vacation

The one (1) week vacation reduction for employees with four (4) or more weeks of vacation shall be eliminated, effective for vacation earned in 2018 and to be taken or paid in 2019 in accordance with the vacation provisions of the applicable Supplement.

Vacation shall be paid in accordance with the contract language or practice in effect prior to February 7, 2014. Chicago Area locals shall likewise return to their prior accrual and payout methods.

Employees shall have the option of receiving pay in lieu of vacation. The payout of accrued vacation will be in one (1) week increments.

For employees hired after ratification, vacation shall be paid at forty (40) hours for the first three (3) years of employment as applied and in accordance with the applicable supplement.

7. Health & Welfare Contributions

The Employer shall continue to contribute to the same Health and Welfare Funds it was contributing to as of March 31, 2019 and abide by each Fund's rules and regulations. The Employer shall execute all documents and participation agreements required by each Fund to maintain participation. The Employer shall continue to contribute at the rates required as of March 31, 2019 as determined by the applicable Fund.

Effective August 1, 2019 and each August 1 thereafter during the life of the Agreement, the Employer shall increase its contribution by the amount determined by the Funds, as being necessary to maintain benefits and/or comply with legally mandated benefit levels, not to exceed an increase of up to \$0.50 per hour (or weekly/monthly equivalent) per year.

August 1, 2019	\$.50 per hour
August 1, 2020	\$.50 per hour
August 1, 2021	\$.50 per hour
August 1, 2022	\$.50 per hour
August 1, 2023	\$.50 per hour

Once a Fund issues a determination that an increase is reasonably necessary to maintain benefits in a given year, the increase shall become due and owing upon written notice from the Fund to the Employer, provided the combined Health and Welfare increase does not exceed \$0.50 per hour. The Article 20 approval process is no longer required. If the Employer refuses to honor a request for an increase from the applicable Fund, the matter shall proceed directly to the National Grievance Committee for consideration. If the National Grievance Committee deadlocks, the request of the Fund shall prevail and be honored by the Employer. Failure to comply within seventy-two (72) hours shall constitute an immediate delinquency.

For the funds listed below, however, the following guaranteed contribution rate increases shall apply, regardless of need:

MASTER

- Central Pennsylvania Teamsters Health & Welfare Fund
- Central States, Southeast and Southwest Areas, Health and Welfare Fund
- Local 705 International Brotherhood of Teamsters Health & Welfare Plan
- Local 710 International Brotherhood of Teamsters Health & Welfare Plan
- Michigan Conference of Teamsters Welfare Fund
- Suburban Teamsters of Northern Illinois Welfare Fund
- Teamsters Health and Welfare Fund of Philadelphia and Vicinity
- Western Teamsters Welfare Trust

August 1, 2019	\$.40 per hour
August 1, 2020	\$.42 per hour
August 1, 2021	\$.45 per hour
August 1, 2022	\$.50 per hour
August 1, 2023	\$.50 per hour

Monthly, daily and/or weekly contributions shall be converted from the hourly contributions in accordance with past practice.

The trigger in all Supplements for qualifying for a week's health and welfare contribution will remain three (3) days, except for Supplements that have a longer requirement. Those Supplements on an hourly contribution will continue their respective practices. The trigger for the obligation to make health & welfare contributions in Supplements that provide for a monthly-based contribution shall remain the same.

8. Pension Contributions

The Employer shall continue to make contributions to the applicable pension funds or 401(k) plan at the rate in effect as of March 31, 2019 for the duration of the agreement, under the terms/conditions currently in effect. The Employer shall execute all documents and participation agreements required by each Fund to maintain participation. To the extent any pension fund has a duly adopted funding improvement plan or rehabilitation plan that requires contribution rate increases from the Employer, such contribution rate increases shall be payable up to a maximum of eight percent (8%) annually. For purposes of employees covered by Western States Supplements on whose behalf contributions are made into the Teamsters-National 401(k) Savings Plan, the contribution rate shall be increased annually by the weighted average of the pension contribution rate increases in that year pursuant to the above.

Affected Locals shall maintain their "one punch" rule for pension contributions.

If any Pension Fund rejects this Agreement because of the Employer's level of contributions and terminates the Employer's participation in the Fund, the contract shall be reopened and TNFINC shall have the right to take economic action in support of its position.

The following language shall be added to Article 27 of the NMFA:

In the event pension legislation is enacted that directly impacts the Employer's contribution obligations, results in the reduction of employees' benefits or accruals, or requires employees to contribute to their pensions, the provisions of this Article 27 shall apply – including the right to take economic action.

MASTER

9. **Education and Training**

Modify Article 33, Section 5 as follows:

The Employer will pay each regular employee that completes CDL training and certification after April 1, 2019 the sum of two-hundred and fifty dollars (\$250.00) upon completion and two-hundred and fifty dollars (\$250.00) after one (1) year, provided the employee remains employed by the Employer.

10. **Bonus Program**

The Profit Sharing Bonus program outlined in the 2014 Extension Agreement shall be eliminated and replaced with the following:

Article 33. Section 6. Incentive Bonus Program

The parties recognize that the success of the Employer depends on the collective efforts of its employees. The parties also recognize that when executives are rewarded for the Employer's performance, employees covered by this Agreement should be rewarded as well. Effective January 1, 2019 and for performance beginning with calendar year 2019, and each year thereafter, employees covered by this Agreement shall be covered by an Incentive Bonus Program.

The triggers for payout under the Incentive Bonus Program shall be the same as those established annually by the Board of Directors for the Section 16 Officers of YRC Worldwide, Inc. who are required to file Form 4 insider trading documents with the SEC ("Section 16 Officers") for their non-equity incentive plan or similar annual bonus program. In the event Section 16 Officers receive non-equity incentive plan or similar annual bonus compensation, employees covered by this Agreement shall be paid under this Incentive Bonus Program as follows: for every \$1.00 of non-equity incentive plan or similar bonus compensation paid to all Section 16 Officers, \$2.00 shall be made available for distribution to employees covered by this Agreement in the form of a one-time bonus payment. TNFINC shall be afforded the opportunity to review any and all calculations made in this regard.

In the event the Board of Directors foregoes a non-equity incentive plan or similar bonus program for Section 16 Officers for a given year and decides instead to establish an equity-based program for Section 16 Officers for a given year, a payout of \$750 under this Incentive Bonus Program shall be triggered for bargaining unit employees when the Section 16 Officers' right to the equity triggers (for example, upon the attainment of a particular stock price).

Any payments triggered under this Incentive Bonus Program shall be made within ninety (90) days of the end of the calendar year. To be eligible for a payment under the Incentive Bonus Program, an employee must work or have been paid for at least one thousand (1,000) hours in the prior calendar year and be employed by the Employer at the time of payout. In no event, however, shall employees be entitled to more than one (1) payment under this Incentive Bonus Program in any calendar year. The higher of any amounts shall be paid in that circumstance.

11. **Duration**

April 1, 2019 through March 31, 2024.

12. **Equal Sacrifice of Non-Bargaining Unit Employees and their Participation (Article 34, New Section)**

MASTER

The Employer agrees not to increase wages (including bonuses) and benefits of current non-bargaining unit employees (including management) as an overall percentage beyond the effective overall total compensation percentage increase to be received by the bargaining unit employees. This shall not prevent the Employer from paying variable, performance based compensation as the Employer has paid in past practice. This shall also not prevent the Employer from providing targeted increases to individual employee if necessary, in the Employer's judgment, to operate the business so long as the overall total compensation increases are within the effective overall total compensation percentage increases to be received by the bargaining unit employees.

The rates and wages for non-union clerical employees, maintenance employees, janitors, and porters will not exceed those for equivalent union positions.

13. Bankruptcy Protection (Article 34, New Section)

If the Employer files a Chapter 7 or Chapter 11 bankruptcy petition or is placed in involuntary bankruptcy proceedings, the Employer agrees not to file any documents or motions under Sections 1113 or 1114 of the Bankruptcy Code without the approval of TNFINC.

14. Designated Officers (Article 34, New Section)

TNFINC will maintain its right to select, subject to the approval of the Board, two persons to the YRC Worldwide Board of Directors, consistent with existing conditions.

Termination of MOUs

The following addendum shall be added to the NMFA:

Addendum A to the 2019-2024 National Master Freight Agreement

Termination of Prior MOUs

Since 2008, the Employers and TNFINC have been signatory to a series of agreements designed and intended to provide the Employers with the opportunity to restructure, stabilize, and provide job security and work opportunities to Teamster members. The Employers recognize that the Teamster-represented bargaining unit has made tremendous sacrifices in this regard. The parties now desire to return to a more traditional collective bargaining relationship and format. To that end, the following agreements (collectively the MOUs) between the parties are terminated with respect to the Employers:

- Extension of the Agreement for the Restructuring of the YRC Worldwide Inc. Operating Companies
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- Amended and Restated Memorandum of Understanding on the Job Security Plan
- Memorandum of Understanding on the Wage Reduction – Job Security Plan

Likewise, the MOU Subcommittee is terminated. Practices in effect as of March 31, 2019 shall, however, remain with respect to the following items except as otherwise agreed:

MASTER

- Hostling across job classifications
- Breaks, start times, and scheduling
- Road driver performance of drops and hooks and drops and picks en-route
- Pre-stringing of trailers

Any and all grievances and interpretations arising out of the new collective bargaining agreement and applicable supplements, under the prior MOUs, or any other agreements between the parties concerning terms and conditions of employment shall be addressed under the traditional methods outlined in the collective bargaining agreement. Prior decisions and interpretations of the MOU Subcommittee shall, however, remain in effect.

Economic conditions and other terms and conditions of employment shall be set forth in the new collective bargaining agreement. Future raises and other increases shall not be subject to the 15% reduction.

No current employee shall suffer a reduction in wage rate as a result of this Agreement.

Mitch Lilly
Senior Vice President
Labor & Employee Relations
YRC Worldwide
10990 Roe Avenue
Overland Park, KS 66211
Phone 913 344 3361
www.yrcw.com



March 27, 2019

Ernie Soehl
National Freight Director
International Brotherhood of Teamsters
25 Louisiana Avenue NW
Washington, DC 20001

Re: Letter of Commitment Concerning YRCW and HENRY Logistics

Dear Mr. Soehl,

As you know, YRC Worldwide, Inc. (YRCW) in late 2018 introduced HENRY Logistics – a freight brokerage company and customer-facing transportation system established to compliment and grow our existing less-than-truckload (LTL) operating companies. The myHENRY TMS system is designed to provide a more integrated, seamless customer portal into the LTL service offerings across YRC Freight, USF Holland, New Penn Motor Express, and USF Reddaway. HENRY Logistics was built to service those customer needs that fall outside of our existing networks or capabilities and provide customers with the opportunity to place freight through our family of companies, rather than turning to a third-party. The goal with HENRY Logistics is to strengthen our customer relationships, increase the amount of freight being hauled on our trucks, and generate revenue to support our operating companies.

This letter is to confirm YRCW's commitment to TNFINC that it will not utilize HENRY Logistics to divert LTL freight and related bargaining unit work away from YRC Freight, USF Holland, New Penn Motor Express, or USF Reddaway. YRCW recognizes that the preservation, protection and growth of bargaining unit work is a fundamental tenet of the collective bargaining relationship between TNFINC and the various operating companies. To that end, HENRY Logistics' only LTL offerings will be YRC Freight, USF Holland, New Penn Motor Express, and USF Reddaway. In addition, YRCW on behalf of itself and HENRY commits that it will look to these LTL companies first before placing any other type of freight (i.e. of the type not previously handled) and will seek opportunities to have our carriers handle this non-LTL freight where possible. With respect to customer service work performed by bargaining unit employees, that work will continue going forward. Bargaining unit employees will continue to quote and track shipments for customers and perform the same type of duties as historically performed.

This commitment runs concurrently with the NMFA and any successor agreements. In the event there are growth or other business opportunities that would benefit the bargaining unit but would require HENRY Logistics to place freight on other LTL carriers, the Company agrees that it must first obtain TNFINC's approval in advance.

Finally, I would like to invite you and members of our team to visit HENRY Logistics and observe how it operates – consistent with the above. In the meantime, please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Mitchell Lilly".

Mitch Lilly
Senior Vice President, Labor & Employee Relations