

AGREEMENT BETWEEN

US FOODS, INC.

LOS ANGELES, CA

AND

I.B.T. LOCALS

848, 630, 542, 87 & 986

(Drivers, Maintenance, Warehouse, and
Office/Clerical)

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US FOODS, INC.

AGREEMENT

Effective October 4, 2020 to October 3, 2026, inclusive

PREAMBLE

This Agreement is entered into effective as of the 4th day of October 2020, by and between US Foods, Inc., La Mirada Division (hereinafter "Employer"), and Teamsters Union Locals 848, 630, 542, 87 and 986 chartered by the International Brotherhood of Teamsters, (hereinafter collectively referred to as the "Union") covering the job classifications set forth in Schedules A, B, C, and D attached hereto, and shall expire at 12:00 midnight on October 3, 2026.

All provisions in the expired collective bargaining agreement, as well as any side letters, are null and void, and are replaced by the collective bargaining agreement provisions contained herein.

ARTICLE 1 — EMPLOYEES COVERED AND BARGAINING AGENCY

- A. This Agreement shall cover and apply to employees of the Employer employed in the job classifications set forth in Schedules A, B, C, and D attached hereto at the Employer's places of business located at: (a) 15155 Northam Street, La Mirada, California; (b) Bakersfield Resident Yard, Yard 5, 5800 State Road, Bakersfield, CA; (c) Lancaster Resident Yard, 205 West Avenue H-6, Lancaster, CA; (d) San Luis Obispo Resident Yard, Souza Construction, 4027 Santa Fe Rd., San Luis Obispo, CA 93401; (e) North Hollywood Resident Yard, 7131 Tujunga Avenue, Los Angeles, CA 91605; (f) San Diego Resident Yard, 7370 Mission Gorge Road, San Diego, CA 92120; (g) Fontana Resident Yard 14561 Merrill Ave., Fontana CA 92335; and (h) Oxnard Resident Yard, 700 Maulhardts Ave., Oxnard, CA 93030.
- B. The Employer hereby recognizes the Union as the sole collective bargaining agent and representative of all employees as identified in Subsection A above and the schedules attached hereto covered by this Agreement and no employee covered herein shall be subject to an individual agreement.

ARTICLE 2 — EMPLOYEE DEFINITION

- A. An employee shall be considered a regular employee after completion of at least ninety (90) days continuous service with the Company, except as modified in Article 13.
- B. Employees hired by the Company shall be probationary for their first ninety (90) days of continuous service. In no event shall any employee be laid off during such probationary period to avoid his classification as a regular employee.
- C. During the probationary period, a probationary employee may be discharged for any reason deemed sufficient by the Employer and such discharge shall not be subject to the grievance procedure.
- D. Should any probationary employee have a break in service for three (3) or more consecutive days, the remainder of the ninety (90) day probationary period will recommence following the employee's return to work.

ARTICLE 3 — UNION SECURITY

- A. It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the effective date of this Agreement shall remain members in good standing, and those who are not members on the effective date of the Agreement shall, on the thirty-first (31st) calendar day following the effective date of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after its effective date shall, on the thirty-first (31st) calendar day following the beginning of such employment, become and remain members in good standing in the Union.
- B. The Employer agrees to notify the Union promptly of all terminations and hires.
- C. The Employer agrees to deduct monthly from the wages of each employee covered by this Agreement, upon signed authorization therefor, such employee's Union dues and assessments and monthly dues owing to the Union as a result of membership therein, and shall forward said dues to the Union's Secretary Treasurer.

All such deductions shall be made from the first paycheck of each month, and all sums to be deducted shall be remitted to the Secretary-Treasurer of the Local Union no later than the twentieth (20th) day of each calendar month. All checks shall be made payable to the Teamsters, in accordance with written notification from the Union to the Employer.

In the event of an overcharge to the employee in the aforementioned deductions by the Employer and such over-charge has been remitted to the Local Union, the Local Union shall be responsible for the adjustment of such claims with the employee involved. In the event of an undercharge by the Employer, under similar circumstances as those indicated above, the Employer shall make the additional necessary deductions on the next succeeding pay period and immediately remit the amount of such undercharge to the Secretary-Treasurer of the Local Union.

The Union agrees to indemnify the Employer and make it whole against any claims or actions arising out of the deductions and remittance of the Union fees and/or monthly dues.

- D. When new or additional employees are needed, the Company shall notify the Union of the number and classification of employees needed. The Company shall choose between the nominees of the Union, if any, and any other candidates, based upon their respective qualifications.

ARTICLE 4 — COMPANY SECURITY

- A. Each of the parties hereto warrants that it is under no disability of any kind that will prevent it from completely carrying out and performing each and all of the provisions of this Agreement, and further that it will not take any action of any kind that will prevent or impede it in the complete performance of each and every provision hereof.
- B. This Agreement contains all of the covenants, stipulations and provisions agreed upon by the parties hereto, and no representative of either party has authority to make and none of the parties shall be bound by, any statement representation or agreement reached prior to or subsequent to the signing of this Agreement, and not set forth herein.

ARTICLE 5 — PLANT MANAGEMENT AND DIRECTION OF PERSONNEL

- A. The Employer retains, solely and exclusively, all the rights, powers and authority which it exercised or possessed prior to the execution of this Agreement, except as specifically abridged by an express provision of this Agreement. Without limiting the generality of the foregoing, the rights, powers and authority retained solely and exclusively by the Employer and not abridged by this Agreement include, but are not limited to, the following: To manage, direct and maintain the efficiency of its business and personnel; to manage and control its departments, buildings, facilities and operations; to create, change, combine or abolish jobs, departments and facilities in whole or in part; to discontinue work; to direct the work force; to increase or decrease the work force and determine the number of employees needed; to hire, transfer, promote, demote, suspend, discharge and maintain the discipline and efficiency of its employees; to lay off employees; to establish work standards, schedules of operation and workloads; to specify or assign work

requirements and require overtime, to assign work and decide which employees are qualified to perform work; to schedule and change working hours, shifts and days off; to adopt rules of conduct and safety rules, and penalties for violation thereof; to determine the type and scope of work to be performed and the services to be provided; to determine the methods, processes, means and places of providing services; to determine the location and relocation of facilities; and to effect technological changes. The Employer maintains the right to change or discontinue weekly delivery route schedules as business conditions dictate.

ARTICLE 6 — BULLETIN BOARD AND UNION VISITS

- A. The Employer shall provide boards which shall be used exclusively for authorized union notices.
- B. It is mutually agreed that there will be no interference by the Union with the work of any employee covered by this Agreement during the regular working hours of said employee, except that the Employer agrees to grant to any official representative of the Union access to the plant and the right to discuss any grievance or problem arising under the terms of this Agreement with any employee during working hours, after first having been notified by said representative of such desire.
- C. The shop steward shall be a working employee, selected by the Union, who shall, in addition to his regularly assigned work, be permitted to perform, during working hours, such duties as may be required in attempting to resolve disputes prior to the application of the grievance procedure. The Union agrees that such duties shall be performed as expeditiously as possible and the Employer agrees to allow shop stewards a reasonable amount of time for the performance of such duties. The steward shall not be paid for any time outside of the steward's regularly scheduled work hours spent performing steward duties.
- D. All emergency telephone calls shall be relayed immediately to the employees.

ARTICLE 7 — SUBCONTRACTING OF WORK

It is the intent of the parties to this Agreement that the wages, hours, working conditions and fringe benefits embodied herein, which have been arrived at through the years of collective bargaining shall be preserved and maintained. It is also the intent of the parties that work presently being performed by employees covered by this Agreement will continue to be performed by employees within the bargaining unit covered by this Agreement. In this regard, industry practices that are not otherwise in conflict with this Agreement and were in effect July 1, 1958, may continue without interference or restraint including the Employer's right to discontinue any job, department or operations.

ARTICLE 8 — STRIKES, PICKETING AND BOYCOTTS

- A. 1. During the term of this Agreement, or any extension of this Agreement, the Employer shall not lock out its employees covered by this Agreement, and no strike (specifically including any sympathy strike) shall be engaged in, participated in, caused, or sanctioned by the Union or its members. Neither the Union nor any of its members, agents or representatives, nor any employee, shall call, cause, authorize, instigate, participate in, aid, condone, encourage, ratify or engage in, any sit-down, stay-in or other strike, sympathy strike, picketing, walkout, slowdown, or work stoppage, or any other interference with production, or stoppage of work, or publicize by any means whatsoever that the Employer is unfair or that there is a dispute between the Employer and any labor organization, or prevent or attempt to prevent the access of persons to the Employer's plants, equipment or product for any reason whatsoever, or interfere or attempt to interfere with the Employer's materials, equipment or products for any reason whatsoever. The Union will not cause or engage in, nor will any member, agent or representative of the Union or any employee take part in, any boycott of any kind directed against the Employer or the products processed or manufactured by the Employer, any sympathy strike or wildcat strike, or any other economic action detrimental to the Employer.
2. Employees shall be permitted to observe a lawful primary picket line provided that (1) the picket line has been officially sanctioned by the Joint Council of Teamsters No. 42 and (2) the Union gives the Company prior written notice at least seventy-two (72) hours before the picket line is established and an employee is permitted to observe the picket line. Employees will be required to cross the picket line until the Union gives the Company the written notice provided herein and until seventy-two (72) hours have expired after the written notice has been given.
- B. The prohibitions of Subsection "A" of this Article shall apply whether or not the dispute giving rise to the prohibited conduct is subject to arbitration. Furthermore, neither the violation of any provision of this Agreement by the Employer, nor the commission of any act by the Employer constituting or alleged to constitute an unfair labor practice, or a violation of any state or federal law, shall excuse the Union, or any of its members, agents or representatives, or any employee from their obligations under the provisions of Subsection "A" of this Article.
- C. In the event of an alleged violation or violations of any provision of Subsection "A" of this Article by the Union, its members, agents or representatives, or by any employee:
1. Any such employee shall be subject to discipline up to and including discharge; and

2. The Union shall direct such employees to resume normal operations immediately.
- D. The Employer and the Union shall be entitled to all appropriate remedies for any breach of the foregoing provisions, including but not limited to injunctive relief and damages, whether or not the dispute giving rise to the conduct which violates such section is subject to arbitration.

ARTICLE 9 — JURISDICTIONAL DISPUTES

- A. Should any jurisdictional disputes arise between Local Unions signatory to this Agreement, there shall be no interference by the Union with any employee's performance of assigned job duties covered by this Agreement.
- B. All such jurisdictional disputes shall be resolved by internal Union dispute procedures.

ARTICLE 10 — SEPARABILITY CLAUSE

- A. The provisions of this Agreement are deemed to be separable to the extent if and when a court of last resort adjudges any provision of this Agreement to be in conflict with any law, rule or regulation issued thereunder, such decision shall not affect the validity of the remaining provisions of this Agreement, but such remaining provisions shall continue in full force and effect.
- B. It is further provided that in the event any provision, or provisions are so declared to be in conflict with such law, rule or regulation, both parties shall meet within thirty (30) days for the purpose of re-negotiations of the provision or provisions so invalidated.

ARTICLE 11 — EXPEDITED GRIEVANCE AND ARBITRATION PROCEDURE

- A. A grievance shall include any difference of opinion or disputes between the Employer and the Union or any employee covered by this Agreement regarding the interpretation of this Agreement. It shall also include any disputed layoff, suspension, dismissal or discharge of any employee who is entitled to contest such action. In any event a grievance must be filed in writing with the Employer. Failure to file a grievance in writing within ten (10) calendar days after the known occurrence of the act which resulted in the grievance, will relieve the Employer or the Union of all obligations, financial or otherwise which might otherwise have resulted from such grievance.
- B. An earnest effort shall be made to settle grievances in a timely manner under the following procedure:

- a. The Employer, employee and the Shop Steward, if desired by the employee, shall meet and attempt to resolve any grievance.
 - b. If no resolution is reached after Step 1, the grievance shall be reduced to writing within ten (10) calendar days after the known occurrence of the act or event, which resulted in the grievance. The Business Representative of the Union and a representative of the Employer shall meet within fifteen (15) calendar days from the filing of the written grievance, or a longer period if mutually agreed upon, to resolve the grievance.
 - c. If the parties are unable to resolve the grievance at Step 2, either party may submit the grievance for arbitration within thirty (30) calendar days of the Step 2 meeting. The submission to arbitration must be made in writing. Additional time may be granted by mutual agreement of the parties in writing.
 - d. Within seven (7) calendar days of the request for arbitration, the parties will meet to select an arbitrator by either mutual agreement of the arbitrator or by alternately striking from a list of seven (7) potential arbitrators obtained from the Federal Mediation and Conciliation Service.
- C. The arbitrator shall have no power to add to, subtract from or modify any of the terms of this Agreement, or to arbitrate any matter not specifically provided for by this Agreement or to enter any new provisions into this Agreement: nor shall the arbitrator's authority exist or extend in any way beyond the expiration of this Agreement except as regards grievances timely reduced to writing before the expiration of this Agreement. The arbitrator shall confine his decision to a determination based upon the evidence presented at the arbitration hearing.
 - D. The decision of the arbitrator shall be final and binding upon all parties.
 - E. The expense of the arbitrator and all expenses associated with the arbitration shall be paid by the party which does not prevail in the arbitration. The arbitrator shall have the authority to determine the "prevailing party" in any arbitration.
 - F. Any claims for compensation shall be limited to a maximum of six (6) months retroactively from the date the claim is submitted to the Employer.

ARTICLE 12 — WAGE RATES AND CLASSIFICATIONS

- A. Attached hereto and recognized as part of this Agreement is a schedule of wage scales and classifications, which shall be the minimum standard of wage scales for the enumerated classifications.

- B. An employee shall be classified according to the responsibility involved, time expended, and the character of the work done.
- C. If necessary to determine the classification of employee, the Employer will meet with a committee of the Union to effectuate same.
- D. Prior experience acquired by an employee in the Institutional Grocery Industry for any other firm covered by this Agreement shall be credited to said employee in determining his wage rate as set forth in the attached schedules. Said rating, however, need not be established by the Employer until after employee has worked ninety (90) days with said Employer.
- E. The Company has the right to require a Class C driver to obtain a Class A license upon one (1) year prior notice by the Company to the Class C driver and the Union. The Class C driver shall pay for the written test with the DMV. Once the driver has passed the written test, he will be reimbursed for the cost of the test by the Company. The Company shall provide training to the Class C driver in driving a commercial company vehicle and in passing a brake test. If the Federal Motor Carrier Safety Administration, during the life of this Agreement, issues any directive limiting or prohibiting the Company from providing such training, the Parties agree that they shall meet and discuss this provision.

ARTICLE 13 — HEALTH AND WELFARE

- A. Designation of Trust: The Company agrees to make contributions to The Revolutionary Medical Trust Fund for the purpose of providing Medical and Prescription Drug, Dental, Vision and Life benefits for all qualified US Foods/Teamster members and their dependents.
- B. Acceptance of Trust: The parties agree to accept, and be bound by, the terms of the existing Declaration of Trust of the Revolutionary Medical Trust Fund, together with any amendments to the Trust required to accomplish the provisions of this Collective Bargaining Agreement and to become parties to the Trust. The parties hereby designate the existing Trustees as Trustees of the Trust. In addition, the parties agree to sign the appropriate trust Acceptance Agreement to implement this article.
- C. Contributions: The Company agrees to contribute to the Revolutionary Medical Trust, for purpose of providing benefits for each qualified Employee and their eligible dependents. Contributions shall be payable to the Trust on or before the 1st of the month of coverage and shall be deemed delinquent if not received before the 10th day of the month for which coverage is provided.
- D. Qualified Employee Defined: A qualified employee shall:

(1) become eligible to participate in the Revolutionary Medical Trust Fund as defined in this Article, in accordance with the terms of the Affordable Care Act, on the first of the month following sixty (60) days of employment with the Company.

(2) have worked and/or been compensated by the 20th of the current month when returning from a leave and does not conflict with Section G of this Article.

E. Employee and Dependent Coverage:

(1) Qualifying dependents: Spouses and Children under the age of twenty-six (26) shall be qualified for medical coverage under this plan as long as their employer does not provide them medical coverage at their job.

(2) Employees and Dependent coverage (if the employee elects dependent coverage) shall begin on the first day of the month which falls immediately after sixty (60) days from the first day following the employee's date of employment. Date of employment shall mean the same as the employee's hire date. All benefits shall terminate on the last day of the month of termination, subject to employee's voluntary election to continue coverage at employee's cost (COBRA election). Last day of employment shall mean the last day on which the employee works and/or is compensated any straight time and/or overtime hour for which the employee is paid wages and does not conflict with Section G of this Article.

F. Required Contribution for Group Health Plan:

(1) The Employer shall pay as required to maintain current coverage under the foregoing plan into the Revolutionary Medical Trust Fund each month up to a maximum one thousand four-hundred fifty dollars and ninety-six cents (\$1,501.65) per month for all eligible employees currently on the payroll with the Employer. On January 1, 2021, the amount shall increase to a maximum of one thousand four-hundred ninety-two dollars and forty-eight cents (\$1,531.78) per month for all eligible employees currently on the payroll with the Employer.

(2) The Employer and Union agree that effective January 1, 2022, and each successive year thereafter for the life of this agreement, these premiums shall not increase more than five percent (5%) per year cumulative over the life of the agreement to maintain the level of coverage provided by the Revolutionary Medical Trust Fund.

(3) In the event there are any Health and Welfare related penalties, fees, taxes, fines or any other unanticipated economic costs, to include premium increases in excess of five percent (5%), imposed on the Employer, and/or the employees covered by this Agreement the parties agree that upon request of either, they shall immediately meet and negotiate how to eliminate such costs.

(4) The Company shall contribute 100% towards the monthly premium of any elected PPO dental for an additional monthly premium cost of \$59.50 on behalf of

the employees and their dependents if and when it can be covered within the increases described in this section.

G. Continued Payments of Health and Welfare Benefits:

The Company shall continue to contribute the required Health and Welfare on behalf of each employee that is off work due to personal injury, or OJI for a maximum of six (6) months after FMLA has been exhausted.

H. Retiree Health and Welfare Benefits:

(1) New Early Retirees and Retirees may submit the Enrollment Form for Retiree Coverage to the Trust Administrator of the Revolutionary Medical Trust as early as 60-days prior to resignation or retirement. The Enrollment Form must be received by the Administrator no later 90-days following the date of resignation or retirement; coverage will be effective the 1st day of the month following date received by the Administrator. Retirees, who do not submit the Enrollment Form within 90-days of resignation or retirement, will not be eligible to enroll at a later date. Failure to timely notify the Trust Administrator shall result in forfeiture of all retiree benefits.

(2) The Company shall contribute as prescribed in the Retirees Company Contribution Chart of Revolutionary Medical Trust (three tier) Plan for every current and future retiree between the age of fifty-five (55) and sixty-five (65) (which shall include all peer retirees, retiring prior to age fifty-five (55) with proper notice to the Western Revolutionary Trust Fund and is receiving a Teamster pension) each month to pay for retiree medical health and welfare.

(3) If the early retiree (Retiree under the age of sixty-five (65)) reaches the age of sixty-five (65) but the qualifying spouse is still under the age of sixty-five (65) and/or the Retiree has qualifying child(ren), as prescribed in section 3(a), the Company shall continue to contribute as prescribed above until the spouse reaches the age of sixty-five (65) and/or the child(ren) reach the age of twenty (26).

(4) The Company shall continue to contribute as prescribed above future qualifying surviving spouse between the age of fifty-five (55) and Sixty-five (65) and/or qualifying surviving child(ren) under the age of twenty-six (26), as prescribed in section 3(a), for six (6) months after the retiree's death.

Retiree Employer Contribution Chart

<u>Revolutionary Medical Trust Fund</u>	<u>Company Contribution to Pre 65 Retiree Healthcare</u>
<u>Years of Service with US Foods, Inc.</u>	
<u>15 years or more</u>	<u>100%</u>

<u>10 to 14 years 11 months</u>	<u>75%</u>
<u>5 to 9 years 11 months</u>	<u>50%</u>
<u>Less than 5 years</u>	<u>0%</u>

Current Early Retirees shall be Grandfathered into this table at 100% coverage.

ARTICLE 14 — PENSIONS

- A. The Employer shall pay into the Western Conference of Teamsters Pension Fund on account of each member of the bargaining unit, for each hour for which compensation is paid, including compensation for temporary light duty work assignments, not to exceed two thousand and eighty (2080) hours per year. However, in years with fewer than 2080 straight time hours, the contribution shall be based on 2080 hours if all available straight time hours are compensated.
- B. The contribution rates include funding for the program for enhanced early retirement (PEER) which began with October 1992 hours. The contributions required to provide the program for enhanced early retirement (PEER) will not be taken into consideration for benefit accrual purposes under the plan. The additional contribution for PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.
- C. It is understood that the Union may, by proper and timely notice to the Employer (certifying a majority vote of the membership), divert all or a portion of an upcoming contractual wage increase to an hourly pension contribution to the Western Conference of Teamsters Pension Fund. If such a diversion is made, it will be in lieu of the wage increase and shall commence the first of the month following such diverted wage increase, provided that sufficient advance notice is given to make it administratively feasible to do so. In order to divert all or a portion of a wage increase as permitted in this subsection, the diversion must be made as to all employees covered by this Agreement.
- D. It is agreed that Employers' contributions to the Trust Fund on behalf of the employees in the bargaining unit must qualify and conform, presently and in the future, in all aspects to Section 404 of the Internal Revenue Code and Labor Management Relations Act of 1947 as amended.
- E. The total amount due for each calendar month shall be remitted in a lump sum no later than the twentieth (20th) day of the following month. The Employer agrees to abide by such rules as may be established by the Trustees of said Trust Fund to facilitate the prompt and orderly collection of such amounts, and the accurate reporting and recording of such amounts paid on accounts of the employees. Failure

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

- F. Diversions of Wages to Pension: Diversions of money from base pay to pension will be allowed only under the following terms: (a) the Union must notify the Employer of any diversion within thirty (30) days of the ratification of this Agreement or thirty (30) days prior to the effective date of any contractual wage increase; (b) any diversion in the first years of the contract will be effective thirty (30) days after the Union gives notice, and, in subsequent years, on the effective date of any contractual wage increase; (c) if the Union does not notify the Employer during these periods, the right to defer will be lost until the next deferral period; (d) the diversion can only be done if approved by a majority of the relevant pension unit.
- G. Special Pension Rate for Probationary Employees: *(Applicable to full-time employees and part-time regular employees serving a probationary period)*

For probationary employees hired on or after October 1, 2004, the Employer shall pay an hourly contribution rate of Ten Cents (\$.10) (including \$.01 for PEER/84) during the probationary period as defined in Article 2, but in no case for a period longer than ninety (90) calendar days from an employee's first date of hire (into the bargaining unit). Contributions shall be made on the same basis as set forth in Article 14 of the Agreement. After the expiration of the probationary period as defined in Article 2, but in no event longer than ninety (90) calendar days from an employee's first date of hire (into the bargaining unit), the contribution shall be increased to the full contractual rate.

Break-In Rate for Temporary Employees: *(Applicable to temporary agency personnel)*

For temporary agency personnel utilized for the first time on or after April 1, 2010, the Employer shall pay an hourly contribution rate of Ten Cents (\$.10) [including PEER] during the initial period of utilization, but in no case for a period longer than ninety (90) calendar days from an employee's first date of utilization in the performance of bargaining unit work. Contributions shall be made on the same basis as set forth in Article 14 of the Agreement. After the expiration of an equivalent period of an individual is utilized as a temporary employee, but in no event longer than ninety (90) calendar days from an employee's first date of utilization as a temporary employee, the contribution shall be increased to the full contractual rate.

H. APPLICABLE TO DRIVER AND MAINTENANCE JOB CLASSIFICATIONS ONLY

1. Effective with hours worked or paid for in October 2020, payable in November 2020, the Employer shall contribute an additional forty cents (.40) from negotiations, per hour worked or paid for up to a maximum of two thousand, eighty (2080) hours per year, two hundred, eight dollars (\$208.00) or the equivalent reporting period for the purposes of providing the Program For Enhanced Early Retirement (PEER) to the bargaining unit employees. Effective November 1, 2020, based on October 2020 hours, the total Employer's contributions and wage diversion to the WCTPTF shall be eight dollars and seventeen cents (\$8.17) per hour worked or paid for up to a maximum of two thousand, eighty (2080) hours per year, sixteen thousand nine hundred ninety-three dollars and sixty cents (\$16,993.60) or the equivalent period. The contributions required to provide the PEER will not be taken into consideration for benefit accrual purposes under the Plan. The additional contribution for the PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.
2. Effective with hours worked or paid for in October 2021, payable in November 2021, the Employer shall contribute an additional forty cents (.40) from negotiations, per hour worked or paid for up to a maximum of two thousand, eighty (2080) hours per year, two hundred, eight dollars (\$208.00) or the equivalent reporting period for the purposes of providing the Program For Enhanced Early Retirement (PEER) to the bargaining unit employees. Effective November 1, 2021, based on October 2021 hours, the total Employer's contributions and wage diversion to the WCTPTF shall be eight dollars, fifty-seven cents (\$8.57) per hour worked or paid for up to a maximum two thousand, eighty (2080) hours per year, seventeen thousand eight hundred twenty-five dollars and sixty cents (\$17,825.60) or the equivalent period. The contributions required to provide the PEER will not be taken into consideration for the benefit accrual purposes under the Plan. The additional contribution for the PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.
3. Effective with hours worked or paid for in October 2022, payable in November 2022, the Employer shall contribute an additional forty cents (.40) from negotiations, per hours worked or paid for up to a maximum of two thousand, eighty (2080) hours per year, two hundred, eight dollars (\$208.00) or the equivalent reporting period for the purposes of providing the Program For Enhanced Early Retirement (PEER) to the bargaining unit employees. Effective November 1, 2021, based on October 2021 hours, the total Employer's contributions and wage diversion to the WCTPTF shall be eight dollars and ninety-seven cents (\$8.97) per hour worked or

paid for up to a maximum of two thousand, eighty (2080) hours per year , eighteen thousand six hundred fifty-seven dollars and sixty cents (\$18,657.60) or the equivalent period. The contributions required to provide the PEER will not be taken into consideration for the benefit accrual purposes under the Plan. The additional contribution for the PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.

4. Effective with hours worked or paid for in October 2023, payable in November 2023, the Employer shall contribute an additional forty cents (.40) from negotiations, per hours worked or paid for up to a maximum of two thousand, eighty (2080) hours per year, two hundred, eight dollars (\$208.00) or the equivalent reporting period for the purposes of providing the Program For Enhanced Early Retirement (PEER) to the bargaining unit employees.. Effective November 1, 2023, based on October 2023 hours, the total Employer's contributions and wage diversion to the WCTPTF shall be nine dollars and thirty-seven cents (\$9.37) per hour worked or paid for up to a maximum of two thousand, eighty (2080) hours per year, nineteen thousand four hundred eighty-nine dollars and sixty cents (\$19,489.60) or the equivalent period. The contributions required to provide the PEER will not be taken into consideration for the benefit accrual purposes under the Plan. The additional contribution for the PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.
5. Effective with hours worked or paid for in October 2024, payable in November 2024, the Employer shall contribute an additional forty cents (.40) from negotiations, per hours worked or paid for up to a maximum of two thousand, eighty (2080) hours per year, two hundred, eight dollars (\$208.00), or the equivalent reporting period for the purposes of providing the Program For Enhanced Early Retirement (PEER) to the bargaining unit employees. Effective November 1, 2024, based on October 2024 hours, the total Employer's contributions and wage diversion to the WCTPTF shall be nine dollars and ninety-seven cents (\$9.77) per hour worked or paid for up to a maximum of two thousand, eighty (2080) hours per year, twenty thousand seven hundred thirty-seven dollars and sixty cents (\$20,321.60) or the equivalent period. The contributions required to provide the PEER will not be taken into consideration for the benefit accrual purposes under the Plan. The additional contribution for the PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.
6. Effective with hours worked or paid for in October 2025, payable in November 2025, the Employer shall contribute an additional forty cents (.40) from negotiations, per hours worked or paid for up to a maximum of two thousand, eighty (2080) hours per year, two hundred, eight dollars

(\$208.00), or the equivalent reporting period for the purposes of providing the Program For Enhanced Early Retirement (PEER) to the bargaining unit employees. Effective November 1, 2025, based on October 2025 hours, the total Employer's contributions and wage diversion to the WCTPTF shall be ten dollars and seventeen cents (\$10.17) per hour worked or paid for up to a maximum of two thousand, eighty (2080) hours per year, twenty-one thousand one hundred fifty-three dollars and sixty cents (\$21,153.60) or the equivalent period. The contributions required to provide the PEER will not be taken into consideration for the benefit accrual purposes under the Plan. The additional contribution for the PEER must at all times be 6.5% of the basic contribution and cannot be decreased or discontinued at any time.

I. APPLICABLE TO WAREHOUSE AND OFFICE/CLERICAL JOB CLASSIFICATIONS ONLY

The Employer shall pay into the Western Conference of Teamsters Pension Fund on account of each member of the bargaining unit, for each hour for which compensation is paid, not to exceed two thousand, eighty (2080) hours per year.

The contribution rates shall be:

1. Effective October 1, 2020, ten thousand, seven hundred fifty-three dollars and sixty cents (\$10,753.60) per year for each employee on the payroll during the full calendar year who has worked or been paid for 2080 hours or more during such calendar year. For each employee not covered under (1) above, the payments shall be computed at the rate of five dollars and seventeen cents (\$5.17) per hour for each hour worked or paid for, including overtime hours.
2. Effective October 1, 2021, the contribution rate shall be increased by forty cents (.40) per hour and the yearly maximum to eleven thousand five hundred, eighty-five dollars and sixty cents (\$11,585.60) per year. For each employee not covered under (2) above, the payments shall be computed at the rate of five dollars and fifty-seven cents (\$5.57) per hour for each hour worked or paid for, including overtime hours.
3. Effective October 1, 2022, the contribution rate shall be increased by forty cents (.40) per hour and the yearly maximum to twelve thousand four hundred, seventeen dollars and sixty cents (\$12,417.60) per year. For each employee not covered under (3) above, the payments shall be computed at the rate of five dollars and ninety-seven cents (\$5.97) per hour for each hour worked or paid for, including overtime hours.

4. Effective October 1, 2023, the contribution rate shall be increased by forty cents (.40) per hour and the yearly maximum to thirteen thousand two hundred, forty-nine dollars and sixty cents (\$13,249.60) per year. For each employee not covered under (4) above, the payments shall be computed at the rate of six dollars and thirty-seven cents (\$6.37) per hour for each hour worked or paid for, including overtime hours.
5. Effective October 1, 2024, the contribution rate shall be increased by forty cents (.40) per hour and the yearly maximum to fourteen thousand, eight-one dollars and sixty cents (\$14,081.60) per year. For each employee not covered under (5) above, the payments shall be computed at the rate of six dollars and seventy-seven cents (\$6.77) per hour for each hour worked or paid for, including overtime hours.
6. Effective October 1, 2025, the contribution rate shall be increased by forty cents (.40) per hour and the yearly maximum to fourteen thousand nine hundred, thirteen dollars and sixty cents (\$14,913.60) per year. For each employee not covered under (6) above, the payments shall be computed at the rate of seven dollars and seventeen cents (\$7.17) per hour for each hour worked or paid for, including overtime hours.

ARTICLE 15 — VACATIONS

- A. Vacation accrual for all employees shall be calculated as of the employee's anniversary date each year. Employees shall accrue vacation in accordance with the following schedule:

From date of employment until completion of the first year of employment, one week vacation with pay;

After the anniversary of two (2) years or more of employment, two weeks vacation with pay;

After the anniversary of five (5) years or more of employment, three weeks vacation with pay;

After the anniversary of thirteen (13) years or more of employment, four weeks vacation with pay;

After the anniversary of twenty (20) or more years of employment, five weeks vacation with pay.

- B. Pay for such vacation shall be based on the average weekly earning for the previous twelve (12) months the employee worked, but in no event shall any employee receive less than forty (40) hours pay per week for such vacation. All

employees desiring more time for vacation than they are entitled to by the above paragraphs may be granted same within reason, without pay.

When an employee is absent for an entire week, such week shall not be counted in calculating average weekly earnings. For example, if an employee is absent without compensation for two (2) weeks in twelve (12) months, his total earnings during that period shall be divided by fifty (50) weeks rather than fifty-two (52) weeks.

- C. To be eligible for full vacation benefits for a given year of service, an employee must have actually worked no less than 1,600 hours during the twelve (12) months preceding the employee's anniversary date. If an employee actually works fewer than 1,600 hours during that twelve (12) month period, the employee shall receive a pro-rata portion of the number of vacation days to which the employee would be entitled had the employee actually worked 1,600 hours, pro-rated based upon the relationship between the number of hours actually worked by the employee and 1,600 hours.

For purposes of calculating hours actually worked under this paragraph, all hours of paid vacation shall be included as hours actually worked.

- D. Employees who have been employed for at least one (1) year and who after one (1) year of employment are absent from work for a period in excess of time limits set forth in this Article, such excessive absences being due to illness, injury, or other absence authorized by the Employer shall upon their anniversary date of employment in the subsequent year be entitled to a pro-rata vacation as described above.
- E. Eligibility for vacations shall be computed from the date that the employee becomes full-time, unless in the interim his continuity of service has been broken, in which case eligibility shall date from time of reemployment. All employees will receive vacation pay in advance of vacation. Employees must opt-out of receiving vacation pay in advance at least two weeks prior to vacation. Vacation checks shall be computed as separate checks.

On death of employee all unused, accrued vacation pay shall be paid to the employee's estate.

- F. If a holiday occurs, to which an employee is eligible under Article 16-Paragraph A, during an employee's vacation period, said employee shall be given an extra day's vacation which shall be scheduled by mutual agreement and shall not be unreasonably denied or an extra day's pay in lieu thereof, at the option of the employee.
- G. Should the employment relationship be terminated after an employee has qualified for vacation pay, the employee will be paid their pro rata accrued, vested, but unused vacation pay.

- H. Employees must take vacation in one calendar week increments. An employee choosing to split his vacation shall make his choice of all times at the time he bids. However, effective January 4, 2015, employees with four weeks or more vacation may take one of those weeks in single-day increments. The full-week vacation bid process must be completed before single-day vacations are bid. Employees who do not bid their single-day vacations during the bid process may take them on a first-come, first-serve basis with two weeks' advance notice.

Drivers Only: Employer shall not permit an employee represented by Local 848/542/986/87 to work his/her scheduled vacation without the approval by their respective Local's Business Representative or his designee.

- I. Employees shall be required to bid on or before December 15 for vacation time earned during the previous calendar year. The Company will post the results of this bidding on or before December 31 of the calendar year before which the time off is to be taken.
- J. Resident Drivers

The Employer, at its option, may hire a temporary vacation relief driver for a resident driver on a temporary basis from the resident driver's area rather than providing a vacation relief driver from among the employees on the Employer's seniority list.

ARTICLE 16 — HOLIDAYS

- A. The following holidays shall be observed for which the Employer agrees to pay employees, with at least ninety (90) days of non-light duty work in continuous six (6) month period of employment with the Company service with the Employer, for eight (8) hours (ten hours in the case of a 4x10 workweek) at the straight time hourly rate of pay for the classification involved: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, the employee's birthday and two (2) floating holidays. The Company shall give one-week notice to all employees identifying the day of holiday observance where such observance may fluctuate or be on a day that is different than the actual holiday.
- B. 1. When the above-mentioned holidays fall on Sunday, the following Monday shall be considered a holiday. If work is necessary on a holiday, volunteers will be utilized. If not enough volunteers are available, the Employer will have the right to mandate employees by inverse seniority.
2. Employee's birthday holiday may be substituted for any day in the month of the employee's birthday, provided the employee gives two (2) weeks' advance notice. Other than the above the Employer and the employee may mutually agree to a substituted day.

3. If another holiday coincides with the employee's birthday, a substitute holiday will be taken within two (2) weeks unless a mutually satisfactory substitute day is agreed to between the Employer and the employee.
 4. Floating holidays to be taken by mutual agreement between the Company and/or Union or employee.
- C. No work shall normally be required on these days and an employee who does not work shall be compensated in an amount equal to eight (8) hours (10 hours per 4x10 employees) pay at his regular straight time hourly rate of pay. If an employee works on any one of the above designated holidays, he shall be paid at the rate of time and one-half (1 1/2) his regular classification rate for all such hours worked, in addition to the eight (8) hours (10 hours for 4x10 employees) pay at straight time as described above, provided, however, that if an employee who regularly works a shift that begins or ends between 6:00 PM and 6:00 AM, the twenty-five (25) cents premium rate for the entire shift shall be added to the regular classification rate for all such hours worked in computing the rate of pay.
- D. Pay for holidays not worked shall include eight (8) hours (10 hours for 4x10 employees) pay at the regular classification rate of the employee, plus eight (8) hours (10 hours for 4x10 employees) at the night premium rate of twenty-five (25) cents per hour for employees who regularly work between 6:00 PM, on one day and 6:00 AM, of the following day.
- E. In any work week in which any of the designated holidays fall, the holiday shall be counted as a day worked for the purpose of computing overtime beyond forty (40) hours in the said work week. Time worked on a holiday shall not be included as a part of the forty (40) hours referred to in this paragraph.
- F. When a holiday falls on a Monday, or on a Sunday, and is observed on a Monday, for those employees, part of whose work week falls on Sunday, the Sunday immediately prior to the holiday shall be observed as the holiday. Such employee shall be paid for the week in the same amount as if Sunday had not been substituted for the holiday.
- G. If a holiday falls on the sixth (6th) or seventh (7th) day of the work week (5th day for employees on a 4x10 schedule) the day to be observed shall be the previous work day or the following work day. The Company shall give the employees two (2) weeks notice which day is to be observed.

In order to be entitled to a holiday pay, an employee must work his scheduled work day immediately preceding and immediately following the holiday except for excusable absences such as illness, injury or leave of absence. An employee absent from work due to illness, injury or leave of absence shall receive the holidays, which fall within the first thirty-one (31) days of such absence.

- H. In those instances when a regular night shift continues from one calendar day into the next calendar day, an employee assigned to such shift will work a portion of two shifts within a twenty-four (24) hour period but shall be considered as one work shift. The work shift to be observed as the holiday in such instance, shall be the shift that begins on the actual holiday, unless another shift is mutually agreed upon between the Employer and the Union.
- I. Work schedules shall not be changed to avoid the payment of holiday pay.
- J. On all holidays, employees will be given at least 48 hours notice if they are mandated to work.

ARTICLE 17 — SICK TIME

- A. All full-time employees covered by this Agreement who have been continuously employed for a period of at least one (1) year, shall be entitled to a total of forty-eight (48) hours' sick pay per year. Such sick pay shall commence on the first (1st) day of illness. If the Employer so desires, it may require a doctor's certificate after an absence of two (2) days or more, or other reasonable proof of disability. Falsification of sick leave claims or proven abuse of sick leave privileges may be cause for discharge or disciplinary action. The Company will comply with all applicable local, state and federal law and ordinances regarding sick days for part-time employees.
- B. Unused sick pay benefits in any one (1) year shall accumulate from year to year to a maximum of forty-eight (48) hours. All unused sick pay accumulated in excess of forty-eight (48) hours shall be paid on the employee's anniversary date.

On death of employee, the estate shall be paid any unused sick leave in the employee's account
- C. Employees shall be required to take sick time in increments of eight (8) hours for employees whose work schedule is an eight (8) hour per day, five (5) day per workweek, and in increments of ten (10) hours for employees whose workweek is ten (10) hours per day, four days each workweek.
- D. INTEGRATION: Sick pay shall be integrated with unemployment compensation disability benefits and worker's compensation temporary, disability benefits so that the sum of the daily/weekly sick pay allowance hereunder and the aforesaid state disability daily/weekly benefits which may be payable to an employee shall not exceed one hundred percent (100%) of the employee's regular daily/weekly wage of straight time.
- E. Once each year upon request, the Employer will provide each employee with an accounting their number of sick hours accrued.

- F. Any accrued sick time in excess of forty-eight (48) hours as of October 1, 2004 shall be paid out on or before November 1, 2004.

ARTICLE 18 — LEAVE OF ABSENCE

- A. **FMLA Leave:** Leave will be granted in accordance with the Federal Family Medical Leave Act and the California Family Rights Act (hereinafter collectively referred to as "FMLA") accordance with the Company's FMLA policy set forth in the Company's employee handbook/policy. Any issue involving FMLA leave shall not be subject to the grievance and arbitration procedure. The Company will assist an employee in procuring the FMLA Medical Certification paper work and with meeting document timelines with the Company's 3rd party administrator. To the extent required, the Company will offer access to the Company facsimile for delivering documents to the 3rd party administrator.
- B. **Personal Leave:** Unpaid Personal Leaves up to a maximum of forty-five calendar (45) days are granted or denied in the Employer's sole discretion. Employees do not accrue vacation, paid floating days, or sick time while on Personal Leave, and are not eligible for Employer-paid health and welfare benefits.

Notes: An employee may not perform work for any other employer or engage in any form of self-employment during a leave of absence.

Any employee, who undertakes other work or employment during any leave of absence without first securing permission from the Employer, automatically cancels such leave of absence and will be considered to have terminated his employment.

- C. Employees do not accrue vacation, paid floating days, or sick time during any leaves taken by employees, including for a leave pursuant to a workers' compensation injury.

ARTICLE 19 — FUNERAL LEAVE

- A. Non-probationary full-time employees shall be allowed five (5) days' funeral leave with full pay for the death of an employee's parent, spouse or child.
- B. Non-probationary full-time employees shall be allowed three (3) days' funeral leave with full pay for a death in the immediate family. Immediate family shall be defined as the employee's step-mother, stepfather, stepbrother, stepsister, domestic partner, brothers, sisters, and stepchildren of current spouse.
- C. Non-probationary full-time Employees shall be allowed one (1) day funeral leave with pay in the event of the following: current spouse's parents, current

spouse's grandparents, current spouse's brothers and sisters, and employee's grandparents.

- D. The Employer retains the right to verify any employee's entitlement to Funeral Leave.

ARTICLE 20 — JURY DUTY

- A. Each day that any full-time, non-probationary employee serves on any jury, when such service deprives such employee of pay that he otherwise would have earned, the Employer agrees to pay such employee for those days the difference between any remuneration that such employee receives for such jury duty and the amount that he would normally be paid for eight (8) hours (ten (10) hours for employees on a 4x10 schedule) at his regular straight time rate. Paid time off for jury duty shall be limited to a maximum of twenty (20) workdays for the life of this Agreement.
- B. Any employee subpoenaed as a witness for an incident that occurred while the employee was working on Company time and that took place during the employee's working hours, shall be granted pay for those hours for which he would have worked that day.
- C. Employees shall advise the Employer within seven (7) days of receipt of notice of a jury or witness summons.
- D. If an employee is excused from jury duty service before the completion of a scheduled workday, he shall immediately report for work to complete the remaining hours of his scheduled work shift.
- E. Night shift employees who are selected for jury duty service automatically shall be assigned to the day shift only for the period they are required to serve as jurors and they will be covered by the provisions of this section.

ARTICLE 21 — DISCHARGE

- A. The Employer shall have the right to discharge or otherwise discipline any employee for just cause. The Company shall have the right to post or publish in its handbook and enforce, reasonable work and attendance rules.
- B. In the event an employee is discharged he shall leave the Employer's premises immediately.
- C. The Employer's failure to invoke discharge or the strictest form of other discipline on one occasion for the commission of an offense constituting good cause for discharge or discipline shall not affect the right of the Employer to invoke discharge

or a different or stricter form of other discipline for a later or different commission of the same offense.

- D. The Company shall have 14 calendar days from the date of an infraction to initiate progressive discipline, including counseling. If the infraction was not discoverable, then the discipline shall be initiated within fourteen (14) calendar days from the date of discovery. Such time limit shall be extended by mutual agreement upon Company's emailed request. The Company's request shall not unreasonably be denied.

ARTICLE 22 — SENIORITY

- A. It is mutually agreed that seniority shall be defined as length of continuous service without a break. Any break in continuity will cancel seniority theretofore accrued and seniority can be acquired after such break only by reemployment. Break in continuity of service with resulting cancellation of seniority will result from any of the following: (1) discharge; (2) resignation or other termination of service by voluntary act of employee; (3) layoff due to lack of work for more than one (1) year (two years for employees who are laid off during the 2020 calendar year); (4) in the case of an employee with less than one (1) year service with the company, any absence of more than one (1) year due to illness or injury; (5) absence without good cause; (6) working for another employer during a leave of absence, without prior notification to and approval by the Employer; (7) Continued absence as a result of illness or injury for a length of seniority, but in no event to exceed fourteen (14) months, whichever is lesser. The time limits specified in numbers (4) and (7) may be extended as required by law.
- B. Seniority will not, however, be established until after an employee has been in the service of the Employer ninety (90) days. A current list shall be made available to the Union upon request.
- C. Seniority shall prevail in demotions occurring as a result of reductions in the work force, layoffs, and rehiring, provided the senior employee can perform the work required, with or without reasonable accommodation. Seniority shall prevail in promotions, qualifications and ability to perform the work as required being equal. Seniority shall prevail in choice of vacation time, subject to the Employer's management right to limit the number of employees within any department, shift and/or job description who may take vacation in any week. In the case of rehire, the Employer agrees to notify by letter the laid off employee, who by seniority rule is eligible to fill a job vacancy when such vacancy occurs. A copy of such letter to such employee shall be sent to the Union simultaneously. If no response is received by the Company from the employee within seventy-two (72) hours of the notice to such employee, the vacancy may be filled according to the terms of Article 3.

- D. In case an employee has been promoted to a higher classification, and it is found by the Employer that he cannot perform the new work as required within the normal break-in period, he may resume his former classification without discrimination. However, if the employee requests off the job after five (5) working days but prior to the completion of the normal break-in period, he will be placed in the utility labor pool.
- E. Promotional Jobs: The Employer shall also post, for at least five (5) days, in a conspicuous place, notices of any promotional job which is vacant so that any interested employee may have knowledge of it. When selection is made, the name of the employee selected will be posted. Postings will be made for all jobs in both La Mirada and intransit warehouses. The Employer shall provide stewards with a copy of the bid sheet once the posting has been awarded.
- F. It is recognized that, within non-promotional job classifications, there are preferential jobs including the preference for the day work over night work. Ability and qualifications being equal, seniority shall be a key factor in recognizing such preference. It is understood that this section shall not apply to temporary job openings. Nothing herein contained shall prevent the Employer and the Union from establishing a mutually satisfactory system regarding this subject.
- G. **Warehouse Only:** The Employer will reassign an employee from a job in Classification II to a job in Classification III using the following process:
- (a) by inverse seniority within the higher Classification II; then
 - (b) the reassigned employee may use his seniority to bump into a preferred job within Classification III (if available); and
 - (c) the reassigned employee may receive the lower rate of pay.
- H. **Warehouse Only:** Employees performing Quality Assurance (Produce) work shall continue to use pallet jacks in the performance of their duties.
- Employees performing other Quality Assurance work shall be permitted to use a platform/scissor lift but may not move product from one pick slot to another pick slot.
- Local 630 waives and disclaims jurisdiction over this Quality Assurance work and will withdraw the Grievance on this matter with prejudice re: claim that Quality Assurance (other) is bargaining unit work.
- I. **Warehouse Only:** 630 re: Inventory Control, Salvage and Driver Check-In
- Inventory Control, Salvage and Driver Check-In will follow the seniority provisions of the contract and will be backfilled based on seniority. Training will be made available for all those who bid and are awarded the position.

During work reduction, trained inventory personnel will have the right to bump into Inventory Control, Salvage and Driver Check-In positions by seniority. Upon ratification of the Agreement the Company will start the training process for any member interested by seniority to be part of inventory control.

Once selected, the Inventory Control, Salvage and Driver Check-In employees must stay in the post for at least twelve (12) months.

The Inventory Control, Salvage and Driver Check-In employees will work overtime in the general warehouse if, at the end of their shift, overtime is required.

The Inventory Control, Salvage and Driver Check-In employees will bid vacation with the general Warehouse workforce.

- J. **Office Only:** Seniority shall prevail in demotions occurring as a result of reduction in workforce and/or layoff. For office bargaining positions, senior displaced employees may only bump one (1) time on a junior employee's position. The senior employee will be given forty-five (45) calendar days to learn and successfully satisfy the new position's requirements. The Company will provide training during these forty-five days. If the senior employee fails to meet the job requirements after training, then the senior employee will be laid off of work from the Company.

- K. **Routers Only:** The Router classification will be segregated from the general Driver seniority list and US Foods has the authority to select the Routers in the manner it currently selects Foreman.

If the Company selects an employee with less seniority than another employee who sought the post, the Company shall explain the reasons to the Union.

Once selected, the Router has thirty (30) calendar days to decide if he or she desires to stay in the Router post. Once selected, the Router cannot be bumped from the post by Drivers.

Once selected, the Router must stay in the post for at least twelve (12) months.

- L. **Warehouse Only – Robo Wrapper:** Robo Wrapper will be a seniority position which will be bidded at the warehouse loader rate of pay in the attached appendix.

ARTICLE 23 — WORK PERIODS

- A. Forty (40) hours shall constitute a workweek to be worked in either five (5) consecutive eight (8) hour days or four (4) ten (10) hour days, beginning either with Sunday, Monday, Tuesday or Wednesday, of which two (2) days off must be consecutive. However, for warehouse and office clerical job classifications, the number of employees working non-consecutive ten (10) hour work days shall not

exceed 25% of the work force. In the case of a workweek consisting of five (5) consecutive eight (8) hour days, all work performed on the sixth (6th) and/or seventh (7th) days of any workweek shall be classified as overtime. In the case of a workweek of four (4) ten (10) hour days, all work performed on the fifth (5th), sixth (6th), and/or seventh (7th) days of any workweek shall be classified as overtime,

DRIVERS ONLY: The right of the Company to designate or assign four (4) day per work week, ten (10) hour day driver schedules shall be restricted as follows: The Company may schedule a number of four (4) ten (10) hour day routes for La Mirada drivers not to exceed 40% of the number of full time employees in the total driving group (less routers and part timers), 30% of which will have Saturday or Sunday as one of the two consecutive days off.

The right of the Employer to designate or assign 4x10 driver schedules shall be restricted as follows: Present 5x8 runs in resident yards will remain on 5x8 schedules. However, by mutual agreement between the employee and the Employer, present 5x8 runs may be converted to 4x10 runs. New runs at the resident yards may be established by the Employer as either 5x8 or 4x10 runs.

If, during the lifetime of the Agreement, the Employer seeks to convert additional routes to a 4x10 schedule, the Union shall meet with the Employer and discuss this request, and the additional 4x10 schedules shall be mutually agreed upon.

- B. A regular employee shall be guaranteed at least forty (40) hours work per week or pay in lieu thereof, provided he is available and able to work the required work schedule. The forty (40) hour guarantee shall not apply to the week in which employees report to work after the beginning of the workweek in which they are newly hired, or return from leave of absence, or are recalled from layoff status of more than one (1) week.
- C. Eight (8) hours in the case of a five (5) day workweek and ten (10) hours in the case of a four (4) day workweek shall constitute a day's work to be worked continuously except for a lunch period which shall not exceed one (1) hour. Work periods not to exceed five (5) hours without a lunch period.
- D. An extra employee shall receive a minimum of four (4) hours work or four (4) hours pay in lieu thereof and a regular employee shall receive a minimum of eight (8) hours work or eight (8) hours pay in lieu thereof per day (or, in the case of an employee working a workweek of four (4) ten (10) hour days, ten (10) hours work or ten (10) hours pay in lieu thereof), provided such employee is available and able to work the required work schedule, except on the sixth (6th) and/or seventh (7th) day worked in the case of an employee working a workweek of five (5) consecutive eight (8) hour days and on the fifth (5th), sixth (6th), and/or seventh (7th) day worked in

the case of an employee working a workweek of four (4) ten (10) hour days, when the guarantee shall be four (4) hours at the appropriate rate.

- E. All employees shall be allowed a rest period of fifteen (15) minutes, with pay, at or near the middle of each four (4) hour work period. An additional break of fifteen (15) minutes shall be allowed any employee for whom one or more hour(s) of overtime is anticipated.
- F. Employees shall be paid weekly.
- G. By mutual agreement between the Employer and the Union, a majority of the employees on a shift can exchange days on a straight time basis. Employees will be paid the same rate of pay for that period in the same amount as if the exchange had not been made.
- H. The Company will give seven (7) days notice before implementing a schedule of four (4) ten (10) hour days. The opportunity to work such a schedule shall be offered to qualified employees based on seniority in the bargaining unit involved.
- I. In the event operations cannot commence or continue when so recommended by civil authorities; or public utilities fail to supply electricity, water, or gas; or if there is a failure in the public utilities, sewer system; or the interruption of work is caused by an act of God or fire, the foregoing guarantees shall not be applicable.

ARTICLE 24 — OVERTIME AND PREMIUM RATES

- A. Overtime shall be paid all employees who work in excess of eight (8) hours in any one day in the case of a workweek of five (5) consecutive eight (8) hour days and to all employees who work an excess of ten (10) hours in any one day in the case of a workweek consisting of four (4) ten (10) hour days. Overtime at the rate of time and one-half regular rate of pay shall also be paid to all employees who work on the sixth (6th) and/or seventh (7th) days of any one week, after accumulating a five (5) day week, in the case of a workweek consisting of five (5) consecutive eight (8) hour days and to all employees who work on the fifth (5th), sixth (6th), and/or seventh (7th) days of any one week, after accumulating a four (4) day week, in the case of a workweek consisting of four (4) ten (10) hour days.

- B. **Overtime Assignment For Warehouse And Office/Clerical Job Classifications Only:**

The Employer has the right to require all warehouse and office/clerical employees to work overtime when needed in accordance with the following procedures:

1. A volunteer's overtime list will be posted at the beginning of each shift.

2. When the volunteers are insufficient in number to fill the overtime requirement, the remaining need will be filled by selecting employees in inverse seniority.
 3. Subject to the Employer's workforce requirements, an employee will be excused from overtime work for a reasonable excuse provided he has requested to be excused by the start of the shift on the day in question. If the employee is not excused, the Employer will notify him or her prior to the beginning of the lunch period. In any event, an employee shall be excused from overtime work without such notice for compelling unforeseen emergencies. The phrase "workforce requirements" shall not be used in a capricious manner in order to evade the intent of this article.
 4. The position of warehouse utility shall be assigned by seniority for the first assignment of the day and for vacation relief, etc. When utility overtime is assigned, it will be by seniority on the sign-up list.
 5. Overtime on bid positions will be completed by the person normally assigned to the bid job. When overtime is refused by the employee performing the job, overtime shall be assigned to the qualified employee by seniority.
 6. Off day work shall be posted for bid and awarded to the senior most qualified employee, regardless of the employee's normally assigned bid job. When the volunteers are insufficient in number to fill the off day overtime requirement, the remaining need will be filled by employees on their day off by inverse seniority.
- C. In the case an employee is voluntarily absent a day or part of a day during the week due to causes beyond his control, the employee may work on the sixth (6th) or seventh (7th) day in the case of a workweek of five (5) consecutive eight (8) hour days, or on the fifth (5th), sixth (6th), or seventh (7th) day in the case of a workweek of four (4) ten (10) hour days, to make up the forty (40) hour week without overtime, if mutually agreeable to Employer and employee.
- D. There shall be no pyramiding of overtime, or pyramiding or combination of two or more types of pay for the same daily or weekly hours, except that, with the exception of Local 630, where an employee's regular schedule includes shift-premium hours, his regular rate of pay for overtime purposes shall include the shift premium. If an employee's regular hours of work do not include a shift premium, overtime will be computed on a straight time rate of pay only.
- E. The Employer and Local Union 630 mutually agreed to eliminate shift premiums on October 1, 2009, and consideration was given by the Employer for doing so. A premium of twenty-five cents (\$.25) per hour shall be paid to all employees excluding Local 630 for the entire eight (8) hour shift to all employees whose

regular eight (8) hour shift begins or ends between the hours of 6:00 p.m. and 6:00 a.m. A premium of twenty-five cents (.25) per hour shall be paid for the entire shift for those employees who work in the freezer.

- F. An employee who works on Sunday shall receive time and one-half (1 ½) the straight time hourly rate of pay with the exception of the night warehouse crew, routers, foreman, spotters, and shuttle drivers, whose first shift of the week begins on Sunday. For the convenience of the employees, starting time for any Sunday night warehouse crews may, by mutual agreement, start at a different time from the starting times for those shifts on other nights of the workweek. Any employee who works a night warehouse shift which begins on Sunday shall receive a Sunday night premium of twenty-five (.250) per hour for all hours actually worked on that Sunday shift.
- G. If, as a result of the above, the Employer's work force requirements at any time are such that additional employees are needed to work overtime, the Employer shall be entitled to employ part-time employees to perform the work. Such part-time employees shall not be considered as regular employees under this Agreement and no guarantee of minimum hours shall apply to them.

Nothing herein contained shall prevent the individual Employer and the Union from establishing a mutually satisfactory system regarding this subject.

In those instances where Sunday premium provisions and overtime provisions of the Agreement coincide or overlap, they shall be compounded and two and one quarter (2¹/₄) times the straight time hourly rate of pay shall be paid.

MANDATORY OVERTIME LIMITATION APPLICABLE TO WAREHOUSE AND OFFICE/CLERICAL JOB CLASSIFICATIONS ONLY.

All employees may be required to work up to twelve (12) hours per day. No employee can be required to work beyond twelve (12) hours in any workday.

- H. The Company has the right to require mandatory overtime from employees in the driver and maintenance job classifications.
- I. Double time shall be paid for the seventh consecutive day of work in one workweek if all six days are worked completely; otherwise, time and one half shall be paid. This subsection shall apply to all employees covered by this Agreement.
- J. Double time shall be paid for all hours worked in excess of twelve in one day for employees on a 4 x 10 schedule.
- K. On non-scheduled work days, an employee will be guaranteed a minimum of eight (8) hours of work.

ARTICLE 25 — RUNS (APPLICABLE TO DRIVERS ONLY)

- A. All driving assignments shall be put up for bid by seniority on a yearly basis.
- B. After the original bid is made, if there are operational changes made by the Employer, new job assignments will be put up for re-bid.
- C. Dispatch rules shall be negotiated with each individual Employer and a copy shall be posted on the bulletin board of each Employer.
- D. Employees shall report all faulty equipment before leaving each shift. Such reports are to be made in writing, using the proper forms, which will be supplied by Management.
- E. The Employer will not urge or require any driver to operate any equipment that is in violation of any safety or traffic law.
- F. On all trips of such length that it becomes necessary for employees to lay over, all expenses for food and lodging shall be paid by the Employer.
- G. The Employer, at its option, may hire a temporary relief driver for vacations, illnesses, leaves of absence and other temporary relief for a resident driver on a temporary basis from the resident driver's area, rather than providing a temporary relief driver from among the employees on the Employer's seniority list.
- H. When an additional driver is needed because of expansion of business or replacement of a present driver, the Company may select the additional driver from either Local 848 or the local Union in the resident driver's area.
- I. When an employee elects to relocate, the employee shall pay all of the employee's own relocation expenses and shall report for work at the employee's new location on the date scheduled by the Employer.

ARTICLE 26 — DELIVERY RESTRICTIONS (APPLICABLE TO DRIVERS ONLY)

- A. No employee shall be required to make deliveries to any location which requires merchandise to be hand carried or hand trucked up or down a continuous flight in excess of four (4) steps. This clause shall not apply to all deliveries, which are dispatched out of this area where the other contracts do not contain this restriction.
- B. Further, in no instance shall the employee engage in argument or discussion of the problem with the customer, nor shall the employee make the decision as to whether or not to service the stop.

- C. Problematic stops because of the length of the flight of stairs, up or down, which the driver must hand carry or hand truck the merchandise, the driver will make the delivery the first time, and immediately upon his return to the plant will make a report in writing, with a copy to the Union on forms provided by the Company. The first delivery shall be defined as the first time that the Company services the account. The Company shall then investigate the stop, correct and make arrangements for deliveries to the customer.
- D. Frozen food need not be rotated in frozen or refrigerated units.

ARTICLE 27 — GENDER REFERENCE

As used in this Agreement, all references to gender such as references to "he", "him", and "his", and references to "they", "them", and "theirs", shall apply equally to any/all other genders.

ARTICLE 28 — PART-TIME EMPLOYEES

- A. The part-time employees shall be guaranteed twenty-four (24) hours of work in each week during which the employee is ordered to report to work. This work shall be provided within the seven (7) day period from Sunday through Saturday, inclusive.
- B. Pension contributions shall be paid by the Employer on all hours compensated by part-time employees in accordance with Article 14, Pensions.
- C. A "regular part-time employee" shall mean an employee who has completed ninety (90) days of non-light duty work in a continuous six (6) month period of employment with the Company. The Company shall be required to make a health and welfare contribution on behalf of each regular part-time employee who works 80 or more hours during the prior month.
- D. A part-time employee shall receive pro-rata vacation benefits based upon the ratio of his hours actually worked to 1800 hours.
- E. The Company will comply with all local, state and federal law and ordinances regarding sick days for part-time employees.
- F. A part-time employee shall be entitled to receive holiday pay only if he is ordered to work during the week in which the holiday involved occurs. The eight hours of holiday pay shall count toward determining whether or not he has received his twenty-four (24) hours guarantee for that week.
- G. Part-time employees shall not be eligible for jury duty or funeral leave benefits.
- H. The probationary period for part-time employees shall be ninety (90) working days.

- I. In the event of a layoff, a full-time employee who is laid off shall have preference for any available part-time work. The recall rights of a full-time employee who declines part-time work shall not be affected by his refusal to work part-time.
- J. A part-time employee who is laid off without ever having attained regular full-time status shall have recall rights for a period of six (6) months from the date of his layoff.
- K. **DRIVERS:** The number of part-time employees allowed to be working at any one time shall not exceed the number of regular full-time employees absent for any reason (e.g. absenteeism, vacation, individual personal holiday, etc.) plus 15% of the regular total work force in the driver job classifications.

WAREHOUSE AND OFFICE CLERICAL: The number of part-time employees shall not exceed 20% of the total number of employees employed in the warehouse and office/clerical job classifications.

Effective November 9, 2014 the Company may create new, dayshift warehouse positions with non-consecutive days off (split shifts), provided the number of such positions is not more than twenty percent (20%) of the dayshift warehouse associates. The Company agrees to post such positions for bid.

- L. Part-time employees shall be subject to the Union security clause.

ARTICLE 29 — FIDELITY BOND, DONATIONS AND PHYSICAL EXAMINATIONS

- A. When the Employer requires a Fidelity Bond of any employee, the premium of said bond shall be paid by the Employer.
- B. Contributions and donations for all charitable purposes shall be voluntary on the part of the employee.
- C. The Employer shall have the privilege of requiring physical, mental and/or aptitude examinations.

However, the mental and/or aptitude test used should be nationally credited and the Union shall have the right of review of any such system instituted, as to its fairness and accuracy.

- D. Failure to pass either or any of the above tests, or the inability to secure bond for any applicant or employee shall be deemed sufficient reason to disqualify said person for employment. The expense of such examination shall be borne by the Employer.

ARTICLE 30 — SUCCESSORS AND ASSIGNS

In the event of a sale, consolidation, merger, assignment or transfer of majority control of the business or any part thereof or any other change of ownership of the business of the Employer, the purchaser, assignee or transferee shall be bound by this Agreement.

It is the intent of the parties that the Employer shall notify any potential purchaser, assignee or transferee of the foregoing provisions relative to the purchase, etc., of the business of the Employer.

ARTICLE 31 — NEW LOCATIONS

In the event the Company transfers existing bargaining unit work to a new location within the jurisdiction of the Joint Council of Teamsters No. 42 or beyond, current employees shall be permitted to bid for and follow the work and shall have preference for employment before any new employees are hired.

ARTICLE 32 — MAINTENANCE OF FAVORABLE CONDITIONS

The wages, hours, and working conditions related to vacations and holidays set forth by the specified written terms of this Agreement shall remain in effect during the term of this Agreement, and shall not be changed during the term of this Agreement.

ARTICLE 33 — TOOL ALLOWANCE (APPLIES TO MAINTENANCE JOB CLASSIFICATIONS ONLY)

Those classified herein as journeyman mechanics or journeyman building maintenance shall receive two hundred (\$200) dollars per calendar quarter for the purchase and maintenance of all tools normally required to perform the normal work at hand, provided the employee provides the Company with receipts to support the purchase and/or maintenance. Those classified herein as laborers shall receive one hundred (\$100) dollars per calendar quarter for the purchase and maintenance of all tools normally required to perform the normal work at hand, provided the employee provides the Company with receipts to support the purchase and/or maintenance. It is understood that both of these said allowances are a non-wage payment.

ARTICLE 34 — COST OF LIVING

The Cost of Living formula and payments will be suspended during the present Agreement. However, the parties agree that the matter will be discussed in future negotiations using the language in the 1983 Contract as a reference.

ARTICLE 35 — INCENTIVE PAY

- A. When an Employer establishes any plan providing remuneration to the employees above and in addition to the benefits provided by this Agreement, exclusively of prizes, gifts and awards that are not directly attributable to

productivity, and are non-discriminatory, such forms of additional remuneration shall be subject to negotiations between the Company and the Union, and approved thereby. It is agreed that any such methods of remuneration may be withdrawn or terminated by the Employer at the end of any contract year. This Article shall have no application to any such plan now in effect which provides retirement benefits for the employees.

- B. After negotiations with the Union, the Company may implement a Voluntary Incentive Plan (VIP) at any time during the life of this Collective Bargaining Agreement. It is understood that employee participation in the plan is completely voluntary and an employee will not be subject to disciplinary action simply because he/she does not participate in the plan.

ARTICLE 36 — UNIFORMS/GROOMING

All uniforms or any other distinctive clothing required by the Company shall be provided, maintained, laundered and/or dry cleaned at the expense of the Company. Employees will be clean and well groomed at all times. The drivers shall wear only Company provided uniforms, and shall not wear any hats, logos, or other distinctive items not provided by the Company. If the Company requires warehouse employees to wear any company attire, it shall contain a Teamsters Union logo.

ARTICLE 37 — CLEAN AND PREPARATION TIME (APPLIES TO MAINTENANCE CLASSIFICATIONS ONLY)

Employees working in Maintenance Job Classifications shall be allowed ten (10) minutes at the start of each shift for tool preparation, etc., and fifteen (15) minutes at the end of each shift as clean up time.

ARTICLE 38 — PRODUCTION STANDARDS (APPLICABLE TO WAREHOUSE ONLY)

The Employer retains, solely and exclusively, the right, power and authority to establish and/or modify work standards after giving the Union thirty (30) days advance written notice of said standards. During this period the Union has the right to review information pertaining to the standards and to grieve the reasonableness of the standards. The Employer agrees to train all employees who are subject to engineered labor standards on items included but not limited to how those standards operate, how to request downtime and how to use and perform consistent with the preferred work methods. The Employer shall continue to allow downtime for unavoidable delays.

ARTICLE 39 — TERM OF AGREEMENT

- A. This Agreement shall be in full force and effect for the period of October 4, 2020, to and including midnight on October 3, 2026, and thereafter from year to year unless terminated by either party as hereinafter provided.

B. Sixty (60) days prior to October 3, 2026, or any subsequent annual anniversary date, either party may notify the other party in writing of its desire to cancel the existing Agreement or to negotiate a new contract.

Executed effective as of the _____ day of _____, 2020.

For US Foods, Inc.

Date: 1-14-21

By: [Signature]

By: _____

By: _____

By: _____

By: _____

For the Union

Date: 1-14-21

By: Sally Ann LVS42

By: [Signature]

By: [Signature]

By: [Signature]

By: [Signature] Local 848

Schedule A
Wage Scales and Job Classifications for Drivers

<u>Job Classification</u>	Effective <u>10/4/20</u>	Effective <u>10/3/21</u>	Effective <u>10/2/22</u>	Effective <u>10/1/23</u>	Effective <u>10/6/24</u>	Effective <u>10/5/25</u>
(1) Drivers	\$27.36	\$28.61	\$29.47	\$30.35	\$31.26	\$32.20
(2) Van Driver I	\$22.60	\$23.85	\$24.57	\$25.30	\$26.06	\$26.84
(3) Van Driver II*	\$18.60	\$19.85	\$20.45	\$21.06	\$21.69	\$22.34
(4) Bob-Tail Driver	\$26.66	\$27.91	\$28.75	\$29.61	\$30.50	\$31.41

* The Van Driver II wage rate shall not be subject to the break-in rates set forth below.

The combined number of Van Driver I and Van Driver II positions shall not exceed 9% of the total work force in the Driver job classification.

Forepersons shall receive a premium of \$1.00 per our over the Driver classification wage scale.

The following break-in rates shall be effective for all employees hired on or after October 1, 2004. All hours worked, including overtime, shall be considered hours worked for the purpose of these wage progressions. The Company may in its sole discretion hire new employees at any percentage step in the following progression:

Hours	Percentage of Rate
1-1040	70%
1041-2080	75%
2081-3120	80%
3121 — 4160	90%
Thereafter	100%

Schedule B
Wage Scales and Classifications for Mechanics

<u>Job Classification</u>	<u>Effective 10/4/20</u>	<u>Effective 10/3/21</u>	<u>Effective 10/2/22</u>	<u>Effective 10/1/23</u>	<u>Effective 10/6/24</u>	<u>Effective 10/5/25</u>
(1) Journeymen Mechanics and Journeymen Building & Maintenance	\$29.22	\$30.47	\$31.38	\$32.33	\$33.30	\$34.29
(2) Laborer	\$22.45	\$23.70	\$24.41	\$25.14	\$25.90	\$26.67

The following break-in rates shall be effective for all employees hired on or after October 1, 2004. All hours worked, including overtime, shall be considered hours worked for the purpose of these wage progressions. The Company may in its sole discretion hire new employees at any percentage step in the following progression:

1-1040	70%
1041-2080	75%
2081-3120	80%
3121 — 4160	90%
Thereafter	100%

Schedule C
Wage Scales and Classifications for Warehouse

<u>Job Classification</u>	<u>Effective 10/4/20</u>	<u>Effective 10/3/21</u>	<u>Effective 10/2/22</u>	<u>Effective 10/1/23</u>	<u>Effective 10/6/24</u>	<u>Effective 10/5/25</u>
<u>Class I</u> Working Foreman (Working Foreman defined as an employee who is assigned by the Employer for the direction and supervision of a working crew the major portion of his time.)	\$29.90	\$31.15	\$32.08	\$33.04	\$34.03	\$35.05
<u>Class II</u> Receiver, Forklift Operator, Inventory Clerk, Utility, and Chaser	\$29.70	\$30.95	\$31.88	\$32.84	\$33.83	\$34.84
<u>Class III</u> Checker/Loader, Selector, Robo Wrapper	\$29.58	\$30.83	\$31.75	\$32.70	\$33.68	\$34.69

The following break-in rates shall be effective for all employees hired on or after October 1, 2004. All hours worked, including overtime, shall be considered hours worked for the purpose of these wage progressions. The Company may in its sole discretion hire new employees at any percentage step in the following progression:

Hours	Percentage of Rate
1-1040	70%
1041-2080	75%
2081-3120	80%
3121 — 4160	90%
Thereafter	100%

Schedule D
Wage Scales and Job Classifications for Office/Clerical

<u>Job Classification</u>	<u>Effective 10/4/20</u>	<u>Effective 10/3/21</u>	<u>Effective 10/2/22</u>	<u>Effective 10/1/23</u>	<u>Effective 10/6/24</u>	<u>Effective 10/5/25</u>
<u>Scanner</u>	\$21.70	\$22.95	\$23.64	\$24.35	\$25.08	\$25.83
<u>Class IV</u>	\$28.64	\$29.89	\$30.79	\$31.71	\$32.66	\$33.64
Accounts Receivable Clerk; Office Supply Clerk; Program Services Clerk; Receiving Clerk; and all others performing work of a similar nature						
<u>Class V</u>	\$28.72	\$29.97	\$30.87	\$31.80	\$32.75	\$33.73
Accounts Payable Clerk; Driver Check-In; Floater; Invoice control Clerk; and all others performing work of a similar nature						
<u>Class VI</u>	\$28.88	\$30.13	\$31.03	\$31.96	\$32.92	\$33.91
Computer Operator; Customer Care Representative; and all others performing work of a similar nature						

The following break-in rates shall be effective for all employees hired on or after October 1, 2004. All hours worked, including overtime, shall be considered hours worked for the purpose of these wage progressions. The Company may in its sole discretion hire new employees at any progression step in the following progression:

Hours	Percentage of Rate
1-1040	70%
1041-2080	75%
2081-3120	80%
3121 -4160	90%
Thereafter	100%

Memo of Understanding with 848/542/986/87 re: Open Board Rules

The Employer shall post all open routes to be bid upon by seniority on the respective 4 am or 5 am Open Board.

When the Employer attempts to call-in an Open Board Driver to work at an earlier start time, the Employer shall make one telephone call to the telephone number provided. If there is no answer, the Employer shall call the next most senior Open Board Driver and so on.

Memo of Understanding with 848/542/986/87 re: Resident Yard Business Movement

This Memo of Understanding memorializes the methodology of seniority and preference to apply when US Foods consolidates or moves business among Resident Yards covered under the La Mirada CBA:

- (a) Driver in a Resident Yard losing business is permitted to "follow work" with his seniority from his existing Resident Yard to another Resident Yard, if and only if that second Resident Yard is receiving business from 'his' originating Resident Yard.
 - (1) This means that the Resident Yard Driver from the reducing Resident Yard will have first preference (over Drivers in other Resident Yards or Drivers in La Mirada) to bid upon an open route in the receiving Resident Yard by seniority.
- (b) A Driver shall not migrate to a Resident Yard that does not receive business from his former Resident Yard, and must either: (a) migrate to a receiving Resident Yard or (b) integrate back into the La Mirada facility as per his seniority,
 - (1) a Driver who does not migrate to a receiving Resident Yard or integrate back to La Mirada loses his or her seniority.
- (c) No La Mirada Driver can "follow work" to any facility not covered under the La Mirada CBA, i.e., the eight (8) Resident Yards described previously in the letter of October 15, 2009.
- (d) In the event that a Resident Yard Driver who migrates from his former Resident Yard to the receiving Resident Yard retires or resigns within twelve (12) month of the migration, other less senior, active Drivers from the same reducing or former Resident Yard shall have first preference (over Drivers in other Resident Yards and Drivers in La Mirada) to bid upon this newly re-opened route by seniority. If a Resident Driver loses (his or her) bid run due to lack of business (by seniority) and is forced back to the La Mirada yard, that Driver has the right to return to that yard if business picks up within one (1) year, before it is posted-up to bid.

**Memo of Understanding with 848/542/986/87 re: Resident Driver Required to Report to
La Mirada facility**

When the Company requires a Resident Driver to report to the La Mirada facility (excluding light duty work), the Company will reimburse the Resident Driver for the difference between their normal commute mileage from their home to their resident yard and from their home and the La Mirada facility at the IRS standard mileage rate.

Memo of Understanding with 630 re: Pallet Work In the La Mirada Facility

Pallet work originating inside the La Mirada facility will be done by a Local 630 bargaining unit member, including collecting pallets throughout the warehouse, bringing pallets for selectors or receivers to use and removing excess pallets from the building.