ARTICLE 1 - RECOGNITION OF UNION AS BARGAINING AGENT

1.3 This Agreement shall apply to all New Jersey employees of the Company within the jurisdiction of Teamsters Local 177 who are engaged in the repair of motor vehicles owned by the Company, and in the maintenance of plants and mechanical equipment, installed on premises of the Company. Non-working supervisors and office clerks shall be excluded from the contract.

ARTICLE 3 - WAGE SCHEDULE

Section 1

Effective August 1, 2008, and for the period to and including August 1, 2013.

Helper rate shall be 70% of the prevailing journeymen mechanics' rate in effect on July 31, 2002.

The 70% rate will apply to Helpers will receive all future National Master Agreement wage increases.

<table>
<thead>
<tr>
<th>Wage Rates</th>
<th>8/1/08</th>
<th>8/1/09</th>
<th>8/1/10</th>
<th>8/1/11</th>
<th>8/1/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Journeymen-Mechanics (All Trades)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helpers (Automotive)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Full Time New Hire Wage Progression

All Supplements, Riders or Addendum will contain the following wage progression schedule to cover all full time employees, except apprentices and helpers who have not yet attained seniority as of August 1, 2008:

<table>
<thead>
<tr>
<th>Percentage Wage Rate in Effect</th>
<th>On July 31, 2002-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td>70% 80%</td>
</tr>
<tr>
<td>Seniority</td>
<td>75%</td>
</tr>
<tr>
<td>Date of Seniority plus one year</td>
<td>80%</td>
</tr>
<tr>
<td>Date of Seniority plus 18 months</td>
<td>90%</td>
</tr>
<tr>
<td>Date of Seniority plus 24 months</td>
<td>Top Rate</td>
</tr>
</tbody>
</table>

Memorandum of Agreement

UPS and IBT Local 177

The parties agree that in the mechanics and maintenance agreement in Article Three (3) Wage Schedule under Wage Rates the following additional wages will be added to the wages negotiated in the National Master Agreement.

<table>
<thead>
<tr>
<th>Wage Rates</th>
<th>8/01/08</th>
<th>8/01/09</th>
<th>8/01/10</th>
<th>8/01/11</th>
<th>8/01/12</th>
</tr>
</thead>
<tbody>
<tr>
<td>.05 cents</td>
<td>.05 cents</td>
<td>.05 cents</td>
<td>.05 cents</td>
<td>.10 cents</td>
<td></td>
</tr>
</tbody>
</table>

Article 3

Section 3.9 Utility Journeymen

Change to read:

Paragraph 1 – No change
16-177M

Paragraph 2

The number of these jobs bid shall not exceed two (2) automotive and two (2) three (3) maintenance journeyman per District provided that the third maintenance journeyman does not exceed twenty five percent (25%) of the total number of maintenance journeymen in that District. If the need arises, these employees may be assigned to work in another District and will receive the appropriate travel allowance.

Each District will be permitted no more than two (2) utility persons for the automotive classification and two (2) three (3) utility persons for the maintenance classification.

Under no circumstances will the Company ever be required to have less than two (2) utility persons for the maintenance classification.

Rest of section will remain the same.

ARTICLE 7.1 - HOLIDAYS

SECTION 1

A full-time seniority employee shall be paid for the following holidays provided he works a minimum of two (2) days during the holiday week one of these days must be the day before or the day after the holiday: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, New Year’s Eve Day and the day after Thanksgiving. Seniority employees who are absent the full week of the holiday week due to illness or Workmen’s Compensation disability need not work during the holiday week in order to receive holiday pay. The amount of holiday pay shall be the equivalent of eight (8) hours straight-time pay.

Employees will be entitled to a Personal Holiday upon attaining seniority. If the employee elects to work the Personal Holiday they will receive Holiday pay plus double time for all hours worked. If the employee elects to take this Personal Holiday as a day off, he/she will be paid eight (8) hours and he/she must notify the Company prior to the Thursday before the week their Personal Holiday will fall.

Employees who have attained seniority shall be entitled to one (1) Option Holiday. The employee may request payment for this additional holiday at any time after the effective date in lieu of time off.

Employees will be afforded the time off in seniority order with a minimum of one (1) per day, and a maximum will be determined by the needs of the business.

Neither of these options may be exercised from December 1 to December 25 of each year.

ARTICLE 8 - SICK LEAVE

8.2 Regular full time employees with less than one (1) year’s seniority prior to May 1st of each year, shall have earned one (1) day paid sick leave after the first six (6) months, and one (1) day for every four (4) six (6) months of service thereafter.

ARTICLE 10 - DISCHARGE

10.1 The following shall be causes for immediate suspension or discharge of an employee: drinking, or proven or admitted dishonesty.

10.2 No change

10.3 Situations involving serious physical violence, or serious threats of physical violence, or severe physical sexual harassment, or repeated lewd comments of severe sexual nature directed at an individual.

As a matter of interpretation, “serious physical violence” shall not include the following: accidental physical contact or actions reasonably taken in self-defense, pointing of one’s finger at another, loud and/or abusive behavior including foul language.

As a matter of interpretation, “serious threats of physical violence” shall be limited to a clear threat of imminent harm under circumstances demonstrating a reasonable ability to do so.

In any and all other matters involving a disciplinary action, the parties agree that the employee will remain on the job until such time of the scheduled arbitration hearing.

In those cases involving disciplinary action where suspension or discharge without pay is not authorized pursuant to the above; but where the Company feels the need to put the employee off property, the parties agree to submit the issues on priority basis to the expedited discharge arbitration procedure, and the Company agrees to pay that employee all wages and benefits until the completion of the expedited arbitration process. Cases in which the employee is immediately discharged without pay for the grounds set forth above shall have precedence over discharge cases in which the employee remains on the job in the expedited arbitration process.

any claimed violation of this agreement shall be heard simultaneously by the discharge arbitrator.

This Agreement shall not affect either parties’ rights with respect to discipline under the National Master agreement other than Article 7.
ARTICLE 11 - SENIORITY

11.6 Bidding

(a) Districts shall be defined as:

<table>
<thead>
<tr>
<th>Metro</th>
<th>Metro Edison</th>
<th>North</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meadowlands</td>
<td>Edison</td>
<td>Parsippany</td>
</tr>
<tr>
<td>Gould Avenue</td>
<td>Tinton Falls</td>
<td>Spring Valley</td>
</tr>
<tr>
<td>Staten Island</td>
<td>Trenton</td>
<td>Chester</td>
</tr>
<tr>
<td>Trenton</td>
<td>Lakewood</td>
<td>New Windsor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mount Olive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bound Brook</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Saddle Brook</td>
</tr>
</tbody>
</table>

(I) The Company shall have the right during the period between Thanksgiving and Christmas of each year to move Journeymen’s start times one (1) hour in addition to the two (2) hour provision required by the operating needs of the Company. These moves will not be subject to the bidding process as outlined in Article 11.6 above. Any affected Journeymen will not suffer the loss of the night differential due to this provision. Only one move per man will be permitted during this period unless the move is closer to the employees original start time. At the conclusion of this period the affected employees will be returned to his/her start time.

Utility Journeyman in both classifications will only be permitted to move one (1) hour under this provision in addition to the two (2) hours provided for in Article 3.9.

11.7 Transfers

Transfers from any classification covered by this agreement may be requested to any other full time classification in the Collective Bargaining Supplemental Agreement between United Parcel Service (New Jersey) and Teamsters Local 177 (known as the Package Agreement). In addition, transfers will be permitted within the UPS (New Jersey) and Teamsters Local 177 Mechanics and Maintenance Supplemental Agreement. A list shall be prepared of employees requesting said transfers. If a job is not filled through the bidding procedure as outlined in this agreement, it shall be offered to the overall transfer list. Employees will be notified within fifteen (15) working days as to the status of their transfer. The transfer list shall include the location and classification to which an employee wishes to transfer.

b) Automotive and Maintenance Employees will be placed on the transfer list using their full time Company seniority. Transfers will be limited to three (3) per district per year.

ARTICLE 14 – Grievance and Arbitration

Add new language:

Any grievance settlement not paid within ten (10) working days of the settlement shall entitle the grievant(s) to a penalty payment. Such penalty payment will be equal to one half (1/2) of his/her daily guarantee at his/her regular hourly rate. The ten (10) working day period shall begin to run when the Labor Department representative agrees to the settlement, or is notified by the Union or management team of the settlement. The Union will notify the Company of a grievant settlement with an agreed to standardized form. The Employer shall pay a maximum of one penalty payment for a multi-grievant grievance.

ARTICLE 25 – MAINTENANCE OF STANDARDS

Add new language:

SECTION 1

The Employer agrees that all conditions of employment relating to wages, hours of work, overtime differential, and general working conditions, as negotiated or agreed upon shall be maintained at not less than the highest standards in effect at the time of the signing of this Agreement and the conditions of employment shall be improved wherever specific provisions for improvements are made elsewhere in this Agreement.

It is agreed that the provisions of this Section shall not apply to inadvertent or bona fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement.

Memorandum of Agreement

It has been agreed between the parties that in Articles of this collective bargaining agreement where the words Edison or Central or Central Jersey are used to define a District the parties agree to substitute “Metro Edison” as an identifier of that unit or district. Substitution of the words “Metro Edison” for the words Central or Edison or Central Jersey is not intended to alter the meaning of this Agreement.

Description of the Central or Edison or Central Jersey District as the “Metro Edison” district does not alter any contractual language or established practice with respect to the grouping of Company facilities into three separate units or Districts.

The former Edison or Central or Central Jersey District will continue to be recognized as an independent unit or District for the purposes of this Agreement.

The words Meadowlands, Parsippany and Edison can continue to be used as a means to identify the main shops and buildings.

Memorandum of Agreement

The parties have agreed to make the following grammar changes in the Teamsters Local 177 - United Parcel Service
16-177M

Mechanics and Maintenance collective Bargaining Supplemental Agreement.

Article 2.3 Change the word “Member” to the plural Members

Article 3.5 Change the word “Men” to the word Employees

Article 7.1 Change the word “Workmen’s” to the word Worker

Article 11.4 Change the word “of” between the words assignment and work

Article 11.5a. Change the word “He” to Employee
   b. Change the word “He” to Employee
   d. Change the word “He” to Employee
      Change the word “man” to Employee
      Add the words “or her” after the word his
   e. Add the word “An” to the beginning of the sentence and change the word “man” to the word Employee
      Delete the words “or she”.
   f. Change the word “He” to Employee

Article 16.1 Change the word “Workmen’s” to Worker

Article 19.1 Delete the words “Selective Service and Training Act” Insert Uniformed Services Employment and Reemployment Rights Act (USERRA)

Article 21.1 Change the word “Workmen’s” to Workers

Article 35.3 Delete the words “be trained” from Section

It has been agreed to by the parties that the above-referenced changes are for grammar purposes only. It is further agreed by the parties that these changes are not intended to change the meaning or interpretation of the affected Article(s).