

LETTER OF AGREEMENT

UPS Freight ("UPS") and the Teamsters National United Parcel Service Freight Negotiating Committee ("TNUPSFNC" or "Union") agree to the following:

- (1) Except as provided in this Letter of Agreement ("LOA") the terms of the Addendum to the UPS Freight Agreement ratified on May 23, 2012 ("Addendum") shall apply to those employees represented by the Union who are working in the facilities listed in Exhibit A to this LOA.
- (2) The initial seniority list required by Article 5, Section 1(g), set forth in No. 1 of the Addendum, shall be made available within fourteen (14) days of the ratification of this LOA.
- (3) The guarantees provided Article 18, Section 2, set forth in No. 7 of the Addendum, shall be applicable the first full work week after the ratification of this LOA.
- (4) Article 25, Section 1 of the UPS Freight Agreement shall become effective no later than January 1, 2013. Employees covered by this LOA shall participate in the annual enrollment which will take place in the Fall of 2012. Employees will keep their current coverage through December 31, 2012.
- (5) No. 14(b) and (c) of the Addendum shall apply to the employees covered by this LOA. No. 14(a) shall not apply but rather shall be replaced in its entirety by the following: "All employees covered by this Letter of Agreement shall receive a one percent (1.0%) increase in pay retroactive to June 1, 2012. The retroactive pay shall be on all paid hours from June 1, 2012 until the day of ratification of this Letter of Agreement. The retroactive amount shall be paid within thirty (30) days of ratification. All employees not covered by the progression in No. 14 (b) shall receive a three-and-one-half percent

(3 1/2 %) general wage increase effective the first pay period after January 1, 2013.

- (6) Within ten (10) days of the ratification of this LOA, UPS will notify those current or ex-employees who have an active claim pending in UPS's Peer Review Process that they have thirty (30) days from notification by the Company to file a grievance under the UPS Freight Agreement if they wish to continue to challenge the disciplinary action. If such a grievance is filed it will be processed in accordance with the terms of the UPS Freight Agreement. If they do not file a grievance within the thirty (30) days their claim will be administratively closed.

COMPANY

Date: _____

UNION

Date: _____