

## **MEMORANDUM OF UNDERSTANDING**

### **MARKET-BASED NEW HIRE PROGRESSION RATES AND DOCK ONLY CASUAL RATES**

YRC Inc. (d/b/a/ YRC Freight), USF Holland LLC, and New Penn Motor Express LLC (the "Companies") and the Teamsters National Freight Industry Negotiating Committee ("TNFINC") enter into this Memorandum of Understanding concerning new hire wage progression rates and wage rates for dock only casual employees. The parties recognize that the recruitment and retention of qualified employees in certain areas of the country continues to be challenging. As a result, the Companies at certain locations continually are attempting to fill vacancies and, in some instances, have had to use a cartage provider to service freight.

In an effort to support employee recruitment and retention efforts, the parties have reviewed hiring trends, market data, and cartage usage at locations across the Companies' respective terminal networks. Based on that review, the parties have agreed as follows:

1. The locations eligible for market-based adjustments are listed on the attached Exhibits. Upon fourteen (14) days' written notice to TNFINC and with written agreement of the applicable Local Union, the following adjustments shall apply at those locations identified:
  - a. The new hire wage progression for CDL-qualified regular, full-time employees and mechanics shall be eliminated and these employees shall start at 100% of the applicable wage rate, subject to the MOUs in place. CDL-qualified employees and mechanics who currently are in progression also shall be moved to 100% of the applicable wage rate, subject to the MOUs in place.
  - b. Regular, full-time non-CDL dock employees shall start at a rate of \$16.00 per hour and shall progress to \$17.00 per hour effective first day plus one (1) year and \$18.00 per hour effective first day plus two (2) years, consistent with the progression outlined in the Extension Agreement. Non-CDL dock employees who currently are in progression at a rate less than \$16.00 per hour shall be moved up to \$16.00 per hour. The \$16.00 per hour shall not be subject to the 15% reduction provided for in the MOUs.
  - c. Current and future dock only casual employees shall be paid at a rate of \$16.00 per hour, subject to the 15% reduction (for a starting rate of \$13.60 per hour) and the following progression:
    - Six (6) months and one (1) day: \$14.40 per hour
    - Twelve (12) months and one (1) day: \$15.20 per hour
    - Eighteen (18) months and one (1) day: \$16.00 per hour



The \$13.60, \$14.40, \$15.20, and \$16.00 per hour rates listed above are not subject to the 15% reduction provided for in the MOUs. Current dock only casual employees will start moving through the progression as of the date of this MOU is signed below by his or her Local Union at the request of the applicable Company.

2. Each Company may apply the market-based adjustments in phases and is not obligated to make adjustments at any particular location, unless it has provided notice to TNFINC and reached agreement with the applicable Local Union. A Company must, however, treat its locations within a particular market equally. Consistent with the above, written agreement of the applicable Local Union is required prior to the terms of this MOU going into effect at a given location.
3. The terminal locations listed on the attached Exhibits may be reviewed and updated periodically, with mutual agreement of the parties. Once put into effect at a location, the market-based adjustments set forth in Paragraph 1 may not be eliminated.

FOR YRC FREIGHT:

Math Lilly

4/10/2017  
Date

FOR USF HOLLAND:

Samuel N. Polson

4/10/2017  
Date

FOR NEW PENN MOTOR EXPRESS:

Dr. Schmidt

4/10/2017  
Date

FOR TNFINC:

Emergency Fund 4-4-2017

John A. Murphy - East

Mary Albert - Central

Bell H. Hester West

Paul D. Graham - South

4-4-2017  
Date

FOR THE LOCAL UNION:

Local Union Number: \_\_\_\_\_

\_\_\_\_\_  
Date