

123 Logistics Contract

COLLECTIVE BARGAINING AGREEMENT

by and between

123 Logistics Corporation

and

International Brotherhood of Teamsters, Local 654

Covering

Maintenance and Repair Employees

September 1, 2024 - August 31, 2027

Preamble

This Agreement is made between 123 Logistics Corporation, hereinafter referred to as "123 Logistics" or "Employer," and the International Brotherhood of Teamsters, Local 654, hereinafter referred to as "Union."

This Agreement is governed by and subject to the applicable provisions of the Public Employees' Collective Bargaining Act (RCW 41.56) and all pertinent regulations. The mutual promises and covenants exchanged herein form the basis of this agreement.

The parties acknowledge their shared commitment to the efficient and effective operation of 123 Logistics and recognize that a positive and cooperative relationship between labor and management is crucial for achieving their common objectives.

Article 1: Recognition

1. 1 123 Logistics formally recognizes the Union as the sole and exclusive representative for collective bargaining for all employees within the classifications of Maintenance Technicians, Vehicle Repair Technicians, and Facilities Maintenance Staff.

2. 2 The bargaining unit covered by this Agreement consists of all regular full-time and regular part-time employees (those regularly scheduled to work twenty (20) hours or more per week) within the classifications of

Maintenance Technicians, Vehicle Repair Technicians, and Facilities Maintenance Staff.

3.3 Employees excluded from this bargaining unit and therefore not subject to this agreement include all managerial, supervisory, confidential administrative, and clerical personnel, parts specialists, and temporary employees (those employed for a specific project or term not expected to exceed one hundred twenty (120) days). All other employees of 123 Logistics are also excluded.

4.4 All elected officials and officers of 123 Logistics are excluded from the bargaining unit, as certified by PERC Case No. 7890-D-24-5791.

5.5 The Union acknowledges that 123 Logistics's management personnel are not prohibited or restricted from performing bargaining unit work, provided such work is incidental to their managerial duties or necessary in situations where bargaining unit employees are unavailable.

Article 2: Management Rights

6.1 123 Logistics retains the exclusive right to manage and direct its operations in all respects, except as expressly limited by the specific and explicit terms of this Agreement and in accordance with all applicable laws and regulations.

7.2 All matters not specifically and explicitly addressed or governed by the clear and unambiguous language of this Agreement shall remain within 123 Logistics's sole and exclusive discretion to administer for the duration of the Agreement, and 123 Logistics may implement or modify policies and/or procedures as it deems appropriate.

8.3 The rights of 123 Logistics, by way of example and not limitation, include the following: a. To establish, modify, and enforce reasonable work rules, safety regulations, and operational procedures, provided that affected employees receive reasonable advance notification, except where immediate implementation is necessary for safety or operational needs. b. To develop, implement, administer, and revise personnel rules, policies,

and procedures governing matters not specifically detailed in this Agreement, including but not limited to attendance, conduct, and performance standards. 123 Logistics also retains the right to reasonably alter or modify existing work rules and procedures, including those outlined in any departmental manuals, provided that reasonable notice of these changes is given to affected employees. Personnel rules, policies, and procedures applicable to Union members will be communicated through written, electronic, or posted means. c. To schedule and assign all work, including regular hours, overtime, and shift assignments, and to determine the methods, processes, means, and technologies by which such work is performed, in a manner that maximizes efficiency, ensures safety, and effectively meets public service obligations. d. To hire, evaluate, promote, transfer, assign, schedule, direct, discipline, suspend, demote, and terminate employees, provided that such actions are consistent with the just cause provisions

of this Agreement. e. To determine the size, composition, organization, direction, and control of the workforce, including the right to create, eliminate, or modify job classifications, work assignments, and organizational structure. f. Employees are expected to perform incidental duties that are reasonably related to their assigned work, even if not specifically listed in their job descriptions, when directed by 123 Logistics. g. 123 Logistics has the exclusive authority to take any and all actions it deems necessary to provide essential Transit Authority services during emergencies. 123 Logistics shall be the sole judge of what constitutes an emergency and the necessary actions to be taken. An emergency is defined as any sudden or unforeseen event or situation that disrupts or threatens to disrupt essential services and requires immediate action. 123 Logistics will make reasonable efforts to consider employee safety during such events. h. 123 Logistics retains the unrestricted right to introduce new or improved technologies, equipment, methods, or processes to enhance operational efficiency, improve service delivery, and reduce costs. i. To assign employees as permitted by this Agreement.

j. To close, relocate, reorganize, or consolidate any office, branch, operation, or facility, or any part thereof, subject to any notification requirements imposed by law. k. Nothing in this Agreement shall be interpreted as diminishing or limiting 123 Logistics's inherent authority and responsibility to manage its operations and serve the public interest.

Article 3: Union Membership and Conditions of Employment

9. 1 Newly hired individuals in bargaining unit classifications will have thirty (30) calendar days from their date of hire to either join the Union or decline membership by submitting a written notification to both the Union and 123 Logistics.

10. 2 When 123 Logistics hires an individual who falls within the Union's jurisdiction, 123 Logistics will provide the Union with written notification, including the employee's name, job classification, and contact information, within seven (7) calendar days of the employee's hire date.

11. 3 If an employee elects not to join the Union based on bona fide religious beliefs or teachings of a church or religious body of which they are a member, they must pay an amount equal to regular Union dues and initiation fees to a non-religious charitable organization jointly approved by the employee and the Union. The employee must provide the Union and 123 Logistics with written verification of these payments on a monthly basis.

12. 4 123 Logistics will deduct Union dues from the pay of any employee who provides a voluntary, written, and revocable authorization, in accordance with applicable law. The Financial Secretary of the Teamsters Union will provide 123 Logistics with a schedule of applicable dues amounts. 123 Logistics will remit all deducted dues to the Financial Secretary

of the Teamsters Union promptly, along with a detailed statement of the employees from whose pay the deductions were made.

13. 5 Failure by a bargaining unit member to either join the Union or authorize Union dues deductions as described in this Article may be considered just cause for dismissal or other disciplinary action, subject to any limitations

imposed by law. Employees who qualify for the religious exemption under Section 9.2 are exempt from this requirement, provided they have consistently complied with all applicable stipulations.

14. 6 The Union agrees to indemnify, defend, and hold 123 Logistics harmless from any and all claims, grievances, or legal actions initiated by any person(s), non-member(s), or member(s) of the Teamsters Union against 123 Logistics concerning the deduction of Union dues or any issues related to an individual's failure to authorize such deductions, which results in dismissal or other discipline under Section 9.4. The Teamsters Union also agrees to refund to 123 Logistics any amount erroneously deducted as Union dues, provided that 123 Logistics provides prompt and accurate documentation of the error.

Article 4: Contracting Out

15. 1 123 Logistics will not contract out work normally performed by bargaining unit employees if such contracting would directly and demonstrably result in the permanent layoff of current bargaining unit employees, or the permanent reduction of their regularly scheduled work hours. However, 123 Logistics retains the right to contract out work that: a) has been historically and consistently contracted out prior to the effective date of this agreement, or b) requires specialized expertise, equipment, or technology that is not readily available within the bargaining unit and cannot be reasonably acquired by 123 Logistics.

16. 2 Should circumstances necessitate the contracting out of work typically performed by the bargaining unit, 123 Logistics will provide the Union with reasonable notice and an opportunity to discuss the potential impact of such contracting on bargaining unit employees. While 123 Logistics will consider the Union's input in good faith, it retains the final and exclusive authority to make all decisions regarding subcontracting, provided such decisions are not arbitrary or capricious.

Article 5: Subordinate to Statutes/Savings Clause

17. 1 This Agreement is subordinate to all applicable federal and state laws and regulations, including but not limited to the Public Employees' Collective Bargaining Act (RCW 41.56), the Fair Labor Standards Act, and

all anti-discrimination laws. The 123 Logistics Board shall not enact any ordinance, resolution, or policy that directly and irreconcilably conflicts with the express terms of this Agreement.

18. 2 If any Article, Section, or provision of this Agreement is declared unlawful or unenforceable by a court of competent jurisdiction or by a government agency with relevant authority, that court's or agency's decision will apply only to the specific Article, Section, or provision explicitly identified in the decision. Upon issuance of such a decision, the parties agree to promptly meet and negotiate in good faith to replace the invalidated portion with a lawful and enforceable substitute provision that reflects the original intent of the parties as closely as possible. If no mutually agreeable substitute is reached, the remaining provisions of the Agreement shall remain in full force and effect to the extent permitted by law.

Article 6: Non-Discrimination

19. 1 123 Logistics and the Union agree that neither party will discriminate against any employee covered by this Agreement based on race, creed, color, sex, gender identity or expression, sexual orientation, religion, age, marital status, national origin, political affiliation, veteran status, genetic information, or physical or mental disability, provided the employee can perform the essential functions of the job with or without reasonable accommodations,¹ and without posing a direct threat to their own health or safety or the health or safety of others.

Article 7: Probationary Employees

20. 1 All newly hired employees will serve an initial probationary period of one thousand (1,000) working hours.

21. 2 Employees will receive written notification within five (5) business days of successfully completing their probationary period, provided their performance and conduct have been deemed satisfactory by 123 Logistics.

22. 3 123 Logistics retains the sole and exclusive right to determine whether an employee has satisfactorily completed the probationary period. This determination is not subject to the grievance procedure, except for claims of discrimination as prohibited by law.

23. 4 Employees may be terminated during their probationary period without cause, and such termination shall not be subject to appeal or review through the grievance procedure, except for claims of unlawful discrimination.

Article 8: Hours of Work/Overtime

24. 1 The standard workweek is defined as the seven (7) consecutive day period from 12:01 a.m. Sunday to 12:00 midnight the following Saturday.

25. 2 Any hours worked beyond forty (40) in a workweek, as defined above, constitute overtime and will be compensated at one and one-half (1-1/2) times the employee's regular hourly rate. Overtime will be offered and assigned according to the following procedures: a. Overtime will be offered by seniority on a rotating basis. The most senior employee on the overtime list will be offered the opportunity to work the available overtime, provided they are qualified to perform the required work. Once an employee has worked overtime, they will move to the bottom of the overtime eligibility list. An overtime sign-up sheet will be posted by 12:00 PM every Thursday for the following week, and employees must indicate their availability by 5:00 PM on Friday. b. 123 Logistics will maintain the overtime eligibility list, which will be updated weekly and posted for employee review. c. Management will designate the job classification, skill set, and any specific qualifications needed to perform the overtime work. d. If an employee is called in to work scheduled overtime on a different shift than their regular one, that employee, if qualified and available, will be placed at the top of the overtime eligibility list for that week. Employees must have a minimum of a twelve-hour (12) rest period both before and after their regular shift to be eligible for scheduled overtime, unless this rest period is explicitly waived by the employee in writing. e. Overtime may be assigned to ensure the continuity of a specific task or project, or to address unforeseen operational needs. These overtime hours will be included in the calculation of the overtime eligibility list.

f. If all qualified employees decline available overtime, the least senior qualified employees will be required to work it. Employees in their probationary period are exempt from mandatory overtime assignments. g. Failure to report for scheduled overtime without providing proper notification and a valid reason, as determined by 123 Logistics, may result in disciplinary action for an unexcused absence, as detailed in Article 20.

26. 3 123 Logistics reserves the right to adjust employees' regular work schedules, including start and end times, days of the week, and shift assignments, to meet operational requirements and public service demands. 123 Logistics will provide affected employees with as much advance notice as is reasonable and practicable under the circumstances, and in no event less than seven (7) calendar days' notice, except in emergency situations, where notice will be provided as soon as possible.

27. 4 Employees who have completed their regular shift and are called back to work to address urgent or unforeseen operational needs will receive a minimum of four (4) hours of pay at the

applicable overtime rate. This call-back pay provision does not apply to employees who are held over to complete their assigned duties.

28. 5 Shift Starting Times

Normal shift starting times are as follows:

| Shift One | 05:00 am | to 11:59 am | (Day Shift) |

| :----- | :----- | :----- | :----- |

| Shift Two | 12:00 noon | to 06:59 pm | (Swing Shift) |

| Shift Three | 07:00 pm | to 04:59 am | (Graveyard) |

8\ 6 Shift Differential:

Employees will be paid a shift differential for all regularly scheduled hours worked, based on the starting time of their shift:

| Shift One | No shift differential |

| :----- | :----- |

| Shift Two | 95 cents per hour |

| Shift Three | \ \$1.30 per hour |

29. 7 Breaks: Employees are entitled to a fifteen (15) minute paid rest break during both the first and second four-hour work periods. These breaks will be scheduled by the supervisor to minimize disruption to operations. Additionally, employees are allowed a ten (10) minute paid cleanup period at the end of their shift, subject to operational needs and supervisory approval.

Article 9: Continuity of Service

30. 1 Continuity of Service: An employee's Continuity of Service Date (CSD) is used solely to determine eligibility for benefits that accrue based on length of continuous service with 123 Logistics and does not confer any rights related to Seniority (Article 10). The CSD is calculated as the Hire Date, adjusted by adding or subtracting days for specific qualifying reasons, as outlined in this Article. For example, if the Hire Date is June 2, 2001, and a 10-day adjustment is applied, the CSD becomes June 12, 2001.

31. 2 Hire Date: The Hire Date is defined as the date an employee is initially hired into a regular bargaining unit position.

32. 3 Adjustments to the CSD will be made on a day-for-day basis for the following reasons, and only with proper documentation provided by the employee:

a) Approved leave of absence without pay exceeding forty-five (45) consecutive calendar days within a rolling twelve-month period; and/or

b) Medical disability leave exceeding twenty-six (26) consecutive weeks; and/or

c) Time spent on layoff status, excluding temporary layoffs of less than two weeks.

33. 4 An employee's CSD will be forfeited, and a new CSD established, if they are rehired after any of the following:

a) Voluntary resignation and a subsequent absence from 123 Logistics employment for more than thirty (30) calendar days;

b) Termination for just cause;

c) Retirement;

d) Layoff lasting longer than one (1) year.

34. 5 Anniversary Date: The Anniversary Date is determined by counting forward from the CSD. For example, the one-year anniversary is one year from the CSD, the thirty-month anniversary is thirty months from the CSD, and so on.

Article 10: Seniority/Layoff/Recall

35. 1 Seniority:

a) An employee's seniority is defined by their total length of continuous service within a specific job classification (Classification Seniority) and their total length of continuous service with 123 Logistics (Company Seniority).

b) Company Seniority is defined as the employee's total uninterrupted service with 123 Logistics, measured from their most recent hire date.

c) Classification Seniority is based on the total uninterrupted time an employee has worked within a specific job classification and is retained even if the employee subsequently transfers or is promoted to other classifications.

d) An employee will lose their seniority rights for any of the following reasons:

(1) Voluntary resignation and a subsequent absence from 123 Logistics employment for more than thirty (30) calendar days. (2) Termination for just cause. (3) Layoff exceeding twelve (12) months. (4) Refusal to accept a recall from layoff, as per the layoff provisions outlined below. (5) Permanent transfer or promotion to a different department or a non-represented position; however, seniority will be retained if the employee returns to the bargaining unit within ninety (90) days, but will not accrue during the time outside the unit.

e) 123 Logistics will prepare and maintain up-to-date lists of Classification Seniority and Company Seniority, which will be posted on 123 Logistics and Union bulletin boards and provided to the Union electronically. These lists will be updated at least quarterly and made available for employee review. Employees must notify 123 Logistics of any errors or omissions in the posted dates within sixty (60) days of the list's posting; otherwise, the lists will be considered accurate and binding.

36. 2 Layoff and Recall:

a) 123 Logistics has the sole and exclusive right to determine when layoffs are necessary and which job classifications will be affected, based on operational needs, budget constraints, or other legitimate business reasons.

b) 123 Logistics will provide the Shop Steward and affected employees with as much advance notice as is reasonable and practicable under the circumstances, and in no event less than fourteen (14) calendar days' written notice, except in cases of unforeseen emergencies or circumstances beyond 123 Logistics's control.

c) When a layoff is necessary, 123 Logistics will first seek volunteers from the affected classification(s) who are willing to be laid off. If there are more volunteers than positions to be eliminated, layoff selection among volunteers will be based on Company Seniority. If there are insufficient volunteers, employees to be laid off will be selected in reverse order of Classification Seniority, according to the seniority list.

d) Employees facing layoff have the right to "bump" into previously held classifications within the bargaining unit, provided their Company Seniority is greater than that of the least senior employee in that classification, and they possess the present ability to perform the essential duties of the position, as determined by 123 Logistics. Employees may choose to be laid off rather than exercise bumping rights.

e) When vacancies arise in classifications from which employees were laid off or downgraded, those employees will be recalled to those classifications based on their seniority, provided they are presently able to perform the available work and pass a return-to-work physical examination, if required for the position.

f) Employees retain recall rights for twelve (12) months from the effective date of the layoff.

g) Recall notices will be sent to laid-off employees by certified mail, return receipt requested, at their last known address on file with 123 Logistics. Employees are responsible for keeping 123 Logistics informed of any changes to their contact information. Employees who fail to respond to a recall notice within seven (7) calendar days of receipt or fail to report for work within fourteen (14) calendar days of receipt will be considered to have voluntarily resigned, and their names will be removed from the recall list.

h) **Temporary Assignments:** Employees temporarily assigned to a higher classification for more than fifteen (15) consecutive working days will receive the pay rate of that higher classification for the duration of the temporary assignment, retroactive to the first day of the assignment. Upon returning to their regular classification, their seniority in their regular classification will be unaffected. If the temporary assignment continues for more than six (6) months, the employee will receive a one-time bonus equivalent to 5% of their regular hourly rate and will be given the option to bid on the higher classification position if such a position becomes available.

Article 11: Job Openings and Training

37. 1 Job Openings: When a job opening occurs within the bargaining unit, 123 Logistics will post the job internally on the employee bulletin board and via electronic communication for a minimum of fifteen (15) calendar days before advertising the position externally. Each posting will include a written job description, a comprehensive list of required knowledge, skills, and abilities (KSAs), and the applicable wage and step for the position. Employees who wish to be considered for the position must submit a letter of interest and a current resume or completed internal application form within ten (10) calendar days of the posting date.

38. 2 Advancement: Employees may be considered for advancement to a higher job classification even if there is no vacant position, based on operational needs and management discretion. Advancements will be based on a thorough evaluation of the employee's demonstrated ability to consistently perform the essential duties and responsibilities of the higher classification, as well as their performance evaluations, attendance records, and disciplinary history.

39. 3 Training/Advancement Program: Following the ratification and execution of this Collective Bargaining Agreement (CBA) in 2024, a joint committee composed of equal representation from the Union and 123 Logistics will be established to develop and implement a comprehensive training and advancement program. The program will aim to enhance employee skills, promote career development, and improve overall operational effectiveness. If necessary, a mutually agreed-upon third party with expertise in training and development may be retained to assist in the program's design and implementation. The committee will convene at least once per month until the program is fully developed and implemented. If additional time is reasonably required, it will be scheduled by mutual agreement of the parties. Until the training/advancement program is fully established, existing rules, policies, and practices will continue to govern any available training opportunities.

40. 4 Shift Bidding: 123 Logistics will conduct shift bidding for starting times within each classification on an annual basis, to the extent that operational needs and staffing levels permit. Bids will be held in February of each year. 123 Logistics retains the right to determine: a) The number of positions in each classification for each starting time and shift, and b) The starting

times, in accordance with Article 8. Seniority, as defined in Article 10, will be the primary factor considered in shift bidding, calculated from the

employee's most recent hire date within the department. 123 Logistics retains the right to set or modify starting times as per this Agreement, and to deny shift bids based on legitimate operational needs and staffing requirements. It is understood that training schedules or operational needs may necessitate temporary shift re-assignments, which are not subject to the shift bidding process. If 123 Logistics establishes a new shift, notice will be provided according to Article 8, and bidding for the new starting times will follow the procedures outlined above.

Article 12: Wages

41. 1 Employee wages are detailed in the classification and wage schedule provided in Appendix "A," which is attached to and incorporated into this Agreement.

Article 13: Benefits

42. 1 Regular full-time employees are eligible for the benefits detailed below and may select their insurance coverage annually, during the designated open enrollment period. The specific benefit types, levels of coverage, and eligibility criteria are determined by the applicable benefit plans and are subject to change during the term of this Agreement. Eligible regular full-time employees will receive health and welfare benefits through the Teamster Trust, subject to the Trust's rules and regulations.

43. 2 Employees on 123 Logistics's active payroll, as defined in 13.1, will receive the following monthly insurance allowance (where "allowance" refers to 123 Logistics's contribution toward the employee's monthly medical insurance premium):

a) Upon ratification of this Agreement (March 12, 2024), employees will receive a monthly allowance of \$1325.00, which will remain in effect through the end of calendar year 2024. This monthly allowance is designated for health and welfare insurance, including Plan A Life Insurance.

b) If the monthly premium rates for the selected health plan do not increase by more than 3% in the 2025-2026 contract years, 123 Logistics will not be obligated to increase the defined medical contribution allowance.

c) If the monthly premium rates for the selected health plan increase by more than 3% during the 2025 or 2026 contract years, 123 Logistics will match the percentage increase in the

defined medical contribution allowance, up to a maximum employer contribution increase of seven and a half percent (7.5%).

d) 2025: If the monthly premium rates increase by more than 3% in 2025, 123 Logistics's maximum contribution increase will be limited to \ \$1491.88.

e) 2026: If the monthly premium rates increase by more than 3% in 2026, 123 Logistics's maximum contribution increase will be limited to \ \$1600.14.

f) Employees are responsible for paying any premium amounts that exceed the monthly allowance. These additional costs will be paid through pre-tax payroll deductions, to the extent permitted by law. Employees initially hired on or after January 1, 2026, will be responsible for 20% of their monthly premium costs, with 123 Logistics covering the remaining 80%. This employee contribution will be deducted from their paychecks.

g) Any future changes to 123 Logistics's medical contribution allowances after the expiration of this contract will be subject to good-faith negotiations between the parties.

44. 3 The following plans will remain in effect for the duration of this contract, subject to any changes in plan design or carrier availability:

- a. Washington Teamsters Welfare Trust - Medical Plan B
- b. Washington Teamsters Welfare Trust - Dental Plan B
- c. Washington Teamsters Welfare Trust - Vision Plan EXT
- d. Washington Teamsters Welfare Trust - Time Loss Plan A
- e. 9-Month Disability Waiver
- f. Plan A Life Insurance

45. 4 Employees whose monthly premium is less than the insurance allowance have these options, which they must elect in writing during the open enrollment period:

- a. They may elect to receive the cash difference between the premium and the allowance as a taxable benefit, paid on December 1 of each year, or
- b. They may elect to convert that cash difference into General Leave time, calculated at their regular hourly pay rate on December 1 of that year, or
- c. They may choose a combination of options 1 and 2, specifying the portion to be received as cash and the portion to be converted to General Leave.

46. 5 Following initial eligibility for benefits as specified in 13.1, 123 Logistics will continue to pay premiums for all regular full-time employees who are compensated for at least eighty (80) hours in the preceding month. Employees who work less than eighty (80) hours in a month may be

eligible to continue coverage at their own expense, subject to the rules and regulations of the applicable benefit plans.

47. 6 Payments for benefits under this Section are due on or before the tenth (10th) day after the last business day of each month. 123 Logistics agrees to adhere to the terms of the Washington Teamsters Welfare Trust Agreement and Declaration for the duration of its obligation to provide Trust benefits.

48. 7 Upon voluntary resignation with at least two (2) weeks' written notice or in the event of an employee's death, any unused portion of the monthly allowance for the month in which the separation occurs will be paid to the employee or their designated beneficiary.

49. 8 The Union and/or the employee will indemnify and hold 123 Logistics harmless from any claims or legal actions against an insurance carrier arising from disputes over a claim, eligibility, or coverage determination.

50. 9 Disputes or disagreements regarding insurance claims, eligibility, or coverage determinations are not subject to the grievance procedure and cannot be grieved by the Union or any employee. Employees must pursue such disputes directly with the insurance carrier or plan administrator, in accordance with the applicable plan documents and procedures.

Article 14: Holidays

51. 1 The following are the recognized legal paid holidays:

Holiday Name	Date Observed
:	:
New Year's Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25
Martin Luther King Jr. Day	Third Monday in January
Veterans Day	**November 11**

52. 2 If a holiday listed in Section 14.1 falls during an employee's approved vacation or other paid leave period, that day will not be charged against their accrued leave balance.

53. 3 Work performed on a holiday listed in Section 14.1 will be compensated at one and one-half (1-1/2) times the employee's regular rate of pay, in addition to the employee's regular holiday pay.

54. 4 To be eligible for holiday pay, employees must be in paid status on their scheduled workday immediately before and after the holiday, unless this requirement is waived at 123 Logistics's discretion for documented extenuating circumstances.

55. 5 Employees regularly scheduled to work less than forty (40) hours per week will accrue General Leave for holidays based on the average daily hours they worked in the four (4) weeks before the holiday week, rounded to the nearest half hour. Employees will not receive more than eight (8) hours of holiday pay for any holiday they were not scheduled to work.

56. 6 Overtime pay will not be added to holiday pay for the same hours; however, if an employee works overtime on a holiday, they will receive overtime pay for those overtime hours in addition to their holiday pay.

57. 7 If a holiday falls on an employee's regularly scheduled day off, they will receive eight (8) hours of General Leave, which will be credited to their General Leave balance. If a holiday occurs during an employee's approved General Leave period, that day will not be charged against the employee's General Leave balance.

Article 15: General Leave

58. 1 Regular full-time employees will accrue General Leave, which combines vacation and sick leave, at the following rates:

| INTERVAL FROM CSD | HOURS GENERAL LEAVE ACCRUED PER HOUR PAID (excluding overtime)
| YEARLY GENERAL LEAVE ACCRUING 2080 hours paid |

| :----- | :----- | :-----
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| 0-3 years | .08846 | 184 hours |

| 4 - 5 years | .09808 | 204 hrs |

| 6 - 10 years | .10769 | 224 hrs |

| 11-15 years | .11731 | 244 hrs |

| 16- 20 years | .12692 | 264 hrs |

| 21-25 years | .13654 | 284 hrs |

| 26-30 years | .14615 | 304 hrs |

| 31 + years | .15577 | 324 hrs |

59. 2 Employees do not accrue or use General Leave during their initial probationary period. Upon successful completion of probation, employees will be credited with General Leave hours earned based on total hours paid since their CSD, up to a maximum of forty (40) hours.

60. 3 General Leave accrues for each hour an employee is compensated while on 123 Logistics's active payroll. The maximum General Leave balance an employee can accumulate is 440 hours. Any General Leave exceeding this limit will be forfeited. Employees receiving any form of pay from 123 Logistics, whether for active work, paid leave, or other compensation, are considered to be on 123 Logistics's active payroll. Employees on unpaid leave of absence or Short Term Disability are not considered to be on the active payroll and do not accrue General Leave.

61. 4 General Leave may be used in increments of fifteen (15) minutes, subject to operational needs and supervisory approval. Employees are encouraged to schedule General Leave in advance whenever possible.

62. 5 Employees may sell back General Leave in increments of at least eight (8) hours, provided their General Leave balance does not fall below forty (40) hours after the transaction. The maximum amount of General Leave that can be sold back in any calendar year is eighty (80) hours. Exceptions to these rules are:

- a. Employees absent due to documented illness during their probationary period may sell back General Leave upon completing probation, with supervisory approval, to cover those absences.**
- b. Employees on approved disability leave may sell back General Leave in hourly increments to supplement their income, subject to any limitations imposed by disability benefits regulations.**
- c. Employees with balances exceeding 240 hours may sell back up to 120 hours per year, subject to supervisory approval and operational needs.**

63. 6 Upon termination of employment, employees will be compensated