

DRIVER VACATION IMPROVEMENT SUMMARY AND TRANSITION PLAN

As you know, currently drivers earn a specified number of paid vacation days for each month employed. This method will be phased out and we will convert to a simple calculation of “xx” paid vacation days per year based on your anniversary date of hire. New hires will receive 5 paid vacation days once employed for 6 months. Thereafter and upon the anniversary date of hire, Drivers will receive 10 paid days per year in years 1 through 3, 15 days per year in years 4 and 5, and 18 days per year for years 6 and above. Please see the table below for clarification and a comparison of the number of vacation days earned under the new method vs. the old method.

<u>Length of employment</u>	<u>Vacation Days New Method</u>	<u>Vacation Days Old Method</u>	<u>Vacation Days Gained</u>
6 months	5 days	3 days (.5 day/month)	2
Years 1 through 3	10 days	6 days (.5 day/month)	4
Years 4 through 5	15 days	12 days (1 day/month)	3
Years 6 and above	18 days	15 days (1.25 days/month)	3

As you can see, this is an increase in available vacation time for everyone. Each year on your anniversary date you will accrue either 10, 15, or 18 days of paid vacation depending on your date of hire.

Since this new method is based on your individual anniversary date of hire, we can not transition everyone to the new method at the same time; rather each person will convert over to the new method on his or her anniversary date of hire throughout 2019.

To help make this transition in the best method possible for our drivers, we will advance a certain number of vacation days to establish your available vacation days as of January 1, 2019:

To calculate the advance vacation days, we start with your available vacation days as of 12/31/18. Then add to that the number of days you would earn in 2019 up through your anniversary date utilizing the current (old) accrual method (.5day per month, 1 day per month, or 1.25 days per month).

This new increased number of paid vacation days will be available to you as of 1/1/19 and can be used immediately or you may wait until needed later in the year. Moving forward from that, you will earn either 10, 15, or 18 days of paid vacation time upon your anniversary date of hire in 2019.

I realize this transition may be a bit confusing but take comfort in a few factors:

1. This new method and transition will add available paid vacation days to every driver effective 1/1/19 and every year moving forward.
2. In early January, we will mail each of you a detailed statement showing your individual vacation calculation and exactly how many days you have available as of 1/1 19.
3. Starting in January, your total vacation days available will print on your pay stub every week.

Thank you and look for more details in early January as we implement this new and improved vacation benefit!