SUMMARY OF TENTATIVE LOCAL 407 OFFICE CLERICAL LOCAL RIDER

AGREEMENT

This Agreement is entered into by and between DHL EXPRESS (USA), INC. (hereinafter the "Company", "Employer" or "DHL"), the Teamsters DHL National Negotiating Committee ("TDHLNNC"), and LOCAL UNION NO. 407, affiliated with THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS (hereinafter "Union"). This Local Rider is supplemental to and becomes a part of the National Master DHL Agreement, hereinafter referred to as the "National Agreement" and the Office Clerical Operational Supplement, hereinafter referred to as the "Operational Supplement," for the period commencing April 1, 2017 through March 31, 2022. This Local Rider shall not become effective unless and until it is ratified by the Employer's office clerical employees represented by the Union and approved in writing by TDHLNNC as provided in the National Agreement (Article 2, Scope of Agreement, Section 1, Scope and Approval of Local Supplements). T/A

Once this Local Rider becomes effective, it (together with the National Agreement and Operational Supplement) shall supersede, cancel and replace in its entirety the pre-existing collective bargaining agreement between the parties for the affected office clerical employees represented by the Local Union.

The terms set forth in each Local Rider shall supersede any conflicting terms in their applicable Operational Supplement. Challenges/grievances arising out of alleged conflicts shall be submitted directly to the National Grievance Committee for a decision.

ARTICLE 21. RECOGNITION [NO CHANGE]

ARTICLE 22. CHECK-OFF [NO CHANGE]

ARTICLE 23. GRIEVANCE PROCEDURE [NO CHANGE]

ARTICLE 24. DISCIPLINE [NO CHANGE]

ARTICLE 25. SENIORITY [NO CHANGE]

ARTICLE 26. HOURS OF WORK AND OVERTIME

Workday - Full-Time Employees

There shall be an unpaid lunch break of not less than thirty (30) minutes to be taken between the fourth (4th) and sixth (6th) hours. Lunch breaks are mandatory, but any employee

requesting to work through lunch must obtain management permission.

All full-time employees are entitled to two (2) ten (10) minute breaks to be scheduled by DHL Express. Lunch breaks will be scheduled by management.

Start Time

All regular full-time employees shall have designated start times. In the event of layoffs, start times may be cancelled and/or rescheduled and reassigned, pending a general bid. Start time changes of less than one (1) hour may be implemented without requiring a bid, provided the reasons for change are valid. However, if a start time changes more than five (5) consecutive days, a new bid will be required.

When an employee is called to work prior to their regular start time, they shall be paid time and a half (1 1/2) for all hours worked prior to the shift, unless the employee requests to go home after eight (8) hours.

Weekend Work

The Company may utilize weekend bids (5x8) pursuant to, and to the extent permitted by, Article 14 of the Pick Up and Delivery Operational Supplement. All current FT employees shall be red circled and will conitue to be offered Monday through Friday FT shifts. If the number of FT Monday through Friday shifts evers reduces below the number of shifts on the date of ratification, there can be no shifts scheduled for weekend work. T/A

In addition, coverage of all absences will follow the same order as set forth in the Central Pick Up and Delivery Supplement; FT seniority employees, PT seniority employees followed by casuals. In the event that the Company institutes a bid covering Saturday and Sunday for drivers, the Company will be permitted to place a minimum of one agent on the agent bid even if they do not meet the staffing requirements set forth in Article 14. T/A

Part Time

Facilities with five (5) full-time bargaining unit employees or less may employ two regular par-time employee. In facilities other than break bulks of over five (5) bargaining unit employees, one (1) additional part-time employee shall be permitted in the following manner:

5 FT employees or less

2 part-timers

6 through 11 FT employees	3 part-timers
12 through 18 FT employees	4 part-timers
19 through 25 FT employees	5 part-timers

<u>Such formula shall carry on for each additional seven (7)</u> employees.

There shall be no reduction on the number of full-time positions as a result of the use of part-tme personnel in accordance with this agreement. No part-time employees shall be used if full-time employees are on layoff. T/A

Caveat [No Change]

ARTICLE 27. GENERAL BID, JOB VACANCY, LAYOFF/RECAL [NO CHANGE]

ARTICLE 28. CLASSIFICATION, WAGES, PAYROL

Section 1. Classifications *See National Economics

All employees subject to this Local Rider shall be classified as "general office agent." The job duties of agent shall include the duties regularly performed during the shift, any additional work assigned by DHL Express.

Section 2. Wages

(a) The following increases for full-time employees who have completed the new-hire progression shall take effect on the dates shown:

Effective dates	Hourly Increase
April 1, 2014	\$.1.00
April 1, 2015	\$.60
April 1, 2016	\$.35
October 1, 2016	\$.25

(b) The following increases for part-time employees who have completed the new-hire progression shall take effect on the dates shown.

Effective dates	— Hourly Increase
April 1, 2014	\$.50
April 1, 2015	\$.30
April 1, 2016	\$.30

Rates of pay for part-time employees currently in progression or hired after April 1, 2013 shall be as follows:

Start Rate	\$13.25
12 mos	\$13.60
24 mos	\$13.95
26 mag	\$14.20

(c) The above-listed wage increases do not include any cost of living allowance provided for in Article 21, Section 2 ("Wages- COLA") of the DHL- Teamsters

National Agreement, which shall be calculated according to that article and section each year and added to the then-effective wage rates as appropriate.

- (d) On the effective date of this Local Rider, all full-time probationary employees hired on or after June 6, 2008 and all employees still in progression, will receive the following rates of pay:
 - 1. Effective the first day of employment, eighty percent (80%) of the applicable rate of pay.
 - 2. Effective at the eighteen (18) month anniversary date of employment, ninety percent (90%) of the applicable rate of pay.
 - 3. Effective the second anniversary date of employment, one hundred percent (100%) of the applicable rate of pay.

The above rates will not apply to casual employees.

Section 3. Casual Employees [NO CHANGE]

Section 4. Payroll [NO CHANGE]

ARTICLE 29. MILITARY CLAUSE [NO CHANGE]

ARTICLE 30. LEAVE OF ABSENCE [NO CHANGE]

ARTICLE 31. ALL PURPOSE LEAVE

Part-time employees on the seniority list on June 6, 2008 and all fulltime employees shall receive "All Purpose Leave" on the following basis:

[NO CHANGE] *See Economics for Part-Time Sick Leave

ARTICLE 32, HOLIDAYS

Full-time and part-time employees are eligible for holiday pay, provided the particular employee worked the last regularly scheduled workday prior to the holiday or the regularly scheduled workday after the holiday, unless on vacation, bona fide illness or on the job illness. Casuals are not eligible for holiday pay. Eight (8) hours pay in the case of a full-time employee and four (4) hours pay in the case of a part-time employee on the seniority list as of June 6, 2008: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, Christmas Day & one (1) floating holiday.

Part-time employees added to the seniority list after June 6, 2008 shall receive paid holidays pro-rated based on the average number of hours worked in the two (2) weeks before the holiday.

[NO CHANGE] *See Economics for Part-Time Holidays

ARTICLE 33. VACATION [NO CHANGE] *See Economics for Part-Time Vacations

ARTICLE 34. HOSPITAL AND MEDICAL INSURANCE

1. Entitlement *See National Economics

Eligible employees are entitled to hospital and medical insurance provided under the DHL Express plan, with or without dependent coverage depending upon eligibility.

Pursuant to Article 19, Section 2 of the DHL - Teamsters Office Clerical Operational Supplement, for all increases effective prior to March 31, 2017, the Employer will continue all existing health care plans in effect for the part time employees on the seniority list before April 1, 2008, and full time employees at substantially comparable benefit levels on the same basis provided all other plan participants, and costs as they existed on March 31, 2008. As long as the annual benefit funding increases outlined in Article 19, Section 2 of the DHL - Teamsters Office Clerical Operational Supplement are not exceeded (up to \$1.00 per hour), the Employer is required to maintain all levels of benefits on the same basis as provided all other plan participants, during the life of this agreement. If the additional cost of maintaining all levels of benefits exceeds the funding increase available in any year, the Employer and local union will meet and determine if benefit levels should be adjusted or employees will be required to participate in paying for the premium necessary to continue the existing level of benefits. Fulltime employees with forty (40) compensable hours per month shall not have any out of pocket premium expense as long as the annual benefit funding increases outlined in Article 19, Section 2 of the DHL - Teamsters Office Clerical Operational Supplement are not exceeded by the additional cost (if any) of such benefits. Eligible part-time employees with eighty (80) compensable hours per month shall not have any out of pocket premium expense as long as the annual benefit funding increases outlined in Article 19, Section 2 of the DHL -Teamsters Office Clerical Operational Supplement are not exceeded by the additional cost (if any) of such benefits. No employees will be required to pay additional premium costs during life of this annual benefit funding increases outlined in Article 19. Section 2 of the DHL - Teamsters Office Clerical Operational Supplement are not exceeded by the additional cost (if any) of such benefits. *See National Economics

In no event, however, shall the increase in the Employer's contribution, together with the increase in the Employer's contributions to the Company health and welfare plans described in Articles 35 through 37, the increase in the Company's contribution to the Company pension plan described in Article 39, and the increase in the Company's contribution to the Company 401(k) plan described in Article 40, exceed one dollar (\$1.00) per hour per year per covered employee.

*See National Economics

2. Eligibility

- a. Full-Time Employees: Are eligible for hospital, medical, and vision insurance covering employee and dependents, after completing sixty (60) calendar days.
- b. Part-Time Employees On the Seniority List on June 6, 2008: Are eligible for hospital, medical, and vision insurance covering employee and dependents if regularly scheduled to work twenty (20) or more hours per week, provided such coverage shall not apply until employee has completed sixty (60) calendar days.
- c. Casuals and Part Time Employees hired after June 6, 2008: Are not eligible for hospital and medical insurance. *See National Economics

3. Termination or Layoff

If a covered employee is laid off or terminated, he shall continue to receive hospital and medical insurance coverage for the remainder of the month of termination or layoff.

ARTICLE 35. DENTAL INSURANCE

1. Entitlement

Eligible employees are entitled to dental insurance covering employee and dependents, as provided under DHL Express plan.

2. Eligibility

Part-time employees on the seniority list on June 6, 2008 and all full-time employees are eligible for dental insurance, which will include dependent coverage after completing sixty (60) calendar days. *See National Economics

3. Termination or Layoff

If a covered employee is laid off or terminated, he shall continue to receive dental insurance coverage for the remainder of the month of termination or layoff.

ARTICLE 36. ACCIDENT AND SICKNESS DISABILITY INSURANCE [NO CHANGE]

ARTICLE 37. LIFE INSURANCE

1. Entitlement

Eligible employees are entitled to life insurance with accidental death and dismemberment coverage for employee only, as provided under DHL Express plan.

2. Eligibility

Part-time employees on the seniority list on June 6, 2008 and all full-time employees are eligible for life insurance with A.D. & D. after completing sixty (60) calendar days. Full-time and part-time employees will be offered the opportunity for additional life insurance as outlined in the Group Universal Life brochure through Prudential. *See National Economics

3. Termination or Layoff

If a covered employee is laid off or terminated, he shall continue to receive life insurance coverage for the remainder of the month of termination or layoff.

ARTICLE 38. LONG TERM DISABILITY [NO CHANGE]

ARTICLE 39. PROFIT SHARING PLAN

1. Entitlement

Effective January 1, 2009, part-time employees on the seniority list on June 6, 2008 and all full-time employees will be covered by the company's pension plan, subject to and in accordance with, the provisions and any modifications to said plan. Part-time eligibility is based on a year of service as defined a period of twelve (12) consecutive months beginning on employment date or any anniversary date thereof during which an employee has completed at least one thousand (1,000) hours of service.

Pursuant to Article 20, Section 2 of the DHL - Teamsters Office Clerical Operational Supplement, for all increases effective prior to March 31, 2017, the Employer will maintain all levels of contributions to the Employer-provided pension plan during the life of this Local Rider.

In no event, however, shall the increase in the Employer's contribution, together with the increase in the Employer's contributions to the Company health and welfare plans described in Articles 34 through 37 and with the increase in the Company's contribution to the Company 401(k) plan described in Article 40, exceed one dollar (\$1.00) per hour per year per covered employee. *See National Economics

- **2.** Eligibility [NO CHANGE]
- 3. Termination or Layoff [NO CHANGE]

ARTICLE 40. CAPITAL ACCUMULATION PLAN

1. Entitlement

Effective January 1, 2009, part-time employees on the seniority list on June 6, 2008and all full-time employees will be eligible to participate in the company's 401(k) plan, subject to and in accordance with the provisions and any modifications to such plan.

Pursuant to Article 20, Section 2 of the DHL - Teamsters Office Clerical Operational Supplement, for all increases effective prior to March 31, 2017, the Employer shall make increased contributions in the amount equal to the lesser amount of the increases to any of the multi-employer pension plans in which the employer participates under this agreement during the term of this Local Rider, but in no event less than \$.35 per hour for each year of the contract.

In no event, however, shall the increase in the Employer's contribution, together with the increase in the Employer's contributions to the Company health and welfare plans described in Articles 34 through 37 and with the increase in the Company's contribution to the Company pension plan described in Article 39, exceed one dollar (\$1.00) per hour per year per covered employee. *See National Economics

- 2. Eligibility [NO CHANGE]
- 3. Loan Features [NO CHANGE]

ARTICLE 41. RULES [NO CHANGE]

ARTICLE 42. TERM April 1, 2017 through March 31, 2022