

TEAMSTERS LOCAL 986
CLERICAL LOCAL RIDER

Effective
April 1, 2008 to March 31, 2013

PREAMBLE

This Agreement is entered into by and between DHL EXPRESS (USA), INC. (hereinafter the "Company", "Employer" or "DHL"), the TEAMSTERS DHL NATIONAL NEGOTIATING COMMITTEE, representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and LOCAL UNION 986, which is an affiliate of THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS (hereinafter "Union" or "Local 986"). 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 Clerical Operational Supplement, hereinafter referred to as the "Operational Supplement", for the period commencing April 1, 2008 through March 31, 2013. This Local Rider shall not become effective unless and until it is ratified by the Employer's Clerical employees represented by Local 986 and approved in writing by the National Union Committee as provided in the National Agreement (Article 2, Scope of Agreement, Section 1, Scope and Approval of Local Supplements).

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 Clerical employees represented by Local 986.

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. UNION SECURITY

1. **Removals from Employment:** The Union agrees that written notice shall be given to the Company at least seventy-two (72) hours before any regular employee is to be removed from his employment by reason of his failure to maintain his membership in good standing in the Union, in accordance with this Agreement.
2. The Employer agrees within seven (7) days of the date of the action to notify the Union of the name or names of all persons hired. A copy of this notification shall be sent to the shop steward.

ARTICLE 22. HOLIDAYS

1. The following holidays shall be granted with allowance of regular pay for a day of eight (8) hours, without deduction from the weekly pay, and such holidays not worked shall be considered as time worked for the purpose of computing overtime:
 - a. New Year's Day
 - b. Memorial Day
 - c. Fourth of July
 - d. Labor Day

- e. Thanksgiving
- f. Christmas Day
- g. Employee's Birthday
- h. Five (5) floating holidays to be named by the employee and taken on the day named subject to scheduling needs as follows: at no time will management be required to have more than ten (10) percent of the work force at each location scheduled off on floating holidays.

In the case of those locations having less than ten (10) employees in the workforce at the time of ratification of this agreement and for the term of this agreement, the Company will allow at least ten (10) percent of each locations work force, rounded to the next highest whole number and with a minimum of one (1) at each location scheduled off on vacation and floating holidays combined per week.

All floating holidays are to be taken on an annual basis from January 1st to December 31st. The Company shall post for bid between February 1st and February 15th for a floating holiday schedule for the following year. Seniority will be honored in awarding said request. The company will then post the award no later than February 28th (29th). All unbid and unused floating holidays will be awarded on a first come first served basis. Floating holidays which cannot be taken due to disability or worker's compensation absence will be paid by December 31st, if requested by employee.

- 2. When any of the above holidays fall on an employee's first day off, the previous day will be recognized as his holiday. If the holiday falls on an employee's second day off, the following day will be recognized as his holiday.
- 3. To be eligible for holiday pay an employee must:
 - a. Not have failed to report or perform scheduled work on the holiday after agreeing to work such holiday.
 - b. Have actually worked (1) day during the period beginning seven (7) calendar days prior to the holiday and ending seven (7) calendar days following the holiday.
- 4. a. Full-time new hire employees will receive floating holiday per the following accrual schedule:

Employees who become full-time between January 1st and January 15th will receive five (5) floating holiday for use that same year.

Employees who become full-time between January 16th and March 31st will receive four (4) floating holiday for use that same year.

Employees who become full-time between April 1st and June 30th will receive three (3) floating holidays for use that same year.

Employees who become full-time between July 1st and September 30th will receive

two (2) floating holiday for use that same year.

Employees who become full-time between October 1st and November 1st will receive one (1) floating holiday for use that same year.

Employees who become full-time between November 2nd and December 31st will not receive any floating holidays for use that same year.

- b. Probationary employees are not eligible for floating holidays while on probation.
4. If an eligible employee works on a holiday he shall receive one and one half (1 ½) time his regular straight time hourly rate for all hours so worked in addition to holiday.

ARTICLE 23. VACATIONS

1. Employees covered by this Agreement shall be entitled to annual vacations as follows:
 - a. For one (1) year of continuous service one (1) week vacation with pay;
 - b. For two (2) years of continuous service two (2) weeks vacation with pay;
 - c. For five (5) years of continuous service three (3) weeks vacation with pay;
 - d. For ten (10) years of continuous service four (4) weeks vacation with pay;
 - e. For fifteen (15) years of continuous service and each year thereafter five (5) weeks vacation with pay.
2. Vacation allowance will accrue during each calendar month for which an employee received pay for one hundred-twenty (120) or more hours from the Company, except for absence due to on the job injury, accident, illness or death in the immediate family, as defined in the sick leave clause. Vacation accrual will not apply for any absence due to illness for more than four (4) months except for maternity leave.
3. Payment for each week of vacation for full-time shall be for forty (40) hours at the applicable rate including shift differential in effect at the time of vacation and vacations shall be taken at a time, mutually agreed to between the Employer and employee.
4. In the case of severance of employment, an employee with more than six (6) months of service shall be entitled to vacation based on the following schedule:
 - a. 6 months - 2 days
 - b. 7 to 9 months - 3 days
 - c. 10 to 12 months - 4 days

5. Compensation for the vacation period shall be computed at the straight time rate in effect at the time of vacation. Vacations shall be taken at a time mutually agreed to between the Employer and the employee and vacation selection will be based on seniority.
6. When one of the recognized holidays falls within an employee's vacation period, the employee shall receive an extra day's vacation or pay in lieu thereof,
7. Employees who work Sunday as a part of their regularly scheduled workweek shall receive vacation pay for Sundays at one and one-half (1-1/2) times the basic hourly rates.
8. The company will allow at least ten (10) percent of each location's work force, rounded to the next highest whole number, scheduled off on vacation per week. The vacation week will be Sunday through Saturday.

The Company shall post for bid between February 1st and February 15th a vacation schedule for the following year. The Company shall open the entire calendar year for vacation bidding. Seniority will be honored in awarding said request. The company will then post the award no later than February 28th (29th). All unbid and unused vacation will be awarded on a first come first served basis. The Company shall respond to employee request(s) for unbid vacation, within two (2) weeks after request.

On the vacation bids, the company will designate two (2) specific weeks in December during which a minimum of two (2) employees at each location, per week, will be allowed to take vacation.

In the case of those locations having less than ten (10) employees in the workforce at the time of ratification of this agreement and for the term of this agreement, the Company will allow at least ten (10) percent of each locations work force, rounded to the next highest whole number and with a minimum of one (1) at each location scheduled off on vacation and floating holidays combined per week.

9. Employee's may work during their vacation and will be paid at their applicable straight time rate.

Any employee wanting to work overtime while on vacation shall notify the Company in writing. Should the Company not be able to reach him, he will be charged for the time on the overtime schedule. Vacation starts with the first day off prior to vacation, and ends with the last day off prior to returning.

10. Employees who have accrued three (3) or more weeks of vacation and who have used all sick leave, shall be allowed to convert one (1) week of vacation to sick leave, on a one day at a time basis, for bona fide illness. Such employees may convert a second week of vacation per year in a block of five (5) days of bona fide illness of the employee or an immediate family member.

ARTICLE 24. SICK LEAVE

1. Employees who have attained full time seniority as of prior 2003 ratification date shall continue to receive ten (10) paid sick days per year at the employee's regular rate of pay. Employees hired or promoted on or after such date shall receive five (5) paid sick days per year at the employee's regular rate of pay, subject to the following conditions:
 - a. At the employee's option, the Company will pay five (5) of the next year's ten (10) sick days on the second pay period in December of each year. Management will make this option available no later than December 1st. If this option is elected, five (5) unpaid days remain on the book for attendance purposes only, not to be counted as unexcused absences nor accumulated.
 - b. A part-time employee promoted to full-time will continue under the part-time sick time provisions until what would have been his/her next part-time anniversary date had he remained part-time. Immediately following this date, the employee will receive additional unpaid sick days prorated at ten twelfths (10/12) for every month remaining until his first full-time anniversary date rounded to the nearest whole number.

On the employee's first anniversary date as a full-time employee he/she will be credited with paid sick time as provided in Section 1 above and there after will continue under full-time sick time provisions
2. Each employee has the option to accumulate unused sick leave in a Sick Leave Bank from one year to the next with the maximum accumulation not to exceed thirty (30) days or two hundred and forty (240) hours annually.
3. Upon request all unused sick leave, regardless of when accrued, but not to exceed a maximum of fifteen (15) days, will be paid out on an annual basis on the second pay period following the employees anniversary date of employment. Such payment shall be made at the straight time rate of pay in effect on the anniversary date.
4. When an employee is receiving Workmen's Compensation payments or State Disability benefits, the employee may choose to supplement the employee's Compensation Disability benefits to the equivalent of the normal weekly straight time pay for up to forty (40) hours from the employee's accumulated sick leave bank. Only this supplemented pay shall be subtracted from the employee's total accumulated sick leave.
5. Time taken off the job for the purpose of medical or dental appointments for you or your dependents will be charged against an employee's sick leave and a doctor's note will be required.
6. Upon lay-off, the Company shall pay the employee one hundred percent (100%) of all his/her unused sick leave. Upon voluntary resignation, the Company shall pay the employee fifty percent (50%) of all his/her unused sick leave.

7. If an employee calls in sick, their shift may be replaced depending on available coverage. If the employee will be more than two (2) hours late after their scheduled start time, the employee will not be allowed to report to work except when it is for those reasons specified in section five (5) above. The employee will be paid sick pay for the day if the employee has sick leave available. If the employee has no sick leave available, they will be charged an unexcused absence.

8. If an employee with unused sick leave leaves work early more than twice in a rolling thirty (30) calendar day period, the third and/or subsequent early departures will be unexcused and without pay, except for those reasons specified in section five (5) above.

9. Sick leave will be payable in rounded up hourly increments or for full days of absence. Rounded up sick leave will not be considered time worked for the purpose of computing overtime. Sick leave taken for the purpose of medical or dental appointments for you or your dependents for which a doctor's note is provided will not be rounded up.

10. Early Outs: When the Company determines that it does not need all of its employees for any day or part thereof, it shall offer the employee in the operation affected the opportunity to take time off, on a seniority basis. Any time off accepted will not be charged against the employee's sick time, will be excused and will be without pay.

ARTICLE 25. SENIORITY

1. All employees with a seniority date of 11/23/81 or earlier shall have the following job security protection:
 - a. No such employee may be laid off so long as any junior full-time, junior full-time split-shift or part-time employee is on the payroll.
 - b. No such employee may be converted to full-time split-shift.
 - c. No such employee may be converted to part-time.
2. Full-time employees with a seniority date later than 11/23/81 but earlier than the Ratification Date of this Local Rider shall have the following job security protection:
 - a. No such employee may be laid off so long as any part-time employee is on the payroll.
 - b. No such employee may be converted to full-time split-shift unless and until all junior full-time employees have been converted to full-time split-shift.
 - c. No such employee may be converted to part-time unless and until all junior full-time split-shift and junior full-time employees have been converted to part-time, and in such case, shall be placed at the top of the part-time seniority list.
3. If a full-time employee voluntarily goes to part-time status, they shall dovetail into the part-time seniority list, based on Company seniority date (original hire date).

4. When a part-time employee goes full-time, their part-time seniority date is used for calculating vacation and their new full-time seniority date is used to calculate sick time accrual.
5. A full time employee laid off shall have either:
 - (a) The option to go to part time status or taking a voluntary layoff. On a layoff, if a full time employee goes to part time status, he/she shall be placed at the top of the part time seniority list.
 - (b) An employee utilizing the voluntary layoff must accept recall or his/her seniority shall be terminated (unless on an authorized leave of absence). A laid off employee shall be given written notice of recall by certified mail addressed to the last known address on file with the Company, with a copy sent to the Union. Such employee must respond to such notice within three (3) days after receipt thereof and actually report to work within seven (7) additional days. If an employee fails to comply with these recall provisions he/she shall lose all seniority rights.
 - (c) If the Company reduces a full time employee to part time status, that employee shall continue to receive the full time wage rate and health and welfare. All other hours and working conditions (and provisions covering pension benefits, holidays, sick days, vacation and hourly guarantee) shall be governed by the part time provision of this agreement. If the Company thereafter recalls that employee to full time status anywhere in the cluster, and he/she elects to remain part time, he/she shall lose the aforesaid full time health and welfare benefits, be removed from the full time seniority list and dovetailed into the part time length of service roster, and be governed by the part time provisions of this agreement for all purposes.
 - (d) When a part time employee returns to full time status his/her full time seniority shall immediately be restored to the original date of hire and his/her rate of pay shall be restored to the applicable full time rate of pay.
6. The Company agrees that no employee shall be laid off as a result of any work transferred to Orange, Los Angeles, San Bernardino and Riverside Counties. Employees shall be allowed to follow their current work if it should be transferred to any location within Orange, Los Angeles, or San Bernardino and Riverside Counties. It is specifically agreed that this clause does not refer to Convenience Center operations currently established or that would be established in the future within those four counties.

ARTICLE 26. QUALIFICATIONS, TRAINING, AND TRIAL/PROBATIONARY PERIODS

1. Qualifications: Qualifications will assess employee potential to do the work will required in specific job classifications. Qualifications will be applicable only when employees are crossing from one classification to another. Qualifications will be applicable for all

Classifications provided for and listed in Appendix A of this Agreement and for all Lead positions.

- a. The Company shall maintain a master file of existing qualifications. Any employee seeking qualification for a given job classification will be furnished a written copy of the qualifications for that job. Changes to existing qualifications will be provided to the union and published to all employees prior to it being added to master file.
- b. Supervisor and employee shall review the current qualifications of the particular job classification. Direction will be provided to the Employee in an effort to assist the employee in meeting the qualifications.
- c. Written Notice: An employee wishing to train for a particular job classification shall initiate the process by giving his supervisor written notice of desire to train for that specific job classification.
- d. Employees requesting training to qualify for a specific job classification will be offered by the Company all available training aids and be allowed to train on their own time at the applicable office/station. Such training must be scheduled in advance.

Training that can be done outside of the specific job classification areas will be allowed to be completed in employee's local office but only with prior arrangement and approval of both the administering office and the local office.

Company shall provide within fourteen (14) days of written notice the following:

- 1) Training itinerary.
 - 2) Time limits to complete each training phase.
 - 3) Written exams at the end of each training phase.
 - 3) Subject material needed to be covered.
 - 4) Indexed reference materials.
 - 5) Hours and days training is available, which will be mutually agreed to by both parties.
 - 6) Training shall be on employee's own time. Training must be done on non-revenue producing business.
- e. Upon completion of specific qualifications and passing the written exams, the employee shall be deemed qualified to bid for that specific job classification. A master list of qualified employees with dates of qualification will be kept and periodically updated. The company will post on its bulletin board every six (6) months the qualification master list.
 - f. Once an employee qualifies for a particular job classification pursuant to the above procedures, the employee shall be permitted to bid in accordance with Article 7.
 - g. If the qualification was completed more than 367 days prior to the bid award, or the

employee has not worked at the job within the last 367 days, then the employee must re-qualify by again passing the final exam before he or she can be awarded a bid job.

- h. All employees subject to qualifications will be evaluated annually. Evaluations will be performed on every employee. Employees deemed lacking in proficiency as a result of the evaluations will be afforded all training materials and counseling necessary to enhance said employee's proficiency. Re-evaluation will be administered within thirty (30) days of initial evaluation, Failure of employees to improve their proficiency within a reasonable time period will be subject to Work Performance progressive discipline.
2. Training Program: The implementation of an Ongoing Training (OGT) Program should aid in the enhancement of employee's knowledge and the development of skills. The Company agrees to establish such a program and to administer it consistent with the stated objectives:
 - a. Affording employees the ability to be trained in various Job functions within the employees job classification.
 - b. Provide ongoing training in knowledge and skills required for performance of the duties and jobs assigned.

Such *ongoing* training will be on company time and planned and scheduled so that it doesn't interfere with the completion of work and performance of assigned duties.

The Ongoing Training Program will be scheduled and implemented on a regular basis; provided however, that scheduling may vary based on operational requirements.

3. Probationary Period: No employee shall acquire any seniority until he/she has completed a sixty (60) work day probationary period. When the employee has completed his probationary period his seniority shall date from date of hire. The Employer shall have the absolute right, at its discretion, to terminate any probationary employee. No part time employee will be required to serve a second probationary period by virtue of being awarded a full time shift.

Probationary employees are not eligible for floating holidays while in the probationary period.

4. Trial Period: All part-time employees awarded new full-time bid shifts or all full-time employees awarded bid shifts in new job classifications will be required to pass a forty five (45) work day trial period.

This trial period will start on the effective date of awarded bid shift, If the employee fails the trial period within said forty-five (45) day period however, the employee will be returned to his previous position if he so desires.

Part-time employees promoted to full-time will continue under the part-time sick time

provisions and will accrue sick time during said probationary period as per provisions provided in Article 10.

If an employee has failed trial period and removed from a bid job, such employee shall not be eligible for re-qualification in that job for the next twelve months.

ARTICLE 27. JOB BIDDING

Upon ratification of this Agreement, there shall be two (2) master re-bids during the term of this Local Rider of all terminal facilities which will be awarded on seniority/qualification basis. The first such master re-bid will take place within thirty (30) days of ratification of this agreement and the second will take place in January 2012.

1. Job openings in existing job classifications, or new job classifications, shall be posted for three (3) consecutive days. Such bids shall go into effect no later than five (5) working days from the date of the award unless such award would create disruption of work. However, in no case later than twenty (20) working days.
2. Selection for filling jobs opened for bid will first be made on a Company seniority basis; provided the senior employee possesses sufficient work experience (has performed the job in the previous 367 days); training (has passed the qualification exam in the previous 367 days); physical ability; and the work record to perform the work of the job for which they are bidding.
3. The Company will award the bid to the senior qualified employee who signed the original bid, and such employee shall also be subject to a forty-five (45) workday trial period. If such employee fails the trial period, he or she shall be returned to his or her previous position or where his/her seniority prevails. In the event that a trial employee fails to pass the trial period the Company will first offer the bid position to all those qualified bidders whom originally signed the bid sheet (re-bid). In the event that no qualified bidders exist at the time of bidding or re-bidding of a shift, the Company will postpone the awarding of the bid for thirty (30) days in order to allow all unqualified bidders an opportunity to qualify for subject bid. During this thirty (30) day period the Company may fill this shift with any means available to ensure the work is completed. If at the end of this thirty (30) day period no employee completes the required qualifications the Company will hire a new employee to fill the vacancy.
4. The Company will list the hours, days of the week, and the Job Classification of the job up for bidding. Job Classifications will be as per Appendix A, Job Classifications and Wage Rates.

Examples of Job Classifications;

- 1) Customer Service.
- 2) International Customer Service.
- 3) Operation Agents.
- 4) Operations Agents International.

Nothing in this section shall limit the Company's ability to assign other duties to any employee.

5. The Company must bid any permanent job vacancy within seven (7) days from the date it becomes available, or else cancel the shift.
6. Annual terminal bid shifts for all offices will be held in January. The bids will be awarded on a terminal seniority basis.
7. Shop Stewards will be given all bids and awards upon posting.
8. When the company changes an existing shift by no more than thirty (30) minutes, the change will be offered in seniority order to all employees in that classification on that starting time. If no one accepts the change it will be assigned to the junior employee in that classification on the original starting time. When there is only one employee on that shift, it will be bid and awarded by terminal seniority.

When the company requires changing an existing shift by more than thirty (30) minutes but not exceeding two (2) hours, it will be bid and awarded by terminal seniority.

9. When the company requires changing an existing full time shift exceeding two (2) hours or more from the most recent bid, it will be considered a new position, and will be bid and awarded by master seniority.
10. Full-time jobs open for a period of over 30 calendar days due to absences, shall be bid first to full-time reduced cluster wide then to part-time employees of that office as a replacement shift and awarded by master seniority. Once the absent employee returns, all affected employees shall return to their regular shifts.
 - a. Part-time employees replacing full-time employees shall receive the full-time hourly guarantee, and starting from the 31st workday, will receive the minimum full-time rate of pay.
 - b. An employee on disability will not lose seniority while on disability or workers compensations, but instead have the right to bump based on seniority from most recent master bid.
 - c. An employee on disability or workers compensation will have the right to bid by giving the Company up to ten (10) preferences.
11. Given the intent to operate separate office facilities within the jurisdiction of the contract, it is agreed that each such office shall have its own separate seniority roster, and terminal seniority shall prevail in all cases, including overtime, replacement of vacancies in existing shifts and absenteeism, except as follows:
 - a. If a full-time, full-time split-shift or regularly scheduled part-time employee's shifts canceled at one office, then said employee may bid into any other office, and be dovetailed into that office' s seniority roster, based on company seniority.
 - b. If one or more offices are split, then all full-time, full-time split shifts and regularly

scheduled part-time employees at the office that was split shall have the right to bid into jobs at the new office, and be dovetailed into that office's seniority roster, based on company seniority.

- c. If a new position is added to the workforce, or an existing position is permanently vacated due to quit, termination, death, etc., that position shall be filled by master seniority. The position vacated by the successful bidder and all additional job openings generated by that bid shall be filled by master seniority.
12. Any shift bid posted that in turn needs to be canceled before awarded, must be canceled within forty-eight (48) hours of posting. Once a shift bid has been awarded, it may not be canceled before the shift effective date.
13. All bids must be added, canceled, changed, etc., by the bid number off the most recent bid.
14. Upon cancellation or a bump from a bid shift, the incumbent employee may bump into any other shift where his/her seniority permits. The affected employee must inform the Company within three (3) days of his/her preference.

In the event of a closure of an office (example: QLA), those positions shall be considered cancelled and bidding will proceed according to above provisions.

15. In the event an employee is on vacation, disability or workers compensation during the annual bid, the employee shall provide, in writing, his/her top ten (10) preferences for shift bid purposes. The Company shall use his/her top ten (10) preferences to assign his/her annual shift bid in accordance with the procedures of this Agreement.
16. Attendance shall not be cause for disqualification from any bid.
17. In the event the company moves/re-locates any existing shift(s) to another facility, the shift(s) shall be considered cancelled and re-bid by master seniority.

ARTICLE 28. HOURS OF WORK, OVERTIME, MINIMUM DAY, SHIFT DIFFERENTIAL, COFFEE BREAKS, JURY DUTY AND PAY DAYS

1. Hours of Work: The workweek shall be five (5) consecutive eight (8) hour days or four (4) ten (10) hour days as scheduled by the Employer with a guaranteed minimum of forty (40) hours of work for the scheduled workweek. The five (5) consecutive eight (8) hour days will be either Monday - Friday or Tuesday - Saturday shifts. The four (4) ten (10) hour shifts will have two (2) consecutive days off one of which would be Sunday.
2. Overtime: One and one-half (1-¹/₂) times the regular rate of pay as herein provided shall be paid for all hours worked:
 - a. In excess of eight (8) hours in any one (1) day.

- b. In excess of forty (40) hours in any one (1) week. Sick leave paid but not worked shall be considered as time worked for the purpose of computing overtime except as per provisions outlined in Article 4, Section 9.
- c. For the first eight (8) hours worked on the sixth (6th) day.
- d. In the event an employee is required to report for work before the start of his regular scheduled shift, for the first four (4) hours of such pre-shift hours so worked,
- e. Employees covered by this Agreement scheduled to work on Sunday as a part of his regular workweek shall be compensated at one and one-half (1 1/2) times his basic hourly rate for the first eight (8) hours worked on Sunday.
- f. Two (2) times the hourly rate will be paid for all hours worked in excess of twelve (12) hours of work in a day and for all hours worked on the seventh (7th) consecutive day worked and for all hours worked in excess of eight (8) hours on Sunday when an employee is scheduled to work Sunday as part of his regular workweek.
- g. All hours worked on Sunday shall be paid at two (2x) times the applicable hourly rate of pay, except in cases of Sunday regularly scheduled employee.
- h. The Company may extend a regular full-time shift up to ninety (90) minutes. Overtime hours in excess of ninety (90) minutes shall be offered as per provisions of letter 1 of this section. Shifts offered shall be in blocks of four (4) hours maximum. If the extended employee exceeds the allotted ninety (90) minutes the Company will pay that station's senior employee for actual overtime worked by extended employee.
- i. An employee who has an unexcused absence during his bid workweek may bid for work offered out of that bid week in order to fulfill his guarantee, but will not receive overtime pay for such work performed. An employee who fails to protect a bid premium shift twice within thirty (30) calendar days will be removed from premium day overtime eligibility for thirty (30) calendar days.
- j. When overtime is necessary, the supervisor in charge will attempt to give the employee affected at least an hour notice so that the employee will be able to make arrangements that are necessary.
- k. There shall be no pyramiding of overtime pay (no time and a half of time and a half).
- l. Premium Day Work (Monday, Saturday, Sunday and Holidays) & Daily Overtime:

The opportunity to work Premium Day and Daily overtime shall be distributed

among all employees on a as equal as possible basis at premium pay. Procedures to accomplish this shall be developed as work rules (Rotating Wheel).

- m. Each terminal/station shall distribute overtime among eligible employees on the bases of a rotating overtime procedure:
 - 1. Each employee interested in being eligible for overtime, shall notify the terminal/station in writing of their desire, in order to be called in for overtime.
 - 2. Each terminal/station shall establish its own list of overtime participants which shall include all employees who have given written notice of their desire to work overtime at the terminal/station.
 - 3. All overtime shall be offered first to all full-time employees at the terminal/station where the overtime occurs in order of rotation by station seniority, then to reduced full-time, and then to part-time employees at the terminal/station where the overtime occurs in order of rotating station seniority.
 - 4. Thereafter, if work exists after this procedure is complete, then the overtime must be offered in order of rotating master seniority to full-time employees, who have a letter on file to work at their terminal/station, then to reduced full-timers, and then to part-timers who have a letter on file to work at the terminal/station, in order of rotating master seniority.
- 3. Minimum Day: Any regular full time employee called and reporting for duty on any regularly scheduled work day shall be guaranteed a minimum of eight (8) or ten (10) consecutive hours of work exclusive of lunch time, which shall be not less than thirty (30) minutes nor more than one (1) hour and exclusive of any pre-shift overtime hours worked. If an employee is required to work between the third (3rd) and fifth (5th) hour of an eight (8) hour day or fourth (4th) and sixth (6th) hour of a ten (10) hour day in any one (1) work day without commencing his lunch period, he shall receive pay at the applicable overtime rate in addition to pay for all hours worked for his regular lunch period.
- 4. Shift Differential:
 - a. Any shift starting at 12:00 noon or later and before 6:00 p.m. shall be considered swing shift.
 - b. Employees covered by this Agreement shall receive a shift differential of twenty-five cents (\$0.25) per hour as additional compensation over the basic rate for all hours worked on swing shift.
 - c. Any shift starting at 6:00 p.m. or later and before 6:00 am. shall be considered as graveyard shift.
 - d. Employees covered by this Agreement shall receive a shift differential of thirty cents (\$0.30) per hour as additional compensation over the basic rate for all hours worked on a graveyard shift.

- e. When an employee works more than one (1) shift during his workweek, he will receive the highest shift differential for those hours worked during such shift.
 - f. Shift differential will be included as part of the base rate for the purpose of calculating overtime.
5. Coffee Break: All employees shall be granted a fifteen (15) minute coffee break approximately half way through the first half of their shift and fifteen (15) minute coffee break approximately half way through the second half of their shift. Such coffee breaks shall be taken without loss of pay and the employee shall not be required to make up such time.
 6. Pay Days: Pay day shall be on Thursday unless it is a Holiday. In that event the Pay Day will be the work day immediately prior to the Holiday.
 - a. Paycheck errors, after having been brought to the Company's attention, shall be corrected in the next regular pay period. If not so corrected, the Company shall pay a penalty of \$25.00 to the affected employee.
 7. The scheduled starting time for each employee shall be uniform during the workweek except on Saturday, when bids may vary by up to one (1) hour at all locations. All bids will indicate shift hours.
 8. When employee is temporarily assigned by his supervisor to a higher rated classification, he shall receive the higher rate of pay for the scheduled hours such work is performed. When an employee is temporarily assigned to a lower classification he shall receive his regular rate of pay for all work so performed.

ARTICLE 29. CLERICAL SPLIT SHIFTS

1. After the total number of regularly scheduled 20 hour guarantee part-time employees reaches a ratio of one and one quarter (1/4) to one (1) versus the full-time 8 consecutive hour employees within the four (4) county area covered by this contract, the split-shift program will be started.
2. After the above and before another regularly scheduled part-timer can be hired, a full-time or full-time split-shift shall be posted for bid.
3. This bid shall be offered to the senior qualified regularly scheduled part-time employee and on down the part-time seniority roster until accepted.
4. Part-time Call In employees are not to be counted in the above application.
5. The workweek for full-time split shift employees shall be five (5) consecutive eight (8) hour days, consisting of two (2) shift segments of either five (5) hours in the a.m., and three (3) hours in the p.m., three (3) hours in the a.m. and five (5) hours in the p.m., or four (4) hours in the a.m. and four (4) hours in the p.m. Each full-time split-shift

employee shall have a uniform start-time for each segment of his/her daily shift, which shall be posted and bid as such.

ARTICLE 30. PART-TIME EMPLOYEES

Recognizing that the Company has part-time personnel in its employ in classifications covered by this Agreement on the effective date of this Agreement, it is hereby understood and agreed:

1. Within the class of part-time employees there shall be two categories, designated as regularly scheduled part-time employees and on-call part-time employees. These categories shall differ in the following respects:
 - a. Regularly scheduled part-time employees shall be guaranteed five (5) four (4) hour days, as scheduled by the Company, with a guaranteed minimum of twenty (20) hours of work per week.
 - b. On-call part-time employees shall be used for replacement of absences or to supplement the regular work force. Supplemental work is defined as work which due to its nature and inconsistency cannot be planned and subsequent bidding of shifts cannot be obtained. (Examples: delays in DHL system due to equipment mechanical failures or air traffic control or weather; seasonal increases in volume of work; unforeseen growth spikes due to new programs or customer base reaction to competitors) The total supplemental on-call part-time hours utilized within a center or station shall not exceed twenty-three (23) percent of the total hours paid per week.
 - c. On-call part-time employees shall be guaranteed four (4) hours of work or pay, when called to work.
 - d. The Company will provide a list of On-call part-time and their respective classifications to the union every six (6) months.
2. The Company will not utilize part-time personnel to fill a full-time vacancy (temporarily or permanently) nor shall a full-time employee be displaced by virtue of the utilization of part-time personnel. Accordingly, the Company agrees that it will not regularly schedule part-time employees for a shift of eight (8) consecutive hours except when necessary to cover vacations, leaves, illnesses or other absenteeism.

The Company can utilize part-time personnel to fill full-time absences of less than thirty (30) calendar days using the following order of call:

- a. Reduce full-time employees cluster wide.
- b. Regularly scheduled part-time employees already working at the terminal and who were not previously offered/scheduled to work eight (8) hours during that day, in order of seniority.
- c. On call part-time employees
- d. Regular full-time employee's in order of seniority.
- e. Full time absences of over thirty (30) calendar days will be bid among full-time reduced then the part timers as per provisions of Article 7, Section 10.

4. In the event there is worked more than six (6) consecutive part-time man-hours per day by any individual, on any twenty (20) days during a period of four (4) consecutive weeks, the Company will establish a full-time position. This excludes work to cover absences caused by vacations, leaves, illnesses or other absenteeism. The Employer shall maintain a record of part-time man-hours by names, time and date worked with a copy being furnished to the Union every four (4) weeks.
5. Part-time employees shall receive one (1) fifteen (15) minute paid coffee break per shift.
6. Regularly scheduled part-time employees employed as of the Ratification Date of this Local Rider shall receive ten (10) unpaid sick days per year, for attendance purposes only.
7. The only provisions of this Local Rider which apply to part-time employees are Articles 21, 25, 26, 27, 28 (excluding sections 1, 2(d), and 3), 30, and the relevant appendices.
8. When a regularly scheduled part-time employee fills a full-time vacancy hereunder, his seniority as a full-time employee shall accrue from the date upon which he becomes a full-time employee.
9. Regularly scheduled part-time employees employed as of the Ratification Date of this Local Rider will receive prorated vacation based on straight time hours worked the previous year:
 - a. One (1) to two (2) years' employment, $1/52$ of straight time worked the previous year;
 - b. Two (2) to five (5) years' employment, $2/52$ of straight time hours worked the previous year;
 - c. Five (5) to ten (10) years' employment, $3/52$ of straight time hours worked the previous year;
 - d. Ten (10) years employment and thereafter, $4/52$ of straight time hours worked the previous year.
10. The probationary period for regularly scheduled part-time employees shall be sixty (60) working days.
11. For the purpose of clarification the existing operational environment will be divided into two distinct periods, one of which will be the AM operation and the other the PM operation. With regards to regularly scheduled part-time employees start times and shift coverage; the Company will have the ability to designate one of the periods to have four (4) hour part time shifts in which the shifts may have multiple start times as long as the total coverage of the shifts combined does not exceed six (6) hours. The second period will then have to be designated as the period which will have four (4) hour part time shifts with one uniform start time. The company may not schedule part-time employees in back to back shifts within the same station. (A back-to-back shift will be any two shifts with less than a three (3) hour break.) In the case of the call centers, none of the above provisions apply and regularly scheduled part-time shifts may cover the full day of the call center operation and may have multiple start times.

All regularly scheduled part-time shifts shall be bid on a seniority basis and awarded to senior qualified regularly scheduled part-time employees, according to the provisions of Article 26 and Article 27.

Before hiring from the outside the Company shall first promote the senior full time reduced employee. If no reduced full time employee is available then the Company shall promote the senior regularly scheduled part time employee into any full-time or full-time split-shift vacancy that occurs, according to the provisions of Article 26 and Article 27.

12. Regularly Scheduled Part-time Wage Rate:

Upon ratification of this Local Rider the top rate for current part-time employees in the progression shall become \$14.35. The previous progression shall be replaced with the following:

0-12 months - 75% of top rate (\$10.76);

12-18 months - 80% of top rate (\$11.48);

18--30 months - 85% of top rate (\$12.20);

30-42 months - 90% of top rate (\$12.91);

42-54 months - 95% of top rate (\$13.63);

54 months - \$14.35

Any existing part-time employees who are outside of the progression (making above \$14.35 per hour) will receive the following increases to their current rates of pay as indicated:

4/1/08	4/1/09	4/1/10	4/1/11	4/1/12
\$0.35	\$0.20	\$0.225	\$0.425	\$0.475

The wage rate for new part-time employees will be as follows:

Hire	\$10.00
12 mos	\$10.20
24 mos	\$10.425
36 mos	\$10.85
48 mos	\$11.325

13. Regularly scheduled part-time employees with two (2) continuous years of service will be eligible for shift differential.

14. In accordance with the Clerical Operational Supplement, the Company will continue to participate in the current health plans and will contribute up to one dollar (\$1.00) per hour per year per covered employee to be divided between health and welfare and pension as decided by the Area Co-Chairs.

[Language to be inserted]

15. The Company shall keep a separate list of part-time hours for each district facility.

16. Regularly Scheduled Part-Time employees will be eligible for five (5) holidays: Christmas Day, New Years Day, Thanksgiving Day, Memorial Day and Labor Day. Part-time holidays will be compensated at four (4) hours of straight time per holiday listed above.

Any part-time employee hired on or after the Ratification Date of this Local Rider shall be paid pro-rated holiday pay based on the hours worked the two weeks prior to the holiday.

ARTICLE 31. APPENDICES

1. Job Classification and Wage Rates for all employee covered by this Agreement shall be as set forth in Appendix "A" attached hereto and made a part of this Agreement.

2. Health and Welfare benefits for all employees covered by this Agreement shall be as set forth in Appendix "B" attached hereto and made a part of this Agreement.

In accordance with the Clerical Operational Supplement, the Company will continue to participate in the current health plans and will contribute up to one dollar (\$1.00) per hour per year per covered employee to be divided between health and welfare and pension as decided by the Area Co-Chairs.

[Language to be inserted]

3. A Dental and Prescription Drug Plan for all employees covered by this Agreement shall be set forth in Appendix "C" attached hereto and made a part of this Agreement.

See Note above for Health and Welfare Plan.

4. A Pension Plan for all employees covered by this Agreement shall be as set forth in Appendix "D.", attached hereto and made a part of this Agreement.

In accordance with the Clerical Operational Supplement, the Company will continue to participate in the current pension plans and will contribute up to one dollar (\$1.00) per hour per year per covered employee to be divided between health and welfare and pension as decided by the Area Co-Chairs.

[Language to be inserted]

- 5. A Death Benefit Plan for all employees covered by this Agreement shall be as set forth in Appendix "E", attached hereto and made a part of this Agreement.

See Note above for Health and Welfare Plan.

- 6. Preferential Flights for all employees covered by this Agreement shall be as set forth in Appendix "F" attached hereto and made a part of this Agreement.

- 7. DHL Work Rules for all employees covered by this Agreement shall be as set forth in Appendix "H" attached hereto and made a part of this Agreement.

ARTICLE 32. DURATION

The term of this Local Rider is subject to and controlled by all of the provisions of Article 28 of the National Agreement ("Duration") between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this _____ day of _____.

COMPANY

UNION

TEAMSTERS LOCAL UNION NO. 986 affiliated
with the International Brotherhood of Teamsters

BY _____

BY _____

TITLE

TITLE

APPENDIX "A" JOB CLASSIFICATION AND WAGE RATES

1. Job Classifications: Employees subject to this Agreement will be classified as: Customer Service, Customer Service - International, Operations Agent, Operations Agent - International.

a. Rates of Pay: Current Fulltime Employees, (i.e. Regular fulltime and fulltime split shift employees) employed prior to Ratification of this Local Rider shall be paid in accordance with the following:

	<u>4/1/08</u>	<u>10/1/08</u>	<u>4/1/09</u>	<u>4/1/10</u>	<u>4/1/11</u>	<u>10/1/11</u>	<u>4/1/12</u>	<u>10/1/12</u>
Customer Service Agent	\$ 23.45	\$ 23.80	\$ 24.20	\$ 24.65	\$ 25.05	\$ 25.50	\$ 25.95	\$ 26.45
Operations Agent	\$ 23.35	\$ 23.70	\$ 24.10	\$ 24.55	\$ 24.95	\$ 25.40	\$ 25.85	\$ 26.35
Lead Agent	\$ 24.35	\$ 24.70	\$ 25.10	\$ 25.55	\$ 25.95	\$ 26.40	\$ 26.85	\$ 27.35

Any employee promoted or hired into a full-time position after the ratification of this Local Rider shall be compensated at the rate of eighty percent (80%) of full scale until the first anniversary as a full-time; eighty five percent (85%) until the second anniversary as a full time employee; ninety (90%) percent until the third anniversary as a full time employee; ninety five (95%) percent until the fourth anniversary as a full time; and one hundred percent (100%) effective on the first day of the full time employee's fifth year.

2. Lead Agent: Duties shall include those job classifications set forth above, in addition to instruction and leading the employees with whom they work. The selection of a lead person shall not include part-time employees. When the company sees the need for a lead person, it shall post a notice requesting those employees interested to review the qualifications needed. Once posted, the company shall select the most senior qualified bidder. It shall be at the company's discretion to determine those locations for a lead person and the company can cancel any lead person position at any time.

[HOLD APPENDICES B-E AS INDICATED ABOVE]

APPENDIX "G" PREFERENTIAL FLIGHTS

Any preferential flights that are available to all DHL Express Employees under the jurisdiction of this Bargaining Unit, will be offered to any part-time employee employed as of the ratification date of this Agreement, and any full-time employee, who requests such preferential flights.

The employee using such benefits shall follow the rules and restrictions (including but not limited to dress code, amount of luggage, behavior and conduct, etc...) as outlined by the General Office. Failure to abide by such rules may result in the employee's being disallowed such benefit by the carrier granting such benefit.

The removal of an employee from a carriers flight benefit for violation of rules shall not be subject to the grievance procedure. The Company will submit to the employee in writing the offense for which an employee has been removed. Failure to abide by said Preferential Flight Rules and Restrictions by employees will result in disciplinary action up to and including termination.

APPENDIX "H" DHL EXPRESS WORK RULES

ADMINISTRATIVE PROCEDURES AND WORK RULES SIDE LETTER

Disciplinary Progression Procedures

1. It is mutually agreed that the Employer reserves the right to discharge any employee for sufficient and proper cause; provided, however, that no employee be discharged or discriminated against for union membership or lawful Union activity which is not in violation of the terms of this Agreement.

2. All work rules shall be reduced to writing and categorized according to relative severity, as “Administrative”, “Serious”, or “Cardinal” and a copy thereof shall be appended to this Agreement, and the following disciplinary progression shall apply, and be separately administered.
 - a. Administrative offenses shall be subject to a six (6) step disciplinary progression, within a rolling calendar year, as set forth below:
 - 1) First administrative offense = 1st written reminder
 - 2) Second administrative offense = 2nd written reminder
 - 3) Third administrative offense = one (1) day suspension
 - 4) Fourth administrative offense = two (2) day suspension
 - 5) Fifth administrative offense = three (3) day suspension
 - 6) Sixth administrative offense = termination

Note 1: In the case of time clock offenses (i.e.) tardies and failure to punch in /out, three (3) occurrences within a rolling calendar thirty (30) days, shall constitute one (1) administrative offense.

Note 2: (Applies to full time split-shift employees) There shall be three (3) additional tardies authorized before discipline is applied. The first three (3) tardies of ten (10) clicks (6 minutes) or less shall not apply towards the current discipline as outlined in Section 4 of this article. However, tardies in excess of one (1) hour or more will count as two (2) tardies towards discipline outlined in this section.

- b. Serious offenses shall be subject to a three (3) step disciplinary progression, within a, as set forth below:
 - 1) First serious offense = written reminder
 - 2) Second serious offense = suspension (1 day)
 - 3) Third serious offense = termination

 - c. Cardinal offenses shall be defined as set forth in the Article “Discipline and Discharge” of the Operational Supplement. In addition, the striking of any aircraft by an employee with any equipment shall be considered a Cardinal Offense. Cardinal

Offenses shall be subject to immediate termination.

- d. All progressive disciplinary letters shall be issued after the effective date of this contract shall be signed by the employee as an acknowledgment of receipt only, and if the employee refuses to sign, such refusal shall be duly witnessed by a member of the bargaining unit.
 - e. Notwithstanding the terms of the applicable Operational Supplement, all progressive disciplinary letters shall be removed from employees file and given to the employee twelve (12) months after date of issue. Further, any such letters may be used as a basis of discipline within the twelve (12) month rolling period referenced herein.
 - f. Subject to the terms of the applicable Operational Supplement, all progressive disciplinary letters are to be issued and presented to the affected employee no later than ten (10) working days after the incident or Company knowledge of the occurrence.
 - g. If a work rule has not been enforced in the past, its shall be mandatory that the Company give notice in writing to all employees that said rule will be enforced and the effective date of enforcement before any employee may be disciplined for violating said previously unenforced rule.
3. The parties acknowledge that regular attendance is necessary to the operation of the business, and it is therefore a matter of mutual interest and concern to establish an attendance program. To that end, the parties agree as follows:
- a. The disciplinary policy in cases of absenteeism shall be based on the concept of “unexcused absence”, which is defined as any absence:
 - 1) Not specifically authorized by this Agreement or
 - 2) Not authorized in writing by management.
 - b. In cases of unauthorized absence, the following disciplinary progression will apply, notwithstanding Article III, Section 4.
 - 1) 1st unexcused absence during a rolling calendar year, employee receives a 1st written warning;
 - 2) 2nd unexcused absences during a rolling calendar year, employee receives a 2nd written warning;
 - 3) 3rd unexcused absences during a rolling calendar year, employee receives a one (1) day suspension;
 - 4) 4 unexcused absences during a rolling calendar year, employee receives a two (2) day suspension;
 - 5) 5 unexcused absences during a rolling calendar year, employee receives a three (3) day suspension.
 - 6) 6th unexcused absence during a rolling calendar year, the employee will

receive Termination.

Note: Employees who are on LTD (Long Term Disability) will not fall under the unexcused absence progression.

- c. The Company shall acknowledge the right of the employee to use his sick leave benefits for the purposes expressed in this Agreement. No employee will be disciplined or given a letter of warning for such use while sick time is still on the books.
- d. The progressive disciplinary procedures set forth in Section 4 of this Article III, shall not apply to attendance.

If an employee is absent on the first or last day of his/her regular workweek more than one time during a rolling thirty (30) calendar day period, then such absences (s) will be unexcused and without pay. In the event a full-time split-shift employee is absent on the first or last day of his/her regular workweek on the back half and/or subsequent front half of his shift, which would indicate they were extending the weekend, then such absences (s) will be unexcused and without pay.

Serious offense rules-three step disciplinary progression.

1. Threats or abusive language to other employees.
2. All Company freight handling equipment is to be operated in a safe manner Abuse of Company equipment will not be permitted.
3. Personnel are not permitted to leave the Company property except for official business or lunch break while on the clock.
4. Delays at the airlines: Each employee experiencing a potential delay of one (1) hour or more will call his/her supervisor and report the problem either by phone or radio.
5. All monies collected must be turned in to the Company in accordance with instructions and in no case later than the end of their shift during which collected.
6. On the job injuries must be reported to your supervisor immediately. Accident reports must be made before the end of that shift if possible, except as provided in Article XIV. Absences resulting from on the job injuries require a doctor's written release prior to returning to work.
7. Employees are to be within their work areas and ready for work within a reasonable amount of time after punch in and breaks. All employees are to stay in their work area unless otherwise instructed by a supervisor or lead person. If an employee must leave their work area, their lead person or supervisor is to be informed of where they are going.
8. No breaks are to exceed authorized time.
9. Employees are required to follow all lawful work orders by management.

10. Employees are to use the pay telephone for all outgoing personal calls.
11. When an employee fails to call in and does not report to work for their shift, it will be considered a 'no-show', unless beyond the employees control.
12. Employees while on Company property or Airport Tarmac will wear Security Identification badges above the waist and on the outer garment as required by the TSA.

Administrative Offenses-Six Step Disciplinary Progression

1. No personal cell phone use while operating Company equipment or assigned Scheduled work
2. Absences are to be called in at least 1 hour prior to your scheduled start time whenever possible.
3. A sturdy work shoe is to be worn when working our dock. (Canvas top shoes are not permitted.)
4. Truck doors are to be closed and windows are to be rolled up when not in use. At no time is a truck to be driven with the back door open unless the freight is too long, and in that case, the door is to be tied down as far closed as possible. Keys are to be removed when vehicle is left unattended away from the Company facility.
5. Vehicle damage and malfunctions are to be reported upon occurrence and logged in the daily vehicle inspection report, pre and post trip inspections included.
6. There is to be no electronic playing devices (radios, tape/CD players, TV's) on our dock unless approved by management.
7. Personnel must park their vehicles in the designated parking areas. In no cases are employees to park their vehicles in the front of our building.
8. Employees are to report to work dressed reasonably clean and in presentable attire that would not be considered offensive or a source of embarrassment to the worker, customers or the Company.
9. Assigned work areas are to be kept clean and in an orderly manner.
10. DOT requirements: All dock persons are to comply with DOT requirements applicable to our operation.
11. Chock blocks are to be used when a truck is parked at our dock. Forklifts are not permitted to enter a truck unless it is chocked.
12. When signing for freight at the airlines, you must properly count the pieces and note any shortages or damages on the airbill. When signing the airline airbills, include your legible signature, date, time, and pieces received with a circle around the pieces.
13. If an employee is to be late for his/her scheduled shift, he/she must notify a supervisor prior to the start time whenever possible.

14. There is to be no food consumed on the dock. There will be no smoking permitted except in designated areas.
15. Late lunches requiring overtime must be approved prior to occurrence. The only exception to this would be if you were caught in the middle of a truck waiting line waiting to drop off or pickup packages from the airlines.

I, _____ have read and understand the above listed work rules and further understand the penalty for violation of each rule.

EMPLOYEE SIGNATURE

DATE