

Local 407 Office Clerical Local Rider

For the Period of April 1, 2008 Through March 31, 2013

covering:

The parties reserve the right to correct inadvertent errors and omissions.

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, 2008 through March 31, 2013. 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).

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 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

DHL Express recognizes the Union as the exclusive bargaining agent for "all full-time and regular part-time agents at

DHL Express's Cleveland facilities located at 8220 Mohawk Drive, Strongsville Ohio 44136, and 23355 Mercantile Road, Beachwood, Ohio 44122 but excluding confidential secretaries, salesmen, and all professional employees, guards and supervisors as defined by the Act."

ARTICLE 22. CHECK-OFF

Withholding

DHL Express shall deduct from the second (2nd) paycheck of the month for each listed employee remaining on the list, the indicated amount and promptly remit such amounts to the Union on or before the last day of the month, along with the list; provided, that DHL Express shall delete the name of any employee who is not on the payroll during the week covered by the paycheck from which deductions are to be made, or who has no earnings or insufficient earnings for such week, and shall have no obligation as respects such employee (s).

ARTICLE 23. GRIEVANCE PROCEDURE

If a grievance is not resolved at Step 1 of the grievance procedure set forth in Article 7 of the National Agreement ("Grievance and Arbitration Procedure – Procedure"), it shall then be submitted to the Cleveland Local Grievance Committee for determination. The Cleveland Local Grievance Committee shall be staffed on the Employer's side of the panel by DHL management from within the region, and staffed on the Union's side of the panel by Local Union representatives. If deadlocked, then the grievance is to be heard before the DHL Regional Joint Grievance Committee pursuant to Article 7, Section 2 of the National Agreement ("Grievance and Arbitration Procedure – Procedure").

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The following are deemed serious offenses such that no prior warning notice need be given to an employee before he can be discharged for one of the following; provided, however, such discharge may be appealed through the grievance machinery.

- a. Proven Gross Dishonesty: Including, but not limited to, theft of freight or unauthorized transfer of proprietary information.
- b. Intoxication: Drinking or being under the influence of alcohol or illegal narcotics while on duty, or possession of such substances while on DHL Express premises. Refusal to take a sobriety test shall establish a presumption of drunkenness.
- c. Vandalism: Destruction of DHL Express property or equipment whether by willful intent or gross negligence.
- d. Assault: Physical violence while on DHL Express property or while on duty.
- e. Work Stoppage: In violation of Article 7, Section 9 of the National Agreement.
- f. Proven Gross Insubordination: Consisting of the refusal to obey a proper work order.
- g. Abandonment: Consisting of three (3) days of no call/no show.

ARTICLE 25. SENIORITY

A monthly list of all casual (supplemental or replacement) and/or probationary employees used during the month shall be submitted to the Local Union by the tenth (10th) day of the following month. Such list shall show the employee's name, address, social security number, dates and hours worked, and the name of the employee replaced if applicable.

ARTICLE 26. HOURS OF WORK AND OVERTIMEWorkday – Full-Time Employees

There shall be an unpaid lunch break of not less than thirty (30) 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) hours 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.

Caveat

It is understood and agreed that DHL Express may require employees to work overtime, including pre-shift overtime, but in doing so will notify the employee at least one (1) hour prior to the commencement of such overtime in the case of post-shift overtime when possible, and at least one (1) hour prior to the end of the preceding shift in the case of pre-shift weekend or holiday overtime when possible, to minimize employee inconvenience.

ARTICLE 27. GENERAL BID, JOB VACANCY, LAY-OFF/RECALL1. General Bid

DHL Express shall conduct a Master bid between the two (2) stations on January 1 of each year. On June 1 of each year the Company may conduct an additional bid providing the reasons are valid. The bids shall apply to shifts and not to specific jobs. Full-time and part-time employees are bidding start times only, not job assignments.

- a. Post Bid Sheet: On January 1 and June 1, the Company shall circulate a bid sheet listing all full-time shift start times, (including unassigned shifts) and a bid sheet listing all part-time shift start times (including unassigned shifts) by order of seniority. Full-time employees may bid for part-time and part-time may bid for full-time only once per calendar year.
- b. Sign-up: Each full-time and part-time employee by seniority shall sign his name opposite the desired shift start time.
- c. Assignment: DHL Express will assign each employee to the shift so chosen, provided that skill, ability and past performance are equal, and subject to the needs of the service. Any unbid shifts, or shifts bid by an unqualified bidder, may be assigned in the sole discretion of DHL Express. The bidding procedure will be completed within seven (7) days.

2. Job Vacancy

Any shift that becomes vacant, or any newly created shift, will be filled by reopening the bidding procedure. Any position not bid may be filled in any manner at the sole discretion of DHL Express pending the next general bid.

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3. Layoff, Recalla. Layoff

Layoffs will be conducted in accordance with the provisions in Article 12, Sections 5 and 6 of the Office Clerical Operational Supplement ("Seniority, Layoff & Recall – Layoffs and Notification of Layoffs").

b. Recall

Recalls will be conducted in accordance with the provisions in Article 12, Section 7 of the Office Clerical Operational Supplement ("Seniority, Layoff & Recall – Recall").

ARTICLE 28. CLASSIFICATION, WAGES, PAYROLL1. Classification

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

2. Wages

(a) The following increases for full-time employees shall take effect on the dates shown:

	4/1/08	10/1/08	4/1/09	4/1/10	4/1/11	10/1/11	4/1/12	10/1/12
Full-time	\$20.28	\$20.63	\$21.03	\$21.48	\$21.88	\$22.33	\$22.78	\$23.28

(b) The following increases for part-time employees on the seniority list on the date of ratification of this Agreement shall take effect on the dates shown:

	4/1/08	4/1/09	4/1/10	4/1/11	4/1/12
Part-time	\$17.10	\$17.30	\$17.525	\$17.95	\$18.425

Part-Timers Hired After April 1, 2008

If a new part-time employee is required by law or trust agreement/rules to have H&W and/or Pension benefits, the following applies:

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

If a new part-time employee is not required to have H&W or Pension benefits, the following applies:

Start Rate	\$12.00
12 mos	\$12.20
24 mos	\$12.425
36 mos	\$12.85
48 mos	\$13.325

All probationary full-time employees hired after the date of ratification of this Agreement, 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.

3. Payroll

All employees covered by this Agreement shall be paid in full on Friday of each week all wages earned during the preceding week. Each employee shall be provided with an itemized statement of gross earnings and all deductions made for any purpose. All paycheck errors over twenty-five dollars (\$25.00) shall be corrected by the end of the next business day from the time such error is brought to the attention of the company.

ARTICLE 29. MILITARY CLAUSE

Employees enlisting or entering the military or naval service of the United States pursuant to the Selective Service Act of 1967 as amended, shall be granted all rights and privileges provided by the Act.

ARTICLE 30. LEAVE OF ABSENCE

Any employee desiring leave of absence from his employment shall secure written permission from both the Local Union and DHL Express. The maximum Leave of Absence shall be for ninety (90) days and may be extended for like periods. Permission for extension must be secured from both the Local Union and DHL Express. During the period of absence, the employee shall not engage in gainful employment in the same industry in classifications covered by this Agreement. Failure to comply with this provision shall result in the complete loss of seniority rights for the employees involved. Inability to work because of proven sickness or injury shall not result in the loss of seniority rights. The employee must make suitable arrangements for continuation of Health and Welfare and Pension payments before the leave may be approved by either the Local Union or DHL Express.

ARTICLE 31. ALL PURPOSE LEAVE

Part-time employees on the seniority list on the date of ratification of this Agreement and all full-time employees shall receive "All Purpose Leave" on the following basis:

Prior to one (1) year employment zero (0) days.

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After one (1) year, employment one (1) day per month to a maximum of eight (8) days per contract year.

An "All Purpose" day will consist of eight (8) hours pay for full-time employees and four (4) hours pay for part-time employees.

Casuals are not eligible for "All Purpose Leave."

"All Purpose Leave" shall not accumulate from contract year to contract year. Unused "All Purpose Leave" shall be paid out with the last pay period of that year.

Employees using "All Purpose Leave" other than for sickness must give DHL Express prior notice of three (3) calendar days and obtain permission from DHL Express to take same.

In cases of sickness, two (2) days notice would not be applicable. "All Purpose" days for reasons other than illness will be subject to seniority.

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 the date of ratification of this Agreement: New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve, Christmas Day and 1 floating holiday.

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

ARTICLE 33. VACATION**1. Entitlement**

Eligible employees shall receive vacation with pay at nine (9) hours per day in the case of full-time and five (5) hours per day in the case of part-time, compensable at the straight time rate, based on the number of years of continuous service that the employee has completed prior to 1/1, according to the following schedule:

- | | |
|--------------------------------|---------|
| a. 1 year continuous service | 2 weeks |
| b. 5 years continuous service | 3 weeks |
| c. 15 years continuous service | 4 weeks |
| d. 20 years continuous service | 5 weeks |

2. Eligibility

Part-time employees on the seniority list on the date of ratification of this Agreement and all full-time employees are eligible for vacation with pay, as set forth above, provided the full-time employee worked twelve hundred (1,200) hours or the part-time employee worked six hundred (600) hours during the last anniversary date.

3. Deferral

If an employee's paid vacation period accrues or is payable during a period in which he is otherwise entitled to unemployment compensation, the employee's right to and payment for such vacation shall be deferred until after termination of the unemployment benefit period. DHL Express waives the privilege of allocating vacation pay to past, present or future weeks of unemployment.

4. Scheduling

All vacation shall be taken during the anniversary year succeeding the one in which it was earned, and may not be carried over to subsequent years. On 12/1 of the prior year, DHL Express shall circulate a bid sheet listing periods open for vacation during the upcoming calendar year. Employees shall sign up for the vacation period desired and return the list to DHL Express on or before 12/15. DHL Express shall post the vacation schedule on or before 12/31, and in so doing will endeavor to schedule vacations in accordance with dates requested and with due regard for seniority, but reserving at all times the sole right to make the final decision with regard to vacation scheduling.

When full-time bids become available to vacation schedules, and DHL Express elects to replace vacancy, employees will be offered the opportunity by seniority to gain a better starting time. Laid off employees/replacement casuals will then be used to fill any vacancy created as a result of a senior employee obtaining an earlier start time. DHL Express will allow ten percent (10%) per week off for vacations per facility.

5. Termination or Layoff

If an employee is terminated or laid off, he shall be paid all accrued and unused vacation, plus pro-rated vacation based on the number of months completed from the employee's anniversary date to the date of such termination or layoff and divided by twelve (12) to include accrued but unusual All Purpose Days.

ARTICLE 34. HOSPITAL AND MEDICAL INSURANCE

In accordance with the Office Clerical Operational Supplement, the Company will continue to participate in the current health plans and will contribute up to one dollar

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(\$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]

ARTICLE 35. DENTAL INSURANCE

[See above]

**ARTICLE 36. ACCIDENT AND SICKNESS
DISABILITY INSURANCE**

[See above]

ARTICLE 37. LIFE INSURANCE

[See above]

ARTICLE 38. LONG TERM DISABILITY

[See above]

ARTICLE 39. PROFIT SHARING PLAN

In accordance with the Office 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]

ARTICLE 40. CAPITAL ACCUMULATION PLAN

[See above]

ARTICLE 41. RULES

The Union recognizes the right of the employer to establish such reasonable company rules as they may deem necessary, provided that such rules are not in conflict with the terms and provisions of this Agreement. Company rules shall be reviewed and updated if necessary.

ARTICLE 42. TERM

The Agreement will be for a duration of five (5) years, April 1, 2008 through March 31, 2013, and from year to year thereafter unless written notice of desire to cancel or terminate this Agreement is served by either party upon the other, not less than sixty (60) nor more than ninety (90) days prior to the above expiration date.

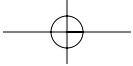
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals this _____ day of _____.

COMPANY

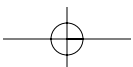
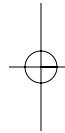
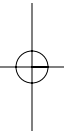
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TEAMSTERS LOCAL
UNION NO. 407,
affiliated with the
International Brotherhood
of Teamsters

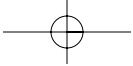
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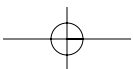
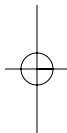
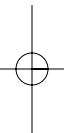


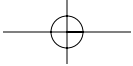
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