Local 986 Gateway Rider

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

covering:

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

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 TEAM-STERS (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 Gateway 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 Gateway 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 Gateway 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 10. BARGAINING UNIT

Section 1. Departmental Structure

A. The operations covered by this Local Rider shall be structured on a departmental basis. All such departments, including the classification of employees customarily assigned to work therein, are set forth below:

Operations Department

International Service Agent (598) - Ramp/Warehouse

Duties may include but are not limited to, handling of all material arriving and exiting the LAX Gateway. This includes the operation and/or use of any equipment (motorized, electronic, manual, ULD's aircraft etc.) necessary to perform such handling or any other assigned duty at the direction of management.

Additional duties may, but do not necessarily, include loading functions for Charter and Metro aircraft, for which formal training and certification will not be required, but for which proficiency and skill are required.

International Service Agent (598) – Bonded Cage Scanner Admn

Duties may include, but are not limited to, communications involving email, data entries to cage activity database and daily reports, and phone contact with airlines and customers/vendors; flight preparations; flight reconciliations; inventory reporting and research; and, generating manifests

and data entry for trucking. Minimum qualifications include, but are not limited to, Cage experience, knowledge of DHL network systems, and proficiency and experience with PC applications.

Load Planning Agent - Weight and Balance

Duties may include but are not limited to, performing ABX or Astar weight and balance duties; monitoring the loading and unloading of ABX or Astar aircraft; operating ABX or Astar aircraft loading equipment and ground support equipment, if required; and coordinating loading with ramp agents.

Only trained and certified employees may perform the weight and balance function. Weight and balance positions will be bid by need and qualification.

Control Center Department

International Service Agent (595)

Duties may include but are not limited to, all administrative duties necessary to support the operation, including knowledge and aptitude in the use of FOCUS, CCNT, FLITES, IMPEX, ECHO, SABLE, CALMS, LASERNET, RUM, FCS, and other computer-based programs as necessary, network communication, commercial air carrier communication, mawb completion, monthly purchased air reporting, and other reporting as required by management.

B. In addition, a Lead Person(s) may be assigned to any of the foregoing departments, as the Employer deems appropriate, to fulfill the operational needs of the business, as provided in Article 4 (Lead Personnel) of the Gateway Operational Supplement.

ARTICLE 11. STEWARDS

Section 1. Stewards

The Employer recognizes the right of the Union to designate from the Employer's seniority lists no more than three (3) fulltime employees to serve as the primary shop steward for the unit covered by this Agreement, and no more than three (3) full-time employees to serve as an alternate steward.

Section 2. Authorized Steward Activities

The shop stewards shall be permitted reasonable time off without pay to attend meetings called by the Union. The Employer shall be given a minimum of forty-eight (48) hours prior written notice by the Union.

ARTICLE 12. UNION VISITATION PRIVILEGES

Section 1. Union Access

Authorized agents of the Union shall have access to the

Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, collecting dues, and ascertaining that the Agreement is being adhered to; provided, however, that said agent must advise the Employer's LAX Gateway Manager, or designee, of his/her intended visit prior to arrival at the LAX Gateway.

Section 2. Union Representative

For purposes of this Article of the Agreement only, the term Union Representative refers to individuals actively employed and paid by either the International or Local Union, and excludes any and all actively employed unit employees, including the primary and alternate stewards.

Section 3. Notice

Upon arrival at the Employer's LAX Gateway, the Union Representative shall announce his/her presence to the Employer and, during the course of such visit, the Union Representative shall so conduct himself/herself as not to interfere with the operations of the office or other work areas within the Employer's facility or on its premises. If it is required by applicable government agencies, a shop steward, or if one is unavailable, then another bargaining unit employee, shall accompany the Union Representative during his/her exercise of the visitation privileges herein provided.

ARTICLE 13. USE OF AND PERFORMANCE OF BARGAINING UNIT WORK BY PERSONNEL OTHER THAN REGULAR EMPLOYEES

Section 1. Performance of Unit Work by Supervisors/Management Personnel

Supervisors/management personnel may perform unit work only due to operational emergency – for example, but not limited to, excessive absenteeism.

Section 2. Subcontractors

The Employer may subcontract new, but not existing bargaining unit work, as operational conditions require, that may become bargaining unit work, provided such subcontracting does not proximately result in the reduction of the regular work day of currently employed unit employees, and that such subcontracting, in each instance, shall not exceed a period of ninety (90) days.

Section 3. Rerouting

Nothing contained in this Agreement shall preclude the Employer, for legitimate operational needs (which determination shall be the exclusive function of the Company), from rerouting planes, line haul trucks and/or other means of transportation, which regularly and customarily landed or arrived at LAX Airport with shipments that were unloaded, loaded or otherwise processed by unit personnel, to bypass LAX Airport and the Employer's LAX Gateway altogether and proceed directly to any other DHL facility within the DHL global network. (Such rerouting with its resultant diversion of shipments shall not constitute or, in any way be deemed to constitute a violation of any provisions of this Agreement. This provision shall not be utilized for the sole purpose of avoiding this Agreement.

Section 4. Performance of Unit Work by Temporary Workers

A. Temporary employees, are obtained by DHL through an outside agency to work for a limited, but not necessarily specified, time period, and may be utilized, as needed. Examples of circumstances in which a need for temporary employees may arise include, but are not limited to, work opportunities that arise when there is a temporary surge in volume, over and above what the regularly scheduled workforce can handle, or when a regular employee is temporarily absent, and the Employer elects to fill the vacant shift. Temporary employees are not covered by, and have no rights or benefits under, the Collective Bargaining Agreement. Temporary employees shall be paid in accordance with such rates as may be established elsewhere in this Agreement.

B. In no event shall temporary employees be used for a period in excess of thirty (30) work days; moreover, no temporary employees may be utilized if any full-time employee or parttime employee is on layoff.

ARTICLE 14. WORK DAY, WORK WEEK SCHEDULING

Section 1. Regular Work Week

A. Employees covered by this Rider may work either fulltime or regular part-time schedules. The Employer shall determine the number and type of regular work week and regular work day shifts (including a four-day work week of tenhour shifts), their starting and ending times, and the number of employees, by classification, required to staff each regular work week and work day which have been scheduled.

B. By the same token, once established, the Employer may discontinue utilizing and maintaining a four (4) day work week of ten-hour shifts, as it alone deems appropriate in accordance with the operational needs of the business.

C. Except as expressly provided below, nothing herein contained in this Article shall constitute or be deemed to constitute a guarantee to an employee of a minimum number of hours of work per day or per week.

Section 2. Bidding

A. At the time of posting of a department job bid, eighty (80) percent of the active regular employee positions in the department shall be posted jobs for bid. Fifty (50) percent of the active regular employee positions in the department shall be entitled to a minimum of forty (40) hours work per week, and all of those jobs shall be posted for bid. In addition, this fifty (50) percent of the active regular employee positions in the

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department may be modified by a maximum of five (5) percent, in the sole discretion of the Company, on each of two (2) occasions between the period following the effective date of the job bids and the time of posting of the next job bid in that department. The remaining positions posted for the department job bid shall be regular part-time schedules. Other than the full-time and regular part-time schedules posted for the department job bid, up to twenty (20) percent of the total active regular positions in the department shall be unassigned, with schedules that may vary each work day and work week.

B. 1. For employees with a minimum forty (40) hour work week under this Article, the regular work day shall consist of eight (8) consecutive hours, excluding an unpaid meal period of one-half (1/2) hour.

2. Moreover, the Employer in the exercise of its discretion may establish a regular forty (40) hour work week, consisting of any four (4) days within the seven (7) calendar day payroll period under Article 13 of the National Agreement, either in combination with or in lieu of the five (5) day regular work week provided in Paragraph B.1. above. In such circumstances, the regular work day shall consist of any ten (10) consecutive hours, excluding an unpaid meal period of one-half (1/2) hour.

3. No employee shall be assigned to both a regular eight (8) and regular ten (10) hour shift within the same seven (7) calendar day payroll period.

C. Regularly scheduled days off for an employee shall be assigned by management within the seven (7) calendar day payroll period under Article 13 of the National Agreement in accordance with the operational requirements of the business and shall be on at least (2) consecutive calendar days, unless otherwise requested by an employee and agreed upon by the Company.

D. Emergencies arising from acts of God shall be reason to cancel scheduled work hours without pay until such time as emergency conditions subside.

E. 1. When operational need arises, employees released early from work may use available vacation to supplement hours. The Company will initially request volunteers to be released early from work by seniority and shift starting time, but reserves the right to release employees by seniority and shift starting time if volunteers are insufficient to satisfy operational needs.

2. Employees with a minimum forty (40) hour work week, under Paragraph B. 1. of this Article, who volunteer to be released early from work, shall forfeit the remaining minimum hours for that day, and may use available vacation to replace such hours.

Section 3. Filling of Vacancies

A. The opportunity to fill vacant positions shall be at the

discretion of the Employer and by seniority, department, and qualification. Such open positions shall be posted for seven (7) days, and assignments awarded shall be effective no later than the next regularly scheduled work day following the completion of the seven (7) day period.

B. If vacancies still exist, qualified employees may be assigned thereto in inverse order of department seniority, or, the Employer may hire employees from the outside.

Section 4. Changes to Scheduled Work

A. Notices of all changes from an employee's assigned work days and/or shift shall be given at least seven (7) calendar days in advance of said change, unless an extreme emergency necessitates the change on less notice, or the Employer and employee mutually agree to a change in schedule on less notice.

B. Notwithstanding the foregoing, start times for unit employees within any of the contractual departments may be changed by the Employer up to two (2) hours per day, based on operational need (i.e., late arriving planes, etc.). The Employer shall notify the shop steward or alternate for that shift, or if such a steward is unavailable, then any unit employee, who shall endeavor to contact the affected employee(s) by last known telephone number provided by the employee(s) to notify him/her of any change in start time. The shop steward or alternate or unit employee shall keep a log of the dates and times of all such calls to the affected employee(s). It is an employee's responsibility to provide the Employer with any change of telephone number.

ARTICLE 15. JOB BIDDING

A. Within 60 calendar days after the ratification date of this Agreement, the Employer shall determine the number and type of regular work week and work day shifts (including four-day work week of ten-hour shifts), their starting and end-ing times and the number of employees required to staff each shift for each Department and shall post the jobs for bid.

B. A bid shall be conducted at least once each contract year in the month of January. The bid shall be posted for a period of 14 days. The bid shall become effective on the first Monday, but at least 14 days, after bid close. A bid, other than the January bid, may be posted for one or more contractual Departments.

C. Bidding will be by department. That is, bids as described above, will be completed separately for departments 595 and 598. The jobs within these departments, which are posted for bid, will be open for bid to employees currently on that department's seniority roster. Employees are not permitted to bid outside their current department. The qualifications to perform a particular job shall be established by the Company in its sole discretion. An employee must possess such qualifications to successfully bid that position. D. To fill any work shift posted as part of the job bid which is not bid by any qualified employee, the Company may assign a qualified employee in inverse order of department seniority, or the Company may hire an employee from the outside.

E. If the Company, in its sole discretion, determines there is a need for additional personnel in the job of Load Planning Agent – Weight and Balance, the Company will post a notice of such need. One or more employees, from among those responding in writing to the posting, will be selected by department seniority for training for this job.

ARTICLE 16. OFFER OF SHIFTS TO UNASSIGNED PERSONNEL

A. For purposes of filling shifts using the up to twenty (20) percent of unassigned employees in each department, described in paragraph A of Article 14 (Work Day, Work Week Scheduling) of this Agreement, the Company shall offer shifts to such unassigned personnel in each department, depending on qualification and in order of department seniority. Personnel will be notified at least two (2) hours prior to shift start whenever possible. Such unassigned personnel have the option to pass on any shift offered by the Company, subject to the limitation that, after passing a work opportunity, such unassigned employee is not guaranteed any future work opportunity in that same calendar day.

B. Once the Company has offered available work shifts to all qualified personnel in that department, by department seniority, the Company shall have the right to force the number of qualified unassigned employees necessary to work such shifts, by inverse order of department seniority. Where the Company forces two (2) or more unassigned employees to work the corresponding number of shifts, the order of filling such shifts shall be determined in the Company's discretion.

C. This Article applies to circumstances in which qualified unassigned employees in each department are offered shifts for durations of one to six days, a period of one or more weeks (such as coverage for a two or three week vacation taken by another employee), the seven-day posting period under Section 3. Filling of Vacancies, of Article 14 (Work Day, Work Week Scheduling), or one or more months, but is not intended to cover, nor to overlap with, the filling of long-term vacancies (for example, where the incumbent is off work due to a longterm illness or injury) or permanent vacancies (for example, where the incumbent quits), which is governed by Section 3. Filling of Vacancies, of Article 14 (Work Day, Work Week Scheduling).

ARTICLE 17. SENIORITY, LAYOFF AND RECALL

Section 1. Seniority Definitions

The generic term "seniority," as used in this Article and elsewhere in this Agreement, has the same meaning and application as does the term, length of service. Seniority shall be calculated on a unit and departmental basis, as follows:

1. **Unit Seniority** – For employees employed at the LAX Gateway as of July 13, 2004, their Unit Seniority is calculated from the first day of employment with the Employer. For employees beginning employment at the LAX Gateway after July 13, 2004, Unit Seniority shall be calculated from the first day of employment, or re-employment following a loss of seniority, with the Employer in the unit covered by this Agreement, effective upon the employee's successful completion of the probationary period.

2. **Department Seniority** – For employees employed at the LAX Gateway as of July 13, 2004, their Department Seniority, in their department as of July 13, 2004, is calculated from the first day of employment with the Employer. For employees beginning employment in their respective department after July 13, 2004, Department Seniority shall be calculated from the date the employee first commenced working for the Employer, or began re-employment following a loss of seniority, in the department covered by this Agreement, subject to the employee having successfully completed the probationary period at any time. Separate seniority lists shall be maintained for departments 595 and 598.

Section 2. Application and Use of Seniority

1. Department seniority shall be utilized in the filling of bids, in the filling of permanent vacancies arising after or between bids, as may reasonably be practicable, in determining the order of layoffs and recall from layoff within a particular classification of the department in which the overstaffing exists, and in the selection of vacation weeks.

2. Unit seniority shall be utilized in determining entitlement to vacation and other fringe benefits, as herein provided, where length of service is a factor. In all cases where Unit seniority is equal, priority on the seniority roster shall be determined by coin toss administered by the Employer in the presence of the steward or other Union representative, and the affected employees.

3. Limitations on Seniority Usage - Seniority does not give an employee the right to choose or demand a specific job assignment. Under no circumstances (except for bumping) may seniority be used to replace, or to substitute for, a less senior employee on a bid shift which the less senior employee has been awarded, and on which that less senior employee is currently working.

Section 3. Loss of Seniority

In addition to the reasons set forth in the Gateway Operational Supplement, an employee shall lose all accumulated seniority for any of the following reasons:

1. Layoff for fifteen (15) consecutive months, or for the length of the employee's continuous service with the

Employer in the unit covered by this Agreement, whichever is less.

2. Absence for a total of 280 or more calendar days, following the employee's exhaustion of any and all family medical leave to which he/she is entitled, as a result of an employee's medically substantiated illness or work related or non-work related injury or disability (including pregnancy), unless a longer period is required as a reasonable accommodation to a "qualified individual with a disability" in accordance with the requirements of the Americans with Disabilities Act, or otherwise required by federal or state law.

Section 4. Layoffs

Should it become necessary for the Employer to reduce its work force within any contractual department, layoffs shall be effectuated from the applicable unit classification of that specific department in which the overstaffing exists, as follows:

1. Probationary employees and/or temporary employees, if any, shall be laid off first without regard to their individual periods of employment.

2. If further layoffs are required within the affected unit classification within that contractual department, the employee (full-time or part-time) with the least department seniority shall be laid off, followed in ascending order by the next least senior employee in the affected classification, except that less senior employees possessing qualifications necessary to operations (for example, but not limited to, weight and balance certification) shall not be laid off as the least senior employee in the department.

Section 5. Notification of Layoff

In the absence of dire emergency or other uncontrollable circumstances, the Employer shall provide advance notification of layoff to affected employees, excluding probationary and/or temporary employees. A copy of such notice shall be provided to the Steward and sent via mail, fax, or email to the Union.

Section 6. Bumping

1. An employee scheduled to be laid off, may "bump" a unit employee in the same department, provided such employee:

- (a) bumps the unit employee with the least department seniority; and
- (b) possesses greater department seniority than the employee to be bumped; and
- (c) is fully capable and qualified to perform the work duties of the employee to be bumped; and
- (d) assumes the same workweek and the same work day shift schedule of the employee to be bumped.

2. The employee exercising the bump shall be paid at the wage rate of the classification into which he/she bumps, provided such rate is equal to or less than his/her current rate of pay.

3. An employee desiring to bump must so advise the Employer in writing within three (3) calendar days after receipt of written notification of layoff. Failure to notify the Employer within such time period shall result in the forfeiture of bumping privileges.

4. Bumping privileges shall not be extended to probationary and/or temporary employees.

5. An employee bumping in lieu of layoff shall be given priority in returning to a subsequent vacancy in the same job classification previously held by the employee, provided such vacancy occurs within one (1) year after the bump.

Section 7. Recall

1. (a) Unit employees on layoff shall be recalled to fill available vacancies for which they are qualified in reverse order of layoff (i.e., last to be laid off – the first to be offered recall).

(b) In the event of a recall, the laid off employee shall be notified by certified mail addressed to the employee's last reported address on file with the Employer, with a copy to the Union. Such employee must advise the Employer within seventy-two (72) hours, excluding holidays and weekends, after delivery of the recall notice at such address whether or not he/she accepts the recall offer. (Recall notices which are not successfully delivered to the affected employee's residence of record due to an incorrect address resulting from the employee's failure to advise the Employer of his/her current correct address, shall nevertheless be deemed "received" as of the date and time the initial delivery had been attempted.)

(c) In the event the employee declines the recall offer, or fails to notify the Employer of his/her decision within the above-mentioned seventy-two (72) hour period, excluding holidays and weekends, the employee shall lose all seniority rights under the Agreement and be considered a voluntary quit.

2. Any employee who timely accepts a recall pursuant to a written recall notification delivered under the provisions of Paragraph I 1 (b) above, shall report to work at the start of his/her shift on the first (1^{St}) regularly scheduled work day following the day on which he/she timely notified the Employer of the timely acceptance of recall, or within such greater period as may be mutually and reasonably agreed upon by the Employer and employee. Upon returning to work following the acceptance of the recall, there will not be a reduction in pay or benefits other than as a result of prior mutual agreement of the Company and the Union. Failure to return to work within the aforesaid time period following the acceptance of all his accumulated seniority and he/she shall be considered a voluntary quit.

3. Should the Employer be faced with dire, serious operational issues and be in urgent need of an employee(s) to fill a vacant position(s) for which the laid off employee is qualified, the Employer may attempt initially to recall qualified laid-off employees, in department seniority order, by telephone. In all such cases, the Union shall be notified prior to commencing the telephone recall procedure, and be afforded the opportunity to be physically present at the time and place where all such calls are being made. In addition, the Employer shall maintain a written log with the name of the individual called, the telephone number called, and the date and time of each such call. (It is expressly understood and agreed, however, that the Employer must follow-up all such telephone calls with written recall notifications as provided in Paragraph I.1.(b) above.)

4. Unit employees (excluding probationary employees) shall enjoy recall rights by department for a period not to exceed 15 (fifteen) consecutive months following the effective date of the layoff, or for the length of the employee's continuous service with the Employer in the unit covered by this Agreement, whichever is less.

ARTICLE 18. ATTENDANCE POLICY

Regular and timely attendance is required of all employees. In the event an employee must be absent or late, it is his or her personal responsibility to call and notify any supervisor or manager on duty, at least one hour prior to shift start, of such absence or tardiness. Absence or lateness reports shall not be made by any person other than the employee, except where extreme circumstances reasonably prevent the employee from personally reporting the lateness or absence. The failure to call in altogether or in a timely manner in accordance with the requirements of this Article shall constitute just cause for disciplinary action, as set forth below, and, in addition thereto, shall result in the forfeiture of sick pay for the day(s) of absence.

There are three (3) categories of offenses under the attendance policy:

(1) Tardiness: is a failure to complete the scheduled shift (including scheduled pre/post shift work) whether by reason of reporting to work late, or leaving work early. Five (5) incidents of tardiness in any six month period will be considered excessive and subject to the progressive discipline steps listed below.

(2) Absence: is a failure to report to work on one (1) or more consecutive work days. Five (5) instances of absence in a twelve-month period will be considered excessive and subject to the progressive discipline steps listed below. If the failure to report to work is due to a contractual holiday, vacation, approved leave of absence, work-related injury, federal and/or state protected disability, or federal and/or state family and medical leave, but not including paid sick leave for other reasons, then this period of leave shall not constitute an incident of absence under this policy.

(3) Pattern offense: is a sequence of three (3) like kind

Progressive

Discipline

Verbal Warning

1st Step 2nd Step. Written Warning 3rd Step Final Warning 4th Step Discharge

ARTICLE 19. DISCIPLINE AND DISCHARGE

Section 1. Discipline

It is recognized that certain serious or multiple acts of misconduct may result in immediate termination, including the acts set forth in Article 8 of the Gateway Operational Supplement and the following:

Unsafe acts or failure to correct or bring to the attention of a supervisor an unsafe condition;

Physical damage to aircraft caused by negligence of the employee;

Committing any error in the weight and balance and/or load verification process, discovered after an aircraft has taken off; Failure or refusal, upon reasonable request, to submit to a search of property, locker or employee vehicle (located on Company premises) in connection with an investigation by management/supervisory personnel or security agents;

unauthorized use of Company equipment;

harassment;

revocation or suspension of a drivers license required for the employee to perform their duties;

revocation or suspension of Los Angeles Department of Airports and/or US Customs and Border Protection identification badge, and/or Airport Operations Area (AOA) privileges;

misuse of official identification, or entering or assisting other to enter restricted or closed areas without proper authority.

The warning notice(s) as provided herein shall not remain in effect to support further progressive disciplinary action for a period of more than twelve (12) months, provided there is no intervening misconduct within that twelve (12) month period. Any employee may request an investigation as to his/her discharge or suspension, and should the Company determine as a result of such investigation that such discharge or suspension was not for just cause, the Company shall eliminate or reduce the disciplinary action, up to and including reinstatement.

All discharges, suspensions, warning notices, or other disciplinary action shall be confirmed in writing to the employee and the Union. Appeal from a discharge, suspension, or written warning notice must be taken within five (5) days, excluding weekends and holidays.

ARTICLE 20. INVESTIGATORY INTERVIEWS OF UNIT EMPLOYEES BY MANAGEMENT AND SUPERVISION

A. In the event an employee is required to attend an investigatory interview with a supervisor or other management official which he/she reasonably believes will result in disciplinary action, any readily available Local 986 steward employed at the Employer's LAX Gateway facility may be present and participate at such investigatory interview, if requested by the employee, under the following conditions:

1. The shop steward may consult with the employee, assist him/her in presenting or clarifying facts and/or otherwise submit evidence or suggest further witnesses to interview.

2. The shop steward, however, may not interfere with the Employer's interview of the employees, such as preventing the employee from answering questions. In this regard, it is expressly understood and agreed that the Employer has no obligation to bargain with the shop steward during such interview, and that the shop steward shall not answer questions for the employee.

3. If at all reasonably possible, the steward specifically requested by the employee shall be afforded the opportunity to be present and participate at the interview, provided such individual is (a) on-duty and readily available (i.e., available within 20 minutes after requested); and (b) not otherwise presently occupied on an assignment from which he/she could not be relieved without seriously, adversely affecting the Employer's operations (i.e., contribute to service failures and/or failure to meet time constraints, etc.). If the steward specifically requested by the employee does not meet both of the foregoing conditions, the interview will be conducted without the presence of such steward and the employee, should he/she still desire and request representation, shall be represented by any on-duty available unit employee.

B. In connection with violations of Article 23 (Special Licenses and Drug /Alcohol Testing of the National Agreement), nothing herein contained, shall prevent or preclude the Employer from declining to question the employee altogether and simply directing such employee to proceed immediately for alcohol/drug testing.

ARTICLE 21. WAGES & COMPENSATION

Section 1. Wage Rates

A. Upon the Ratification Date of this Local Rider, all employees shall continue to receive the applicable wage rate based on their current step in the relevant progression under Articles 36 or 37 of the pre-existing collective bargaining agreement between DHL Express, Inc. and Local Union 986, affiliated with the International Brotherhood of Teamsters (effective October 9, 2005), for the affected Gateway employ-ees represented by Local 986.

B. Effective October 8, 2008, the following wage progression shall apply to all employees hired prior to October 9, 2005. Each such existing employee will enter the wage progression at the closest, but higher, hourly rate to their current rate.

Hire	\$12.00
6 Mos	\$12.57
1 Yr	\$13.14
18 Mos	\$13.71
2 Yrs	\$14.28
30 Mos	\$14.85
3 Yrs	\$15.42
42 Mos	\$15.99
4 Yrs	\$16.57
54 Mos	\$17.15
5 Yrs	\$17.73
66 Mos	\$18.31
6 Yrs	\$18.89
78 Mos	\$19.47
7 Yrs	\$20.05
90 Mos	\$20.63
8 Yrs	\$21.21
102 Mos	\$21.79
9 Yrs	\$22.37
114 Mos	\$22.95
126 Mos	\$23.50
138 Mos	\$24.05

Such employees whose straight-time hourly rate is above the highest rate on the above wage progression shall receive the following increases or bonuses on their respective anniversary dates:

Effective	10/8/08	\$1200 bonus
	4/1/09	\$.35 added to their rate
	4/1/10	\$1400 bonus
	4/1/11	\$.35 added to their rate
	4/1/12	\$1500 bonus

C. Effective October 8, 2008, the following wage progression shall apply to all employees hired after to October 9, 2005. Each such existing employee will enter the wage progression at the closest hourly rate to their current rate.

New Hire	\$11.00
6 Mos	\$11.40
12 Mos	\$11.80
18 Mos	\$12.20
24 Mos	\$12.60
30 Mos	\$13.00
36 Mos	\$13.40
42 Mos	\$13.80
48 Mos	\$14.20
54 Mos	\$14.60
60 Mos	\$15.00
66 Mos	\$15.40
72 Mos	\$15.80
78 Mos	\$16.20
84 Mos	\$16.60
90 Mos	\$17.00
96 Mos	\$17.40
102 Mos	\$17.80

Section 2. Load Planner Differential

Employees performing the duties of a Load Planning Agent – Weight and Balance, as described in Article 10, Bargaining Unit, of this Agreement, shall receive additional compensation of five (5) dollars per day worked as a load planner, regardless of the amount of time spent in such duties on that day.

Section 3. Lead Differential

Lead personnel selected by the Company under Article 4, Lead Personnel of the Gateway Operational Supplement, shall receive additional compensation in the amount of fifty cents (\$0.50) per hour above their applicable straight-time hourly wage rate under this Agreement only for days worked in a lead capacity.

Section 4. Shift Differential

A. Shift differential payment for all full-time and regular part-time unit employees (but not casual employees), whose regular work day schedule falls within the time period from 6:00 P.M. to 12 Midnight (Evening), or from 12 Midnight to 8:00 A.M. (Night), shall be provided under the terms and conditions set forth herein.

B. 1. In the even fifty-one percent (51%) or more of an employee's regularly scheduled work hours falls within either the applicable evening time period, or the night time period, shift differential shall be paid for all hours worked on such shift (i.e., employee regularly scheduled to work 8 hours per day from 3:00 P.M. to 11:00 P.M., shall receive shift differential payments for all 8 shift hours worked from 3:00 P.M. – 11:00 P.M.).

2. If, however, only fifty percent (50%) of an employee's regularly scheduled work hours falls within either of the applicable evening or night time periods, shift differential shall be paid only for regularly scheduled hours actually worked <u>after</u> the commencement of the evening or night time periods (i.e., employee regularly scheduled to work 8 hours

per day from 2:00 P.M. to 10:00 P.M., shall receive differential pay for only the four (4) regularly scheduled hours worked from 6:00 P.M. – 10:00 P.M.).

3. If less than fifty percent (50%) of an employee's regularly scheduled work hours falls within either of the applicable evening or night time periods, no differential payments whatsoever shall be provided for any and all hours worked.

C. Evening shift differential under B.1 and 2 above shall be forty cents (\$0.40) per hour; Night shift differential shall be payable at the rate of fifty cents (\$0.50) per hour.

1. Shift differential payments shall be added to an employee's base hourly rate for the computation of overtime payments, if any, arising within the payroll week.

2. Except as otherwise required by Federal or State law, the foregoing shift differential payments shall not be added to an employee's base wage scale for the purpose of computing the other fringe benefits provided in this Agreement (e.g., sick leave, bereavement leave, jury duty, holidays and/or vacations).

Section 5. Call Back Pay

All employees called back to work, after they have clocked out and left the Gateway premises, and who then report for work, shall be guaranteed a minimum of two (2) hours pay and consistent with state law.

Section 6. Overtime:

A. One and one-half (1 1/2) times the straight-time hourly rate of pay, as provided in this Agreement, shall be paid for all hours worked:

(1) In excess of eight (8) hours worked in a day.

(2) For all hours worked on the sixth (6th) consecutive day worked in the work week.

(3) For employees regularly scheduled to work a four (4) ten (10) hour day schedule, in excess of ten (10) hours in a work day, and for the first eight (8) hours worked on the fifth (5th), sixth (6th), and/or seventh (7th) day worked in the work week.

(4) In excess of forty (40) hours in a work week.

B. Two (2) times the straight-time hourly rate of pay, as provided in this Agreement, shall be paid for all hours worked:

(1) In excess of twelve (12) hours worked in a day.

(2) For all hours worked on the seventh (7th) consecutive day worked in the work week.

(3) For employees regularly scheduled to work a four (4) ten (10) hour day schedule, after the first eight (8) hours worked on the fifth (5th), sixth (6th), and/or seventh (7th) day worked in the work week.

C. There shall be no pyramiding of overtime.

D. All overtime shall first be offered among all qualified fulltime employees within a classification on the basis of Gateway Department seniority. The Company will give advance notice of overtime to employees whenever practicable.

E. If overtime needs cannot be filled by qualified volunteers, employees may be forced to work such overtime in inverse order of seniority within classification and by qualification.

F. The Company shall use its best efforts to excuse employees from overtime when, on special occasions, they ask to be excused at least one (1) day in advance.

G. For purposes of calculating overtime, all compensated hours shall be included.

ARTICLE 22. VACATIONS

Section 1. Vacation Accrual

All non-probationary unit employees accrue vacation hours beginning the first day of regular service. Employees are eligible to take accrued vacation after six months regular service.

Vacation is not accrued during unpaid absences. Vacation time is stated in hours earned, as opposed to days or weeks. Vacation does not accrue for overtime hours.

Vacation Accrual Event	Rate*	Annual Vacation
		Allowance

(Based on 40 hrs paid/week for 52 weeks)

Upon Hire	3.846%	80 hours
Upon Hire On 4 th Anniversary	5.769%	120 hours
On 9 th Anniversary	7.692%	160 hours

*The Vacation Accrual Rate is calculated by dividing the Annual Vacation Allowance by 2080 hours.

An employee's Accrued Vacation Hours is determined using the following formula:

Hours Paid/Wk* x Weeks Paid x Vacation Accrual Rate** = Accrued Vacation Hours

*Excludes overtime hours **Based on years of service

For example, an employee with four (4) years of service, who received pay equal to 20 hours/week for 26 weeks, would calculate his/her Accrued Vacation Hours as follows:

20 hrs. x 26 wks. x 5.769% = 30 Accrued Vacation Hours

An employee with an Annual Vacation Allowance higher than the applicable allowance provided in this Article, upon the ratification date of this Agreement, shall retain his/her current Annual Vacation Allowance until a Vacation Accrual Event would afford the employee a larger Annual Vacation Allowance.

In the event an employee's status changes – for example, from full-time to part-time – the Annual Vacation Allowance and Vacation Accrual Cap will be computed based upon the number of weeks working in each schedule.

Section 2. Vacation Accrual Cap

Vacation hours are accrued to a maximum equal to one and one-half (1-1/2) times an employee's Annual Vacation Allowance, which is the Vacation Accrual Cap. Vacation hours cease to accrue when the Vacation Accrual Cap is reached. Once the unused accrued hours are reduced below the cap, by using vacation time, vacation accrual resumes. The Vacation Accrual Cap is calculated using current regularly scheduled hours per week, not hours paid.

A Vacation Accrual Cap is determined using the following formula:

Current Regularly Scheduled Hours/Week x 52 Weeks/Year x Vacation Accrual Rate* x 150% = Vacation Accrual Cap

*Based on years of service

For example, an employee with one (1) year of service, and with a current regular schedule of 40 hours/week, would calculate his/her Vacation Accrual Cap as follows:

40 hrs./wk. x 52 x 3.846% x 150% = 120 hours

All unpaid, accrued vacation of an employee existing upon the effective date of this Agreement shall count toward that employee's Vacation Accrual Cap.

Section 3. Vacation Scheduling and Usage

1. Beginning in 2006* and for each succeeding year, vacation bidding shall commence on the first day of February each year and last no later than the final day of the month. Vacation shall be bid by seniority, classification, qualification, and shift.

*Scheduled vacation requests existing upon the ratification date of this Agreement will be honored, and yet to be scheduled vacations, through February 28, 2006 will be processed under the Company's current method of vacation scheduling. 2. The Company shall allow all employees, covered under this Agreement, an average of 10% vacation allotment each year. This allotment will range between 7% - 13% each month. The allotment allowed each month, and any blocked weeks, will be distributed to the employees prior to the annual bid.

3. In the first round of vacation bidding, an employee may either bid his/her entire vacation in one block of time, or bid a maximum of two (2) full weeks of vacation. In any subsequent round of vacation bidding, an employee may bid vacation in single or multiple days, but may not displace any previous vacation bid. Employees may not trade vacation days.

4. Unit employees may use earned but unused vacation hours to offset unpaid FMLA leave.

5. With an employee request at least three (3) weeks in advance, vacation pay shall be paid to the eligible employee before he/she starts vacation.

Section 4. Hospitalization During Vacation Time

Employees who are hospitalized while on vacation may use accrued sick time for such periods of hospitalization and may reschedule their vacation time for a later date.

ARTICLE 23. SICK LEAVE

Section 1. Use of Sick Leave

Sick leave may be used by employees actively at work during absence caused by a non-work related injury or illness, for medical, dental or vision care appointments, or during the waiting period for a work-related injury or illness. Sick leave may be used in any manner authorized by and consistent with federal and/or state law.

The Company may require verification of an employee's eligibility to use sick leave hours in accordance with applicable law.

Section 2. Amount of Sick Leave

All non-probationary unit employees accumulate sick leave beginning the first day of regular service. Employees are eligible to use accumulated sick leave hours after completion of the probationary period.

Full-time employees may accumulate up to a maximum of 48 sick leave hours over a 12 month period based on anniversary date, and may accumulate up to a maximum of 160 hours.

A full-time employee with accumulated sick leave in excess of 160 hours, upon the ratification date of this Agreement, shall retain his/her current sick leave hours, but shall not accumulate any additional sick leave until the employee has less than the maximum 160 accumulated hours.

Employees not regularly scheduled to work full-time may accumulate up to a maximum of 24 sick leave hours over a 12 month period, based on anniversary date, and may accumulate up to a maximum of 80 hours.

An employee not regularly scheduled to work full-time, with accumulated sick leave in excess of 80 hours, upon the ratification date of this Agreement, shall retain his/her current sick leave hours, but shall not accumulate any additional sick leave until the employee has less than the maximum 80 accumulated hours.

In the event an employee's status changes – for example, from full-time to part-time – the applicable maximum of accumulated sick leave hours will change, and if the employee's current sick leave hours exceed the maximum, no additional sick leave hours will be accumulated until, as a result of use, the employee's sick leave hours are below the maximum.

Terminated employees will not be paid for unused sick leave.

ARTICLE 24. JURY DUTY

All non-probationary unit employees will receive compensated time off for jury duty at their straight-time hourly rate. Regularly scheduled employees will receive jury duty pay for either their regularly scheduled hours on such days, or the actual hours served if such hours are less than a majority of their regularly scheduled hours for that day. Unassigned employees will receive jury duty pay for the number of hours averaged per day for the six (6) months preceding the week in which their jury duty begins. Employees will keep any jury duty compensation received from the court.

An employee is responsible to immediately notify his/her supervisor of the employee's summons for jury duty, and to provide the supervisor with a copy of the summons. Upon the completion of jury service, the employee is responsible to promptly provide a copy of his/her certificate of completion of jury duty to his/her supervisor.

Employees who are summoned to jury duty and do not serve the majority of their scheduled work day are expected to return to work to complete their work shift.

Employees subpoenaed as a witness, for matters unrelated to DHL, are not eligible for jury duty pay. Such an employee may use vacation or a floating holiday to receive pay for his/her absence, but the absence will otherwise be unpaid.

Employees whose shifts do not interfere with serving on jury duty will not receive jury duty pay unless their supervisor and the LAX Gateway Human Resources Manager, or his/her designee, agree that working and serving on jury duty would impair the employee's ability to perform his/her job duties.

ARTICLE 25. HOLIDAYS

Section 1. Designated Holidays

There are six (6) designated holidays for non-probationary unit employees. These holidays are:

New Years Day Memorial Day Independence Day Labor Day Thanksgiving Day Christmas Day

Each of the foregoing holidays shall be observed on the calendar day on which it falls, except those holidays which fall on Saturday or Sunday, which shall be observed as designated in the Company's annual schedule of holidays.

The Company will continue its practice of requesting volunteers to work on designated holidays. If there are insufficient volunteers, then the Company shall designate qualified employees in order of inverse department seniority.

In order to be entitled to holiday pay, an employee must work his/her regularly scheduled work day immediately preceding the recognized holiday and his/her regularly scheduled work day immediately following the holiday, unless such absences are due to scheduled vacations or floating holidays, or otherwise expressly excused by the Company.

If a designated holiday is observed during an employee's scheduled vacation, the employee shall receive an additional day's pay.

Holiday pay shall not be provided to any employee who, on the day the designated holiday is observed, (1) is on an unpaid leave of absence, or (2) is on layoff, or (3) is not otherwise actively working for the Company. A non-probationary employee laid off within five (5) days before or after a designated holiday will receive holiday pay for that designated holiday.

All qualified employees shall receive holiday pay for such holidays at their straight-time hourly rate. Such holiday pay shall be at the rate of eight (8) hours pay, unless the employee is working a four (4) ten (10) hour day schedule and the calendar day on which the holiday is observed is a regularly scheduled work day for such employee. If employees work on a designated holiday, they will be paid one and one-half (1 1/2) times their straight-time hourly rate for all hours worked.

Section 2. Floating Holidays

Regular full-time employees who are on the payroll as of January 1 will have five (5) floating holidays for the calendar year. Employees must complete the probationary period before taking floating holidays.

Newly hired regular full-time employees who have completed their probationary period, and existing employees who bid into a regular full-time position, are eligible for floating holidays on a prorated basis as follows:

Employees hired during	are eligible for:
January or February	5 floating holidays
March or April	4 floating holidays
May or June	3 floating holidays
July or August	2 floating holidays
September or October	1 floating holiday

Eligible employees must request a floating holiday at least twenty-four (24) hours in advance, and will be scheduled consistent with operational needs, on a first-come, first-served basis.

Employees whose status changes to other than regular fulltime are not eligible for floating holidays, nor can they use floating holidays that were available to them in their regular full-time status.

Pay for a floating holiday does not exceed eight (8) hours, regardless of the schedule worked.

ARTICLE 26. HEALTH INSURANCE ELIGIBILITY

For health insurance benefit purposes only, and independent of the terms of Article 14, Work Day, Work Week Scheduling, of this Rider, all non-probationary employees who regularly work thirty-two (32) or more hours per week will be eligible to purchase the health insurance benefits available under this Agreement at the rate applicable to full-time employees. This eligibility will be determined, based upon a twice each year review on April 1 and October 1, by calculating if an individual has worked an average of thirty-two (32) hours or more per week for the preceding six (6) months. Based upon these calculations, eligible employees may purchase health insurance for the next six (6) months, effective January 1 after the October 1 calculation, and effective July 1 after the April 1 calculation.

In addition, all employees who participated in the DHL medical insurance programs under full-time employee rates as of October 9, 2005, shall be entitled to continue to participate in such programs at the applicable full-time rates regardless of the number of their regularly scheduled hours, unless such employees voluntarily reduce their hours below the thirty-two (32) hours per week eligibility standard.

ARTICLE 27. HEALTH AND WELFARE

All eligible non-probationary regular full-time and part-time employees may participate in existing DHL medical insurance programs, and will pay all applicable employee contributions in accordance with the terms of those plans, on the same basis as they are generally offered to non-represented, non-exempt full-and part-time employees of the Employer, for the term of this Agreement.

(a) Eligible full-time employees as of October 9, 2005, may continue to participate in the DHL medical insurance programs, and will pay all applicable employee contributions up to a maximum of two hundred dollars (\$200.00) per month;

(b) Eligible part-time employees, as of October 9, 2005, purchasing benefits under full-time employee rates at the time of ratification of this Agreement, may continue to participate in the DHL medical insurance programs, and will pay all applicable employee contributions up to a maximum of two hundred fifty dollars (\$250.00) per month;

(c) All other eligible full-time employees may participate in the DHL medical insurance programs, and will pay all applicable employee contributions up to a maximum of two hundred fifty dollars (\$250.00) per month; and,

(d) All other part-time employees may participate in the DHL medical insurance plans under rate schedules applicable to part-time employees, and will pay all applicable employee contributions.

Additionally, all eligible employees may participate in DHL dental and vision insurance programs, and will pay all applicable employee contributions.

Effective 10/8/08, the Employer shall direct up to \$.50 per hour worked to reduce the level of premium which must be paid by a participating employee for the DHL health insurance plan the employee has selected

ARTICLE 28. PENSION AND 401(k) PLAN

All eligible non-probationary regular full-time and part-time employees will continue their current ability to participate in the DHL pension and 401(k) plans. On the first day of the second to last month of the Agreement, all employees will no longer participate in DHL pension and 401(k) plans. On the first day of the last month of the Agreement, the Company will begin participation in the Western Conference of Teamsters Pension Fund, at contribution rates of one dollar (\$1.00) per hour for every hour worked by non-probationary employees, up to a maximum of 173 hours per month, and ten cents (10¢) per hour for every hour worked by probationary employees up to a maximum of 173 hours per month.

ARTICLE 29. EQUIPMENT, SAFETY AND HEALTH

Section 1. Safety

A. Safety is a vital concern to the Employer. Employees are expected to carefully follow all of the Employer's safety policies. Employees are expected to report any unsafe condition

to their supervisor immediately. Employees must also immediately report all accidents and injuries.

B. Employees are prohibited from using any equipment or machinery that has broken down until a qualified technician makes sure that it is repaired and safe. Employees shall inform their supervisor of any equipment breakdown as soon as it happens.

C. Employees are required to attend the Employer's safety and or training meetings, which will be conducted on work time.

Section 2. Safety Shoes

Within 30 days after ratification of this Agreement, the employer requires black, steel toe, safety shoes or boots to be worn by department 598 personnel while on duty and will pay up to \$75.00/year (after presentation of receipt).

ARTICLE 30. IDENTIFICATION BADGES

A. Identification badges are provided to employees and must be worn while on company property. Employees who work in restricted areas, such as aircraft ramps requiring Federal Aviation Administration (FAA) and Transportation Services Agency (TSA) –mandated identification, should take special care. Although at times this may seem an inconvenience, identification badges are important in helping to safeguard employees and supervisors, and to safeguard customers' packages from theft or damage.

B. All identification badges (company, airport, etc.) must be kept valid. Before an employee's badge expires, an employee must notify the employee's supervisor so that a new badge can be issued. Employees must immediately report lost, stolen or damaged identification badges to their supervisor. All identification badges must be returned upon separation from the company.

ARTICLE 31. EMPLOYEE HANDBOOK

It is mutually agreed by the Company and the Union that all unit employees covered by this Local Rider will receive the Employee Handbook from the Company, along with a statement that, to the extent the terms of the Employee Handbook are inconsistent with the Collective Bargaining Agreement, the Collective Bargaining Agreement controls.

ARTICLE 32. CLEAN AND NEAT APPEARANCE

It is expressly recognized and agreed herein that the Employer is engaged in a highly competitive service business that requires it to be acutely sensitive to the needs, requirements and expectations of its customers. Accordingly, all employees shall maintain a clean and neat personal appearance and, otherwise, dress in strict accordance with the Employer's reasonable dress code standards and requirements. Facial hair, including but not limited to, beards, goatees and moustaches, must be clean and neat in appearance, appropriate for the work environment, and in compliance with health and safety standards. Hair length must be kept or worn so as not to cause a safety concern.

ARTICLE 33. UNIFORMS

The Employer may, at its option, provide employees with uniforms to be worn during all working hours. Such uniforms, if provided, shall be at no cost to the employee. Worn-out uniforms will be replaced by the Employer at no cost to the employee, provided the worn-out uniform is returned to the Employer. The nature, color and style of such uniform shall be vested solely with the Employer. Each employee to whom a uniform has been issued shall be expected to report to work each day in a clean uniform.

ARTICLE 34. TEMPORARY EMPLOYEES

1. Temporary employees are obtained by DHL through an outside agency to work for a limited, but not necessarily specified, time period, and may be utilized as needed. Examples of circumstances in which a need for temporary employees may arise include, but are not limited to, work opportunities that arise when there is a temporary surge in volume over and above what the regularly scheduled workforce can handle, or when a regular employee is temporarily absent and the Employer elects to fill the vacant shift. Temporary employees are not covered by and have no rights or benefits under the Collective Bargaining Agreement.

2. In no event shall temporary employees be used for a period in excess of thirty (30) work days; moreover, no temporary employees may be utilized if any full-time employee or parttime employee is on lay off.

ARTICLE 35. 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
BY TITLE	of Teamsters BY TITLE

