

**Local 118 Dock Office Local Rider
Effective
April 1, 2008 to March 31, 2013**

ARTICLE 1. RECOGNITION

The This Agreement is entered into by and between DHL EXPRESS (USA), INC. (hereinafter the "Company", "Employer" or "DHL") and TEAMSTERS LOCAL UNION 317, AFFILIATED WITH THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS (hereinafter "Union" or "Local 118") covering all dock and operations/agents including part-time and casual employees of the Employer at its Rochester, New York terminal, excluding dispatchers, confidential secretaries, sales representatives, professional employees, and supervisory employees as defined in the National Labor Relations Act as amended. This Local Rider is supplemental to and becomes a part of the National DHL Express Agreement, hereinafter referred to as the "National Agreement," the Pickup and Delivery Operational Supplement where applicable, hereinafter referred to as the "PUDOS," and the Office Clerical Operational Supplement where applicable, hereinafter referred to as the "OCOS," for the period commencing April 1, 2008 through March 31, 2013. Except as expressly provided in this Local Rider, the provisions of the PUDOS shall apply to all Dock employees and the provisions of the OCOS shall apply to all Office Clerical employees.

This Local Rider shall not become effective unless and until it is ratified by the Employer's Dock and Office Clerical employees who shall vote as one consolidated group for purposes of ratification of the National Agreement, applicable operational supplements and this Local Rider, who are represented by Local 118 and that is 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, the PUDOS and the OCOS) shall supersede, cancel and replace in its entirety the pre-existing collective bargaining agreements between DHL/Airborne Freight Corporation and Local Union 118.

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 2. VACANCIES

All full-time and part-time vacancies will be posted for a period of three (3) working days indicating the hours of work and days of service, and classification and effective date the vacancy will be filled.

Qualified employees desiring such positions shall bid in seniority order in writing with the District Manager.

Bids received after the three (3) day period will not be considered.

The bid will be posted by noon Wednesday, completed and taken down by noon Friday, finalized by 4:00 p.m. Friday, and shall be effective one week from the following Monday or ten (10) days from that Friday.

Shift changes in excess of one (1) hour will be required to be re-bid.

Changing a shift by less than one (1) hour more than two (2) times a week will not be allowed.

ARTICLE 3. NON-UNIT EMPLOYEES

Non-bargaining unit employees shall not perform bargaining unit work except in cases of proven emergencies, or training of employees. The Employer agrees that non-bargaining unit employees shall not perform bargaining unit work. Bargaining unit work shall be defined as work customarily performed by bargaining unit employees.

When the terminal is closed, it shall not be a violation of this Agreement for "on-call" non-unit employees to perform work during this period. Any work in excess of four (4) hours on Saturday or Sunday shall be offered to regular employees who have notified the Employer in writing of their availability for that Saturday or Sunday.

Bargaining Unit employees will be responsible for the handling and loading of all freight and express packages from the belt or dock location into containers. The loading and unloading of containers by non-bargaining unit employees shall be prohibited. Bargaining unit work will not be limited to the above, but will continue to be defined as work customarily performed by Bargaining Unit employees.

ARTICLE 4. SENIORITY

Seniority

The principle of seniority shall prevail at all times. However, qualifications shall also be a governing factor in the application of such seniority. The Company will make every effort to cross train their employees.

A new seniority list will be posted prior to January 1st of each calendar year in conjunction with the annual vacation bids or upon request from the Local Union. Employees will have thirty (30) days to protest in accordance with Article 9. However, after thirty (30) days, the posted list will be considered final and binding.

Seniority shall be lost by discharge and voluntary quit. Seniority shall be lost when an employee has been out of work for any reason, including layoff, for a period of two (2) years. (This provision is not applicable for on-the-job injury. The current State law will govern.)

New Hires

A new full-time employee shall work under the provisions of this Agreement but shall be employed only on a thirty (30) work day probationary basis, during which period the employee may be discharged without further recourse. Such probationary period may be extended for an additional thirty (30) days with mutual agreement between the Company and the Union, provided, however, that the Company may not discharge or discipline for the purpose of evading this Agreement or discriminating against Union members.

Part Time Employees

A separate seniority list shall be maintained for part-time employees who are regularly scheduled on a weekly basis. Part-time employees shall be employed only on a probationary basis for two-hundred forty (240) hours during which period they may be discharged without further recourse; provided, however, that the Company may not discharge or discipline for the purpose of evading this Agreement or discriminating against Union members.

Full Time Employees

Full-time employees reduced to part-time shall be placed at the top of the part-time seniority list. Reduced full-time employees shall have the option of bumping into a part-time slot. The junior part-time employee shall be laid off and placed on the casual call in list.

In the event a full-time job is created, this job will be offered in seniority order to the part-time employees. If a former full-time employee that has been reduced to part-time status declines to accept this new full-time job, it will be offered in seniority order to the next part-time employee on the list and so on until the job is filled. If no part-time employee takes the job, it will be filled by outside sources. Once a displaced full-time employee refuses an offer to rejoin the full-time list, they will be dovetailed into the part-time seniority list according to their hire date.

Lay off Rules

A laid off employee will be given ten (10) calendar days notice of recall by certified mail at the employee's last known home address. However, the employee must respond to the notice within three (3) calendar days indicating his intent to return.

Employees will be given a minimum of two (2) working days notice of any layoff or reduction to become effective following the guaranteed work week already commenced.

It is agreed that the Company does not intend to reduce the number of full-time positions below the level of fourteen (14) full time jobs and eight (8) part time jobs; however, if loss of business dictates that a full-time position must be reduced to part-time, the Company will be allowed to do so.

When an increase of business occurs and hours are increased, the full-time positions must first be filled back to the level of fourteen (14) full time jobs and eight (8) part time jobs. Any further reduction of full-time employees below the level of fourteen (14) must be mutually agreed upon between the Company and the Union.

In the event that a laid off employee works eight (8) consecutive hours per day for twelve (12) days during a twenty (20) day period, excluding absentee replacement, the Company shall add a full-time position, which shall be awarded to the most senior full-time employee reduced to part-time, or full-time employee laid off and recalled to part-time.

In the event the Company uses a displaced employee for four (4) consecutive hours per day for twelve (12) days during a twenty (20) day period, excluding absentee replacement, the Company shall first offer a full time position to a reduced full time employee or, if there are no reduced full time employees or those employees refuse the position, the Company shall create a part-time position.

ARTICLE 5. HOURS OF WORK

The Employer and the Union understand, agree, and enter into this Agreement, recognizing that the Employer is engaged in air freight forwarding, a business which both parties acknowledge and agree is separate and distinct from surface cartage operations, in that there are no entry barriers to this industry, rates are set entirely by competitive forces, competition is intense, and business failures are frequent.

They further agree that the Employer's business relates solely to cargo which moves by air, and this is subject to all of the delays and schedule problems incident to air transportation; that the cargo involved is of high value and high priority and usually is shipped in response to shipper emergencies; that by nature of this system of air freight cargo movement and of the cargo itself, consolidation and break bulk of cargo and pickup and delivery of cargo cannot be scheduled in advance; that all of the Employer's services may be required by shippers on a twenty-four hour a day, seven day a week basis; and that the volume and highly competitive pricing structure of the Employer's business cannot support full-time coverage of all required functions at all times when services are required by shippers.

The guaranteed work day for full-time employees shall be eight (8) hours per day. The guaranteed work week for full-time employees shall be forty (40) hours per week.

There shall be a minimum of four (4) hours guaranteed for all Saturday, Sunday, or recall scheduled overtime, offered by seniority.

Part-time employees shall be guaranteed four (4) hours per day and twenty (20) hours per week. On-call part-timers shall be guaranteed four (4) hours per day when called to work.

Any full-time employee reduced to a part-time shift and any full-time employee laid off and recalled to a part-time shift shall be guaranteed four (4) hours per day and twenty (20) hours per week worked.

Full-time laid off employees will not be sent home after four (4) hours and replaced by part-time employees. All hours worked in excess of eight (8) hours in anyone day shall be paid at one and one-half (1 1/2) times the regular hourly rate.

Full-time employees shall be scheduled for five (5) consecutive days, Monday through Friday, or Tuesday through Saturday, with the same starting time each day. Full-time employees shall be given two (2) days notice that their starting time or work week has been changed and such change will not be effective until the week following the week in which notice was given.

Employees required to work the sixth (6th) day, shall receive one and one-half (1 1/2) times the hourly rate for the work performed on the sixth (6th) day. Employees required to work a seventh consecutive day shall be paid double time for such hours worked.

Premium work opportunities will be offered to the senior qualified available employees by classification, including leads. In the event there are insufficient numbers of employees desiring the overtime, the assignment will be made in reverse seniority order.

In the event that the operation is disrupted on a given day by an Act of God, then the Company shall attempt to notify the employee two hours prior to the start of his shift, and such notification shall cancel the guarantee of that day. If the employee is not notified and reports to work, the employee shall be guaranteed four (4) hours per day. If an employee so chooses, the employee may use a personal day if the employee has a personal day due.

ARTICLE 6. ABSENCES

It is understood that excessive tardiness and absenteeism cannot be tolerated and that employees must be fit and be able to perform their duties. Employees who are absent for two (2) days without notice to their supervisor or the District Manager shall be discharged.

It is recognized that employees have an obligation to give the Company adequate advance notice when they are not going to be at work or anticipate they will be late.

Section 1. Time Off for Union Activities

The Employer agrees to grant the necessary and reasonable time off, without discrimination or loss of seniority rights and without pay, to any employee designated by the Union to attend a labor convention or serve in any capacity on other official Union business, provided 48 hours written notice is given to the Employer by the Union, specifying length of time off. The Union agrees that, in making its request for time off for Union activities, due consideration shall be given to the number of men affected in order that there shall be no disruption of the Employer's operation due to lack of available employees.

Section 2. Leave of Absence

Any employee desiring a leave of absence from his employment shall secure written permission from both the Local Union and the Employer. The maximum leave of absence shall be for thirty (30) days and may be extended for like periods, but not to exceed a total of six months. Permission for extension must be secured from both the Local Union and the Employer. No leave of absence will be granted for the purpose of engaging in other employment, seeking other employment, self income endeavors or similar matters. Employees determined by the Company and the Union to be on leave of absence for the reason of this nature shall have their seniority broken and their employment with the Company terminated. 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 the Employer.

Section 3. Family and Medical Leave

It is agreed that nothing in this Agreement shall, in any way or to any extent, interfere with or prevent the Company from fully complying with all of the provisions of the Family and Medical Leave Act of 1993, as may be amended from time to time ("Family and Medical Leave Act"). Notwithstanding anything in this Agreement to the contrary, to the extent that any of the terms and conditions of this Agreement are inconsistent in any situation with the rights of an eligible employee under the Family and Medical Leave Act or the obligations or rights of the Company under the Family and Medical Leave Act, such terms and conditions of this Agreement shall be deemed modified in that particular situation to permit full compliance with and the full exercise of the employee's and the Company's rights under the Family and Medical Leave Act. To the maximum extent permitted under the Family and Medical Leave Act the Company shall have the right to require the employee to take any other leave available under the circumstances during the period of (concurrent with) any Family and Medical Leave Act leave, and the employee shall have the right to take such other available leave concurrent with any Family and Medical Leave Act leave. Eligible employees are entitled to up to twelve (12) weeks unpaid leave during any twelve (12) month period. The Family and Medical Leave Act shall be interpreted in any arbitration under this agreement in a manner consistent with the decisions of the courts interpreting the Family and Medical Leave Act.

ARTICLE 7. DISCHARGE OR SUSPENSION

The Employer shall not discharge or suspend any employee without just cause, but in respect to discharge or suspension shall give at least one (1) warning notice of the complaint against such employee to the employee, (in writing), and a copy to the Union affected, except that no warning notice need be given to an employee before the employee is discharged if the cause for such discharge is one of the following:

1. Dishonesty.
2. Proven theft.
3. Drunkenness.
4. Drinking alcoholic beverages, (on Company time) or while under the influence of alcoholic beverages or narcotics,
5. The use of narcotics (as described in the Federal Pure Food and Drug Act), barbiturates, or amphetamines.
6. The possession of narcotics named above, during a tour of duty.
7. Refusal to submit to testing as prescribed in Article __ of this Agreement.
8. Recklessness resulting in a serious accident while on duty.
9. Failure to report an accident.
10. Unprovoked assault on any person on Company property.
11. Carrying of unauthorized passengers in Company vehicles.
12. Willful abuse of Company equipment.
13. A direct refusal to obey instructions from an authorized management employee which are not in violation of this Agreement.

The warning notice as herein provided shall not remain in effect for a period of more than nine months from the date of said warning notice, and said warning notice shall be issued no later than seven (7) days from the date the Employer became aware of the occurrence.

Although theft of time and excessive absenteeism shall not be cause for immediate discharge, it is recognized as an offense for which disciplinary measures may be invoked.

Discharge must be by certified mail to the employee and the Union. Any employee may request an investigation as to his discharge or suspension. Should subsequent investigation prove that an injustice has been done to an employee; the employee shall be reinstated and compensated at the employee's usual rate of pay while he has been out of work.

ARTICLE 8. HOLIDAYS

Paid holidays include:

| | |
|------------------|---------------|
| New Year's Day | Memorial Day |
| Fourth of July | Labor Day |
| Thanksgiving Day | Christmas Day |

Part-time employees hired on or before ratification of this Agreement shall be entitled to a pro-rata payment for holidays based on the number of hours worked in the preceding four (4) week period as compared with 160. (e.g.: an employee who works 80 hours in the four (4) week period preceding the holiday shall receive four (4) hours pay. In the event the holiday falls on an employee's regular day off (Saturday for Monday through Friday employees, and Monday for employees scheduled Tuesday through Saturday) the Company shall have the option (employees will be given seven days notice of the Company's option) of paying the employee an additional eight hours for the days, or declaring Friday in the case of a Saturday holiday, or Tuesday in the case of a Monday holiday, as the holiday. Employees required to work on a holiday shall be paid at 1 1/2 times plus eight (8) hours.)

Part-time employees hired after the date of ratification of this Agreement shall receive paid holidays prorated based on the average number of hours worked in the two weeks before the holiday.

An employee must have worked the day or partial day, as the case may be, prior to the holiday, and the day or partial day following the paid holiday, in order to receive the benefit of the paid holiday.

However, the Company will show due consideration to any employee who can substantiate, to the Company's satisfaction, that the employee was confined home because of illness (or granted permission). This consideration will be made only when the employee has personal days owing him/her. An employee shall not be entitled to holiday pay if the employee has been laid off thirty (30) days or more prior to a holiday; or was legitimately fired or quit prior to the holiday week; or was off duty of his own volition because of sickness, etc., over thirty (30) days prior to the holiday.

ARTICLE 9. DEATH IN THE FAMILY

In the event of a death in the immediate family (father, mother, wife, husband, brother, sister, son, or daughter, grandparent or grandchild), part-time employees hired on or before ratification of this Agreement and all full time employees shall be given three (3) work days off with pay for the express purpose of attending services for the deceased, provided the period between the day of death and the day of services are working days. If less than three (3) of the days between the day of death and the day of the services are

working days, the employee shall nonetheless be guaranteed two (2) days funeral pay. In the event of the death of one other than the immediate family, (in-laws, foster or step-parent, and/or children) the employee shall be given one (1) work day off with pay to attend services for the deceased.

Compensation under this Article shall not be paid while an employee is not working due to a paid vacation, bona fide lay-off, leave of absence, non-compensable illness or injury. Further, an employee shall not be paid funeral pay in lieu of time off on those days involved which would otherwise be work days, nor shall funeral pay be considered as time worked for the purpose of computing premium time. Funeral pay shall be eight (8) hours and four (4) hours per day at the applicable straight time hourly rate for all full-time employees and part-time employees respectively.

ARTICLE 10. JURY DUTY

Part-time employees hired on or before ratification of this Agreement and all full-time employees called for jury duty will receive the difference between eight (8) hours or four (4) hours of pay at the applicable hourly wage and actual payment received for jury service for each day of jury duty, to a maximum of ten days pay, for each contract year.

Employees who are scheduled to work a day shift shall not be required to report for work on any day he/she is required to report for jury duty unless released from jury duty not less than six (6) hours prior to the end of his/her regularly scheduled shift, in which event he/she will be allowed two (2) hours from the time he/she is released from jury duty to report and work the remainder of his/her regularly scheduled shift.

Employees scheduled to work any shift other than the day shift shall not be required to report to work on any day he/she is required to report for jury duty unless he/she has been released from jury duty not less than four (4) hours prior to the start time of his/her regular shift and provided further he/she would complete such shift not less than ten (10) hours prior to the time he/she is required to report for jury duty the next/following day. Notwithstanding the above, no employee, working other than a day shift, will be required to report to work on a night, if he or she has served jury duty that day and service prevents him or her from reporting for work (i.e. being sequestered).

Time spent on jury service will be considered time worked for purposes of insurance benefits and profit sharing plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provisions of this Agreement to a maximum of ten (10) days, for each Contract year.

ARTICLE 11. PERSONAL LEAVE

On April 1st of each year active part-time employees hired prior to the date of ratification of this Agreement and all full-time employees shall receive four (4) personal/sick leave days, to be paid at eight (8) hours per day for full time employees and four (4) hours per day for part time employees. Starting August 1st, each active employee shall accrue personal leave at the rate of eight (8) hours per month for full time employees and four (4) hours per month for part time employees. Once an employee is inactive for more than thirty (30) days they will stop accruing personal leave. When the employee returns to active duty they will resume accruing personal leave on the first of the following month.

Unused personal leave shall not accumulate from year to year. The Employer agrees to pay in-money, an amount equal to the unused portion or maximum of ninety-six (96) hours, whichever is less, to full-time employees and a maximum of forty-eight hours, whichever is less, to regularly scheduled part-time employees for each Agreement year. Payment shall be made in March for the Contract year preceding. Newly hired employees shall not be entitled to use personal leave during their first six (6) months of employment unless the reason is for illness. On call part-time employees are not eligible for this benefit.

ARTICLE 12. VACATIONS

After first anniversary - 2 weeks
After fifth anniversary - 3 weeks
After tenth anniversary - 4 weeks
After fifteenth anniversary - 5 weeks
After twentieth anniversary – 6 weeks

To qualify for a vacation, an employee must be a part-time employee hired prior to the date of ratification of this Agreement or a full-time employee and must have been employed by the Employer for a minimum of one year prior to January 1 of the year in which the vacation is to be granted.

Employees with less than one (1) year of service prior to January 1 of any given year shall receive a prorated vacation based on the number of months employed from the employee's hire date to January 1.

In calculating such pro-rated vacation entitlement, employees hired between the 1st and 14th of a month shall receive full credit for the month.

Employees hired on or after the 15th of the month shall receive no credit for the month.

Moreover, all partial and/or fractional vacation days shall be rounded to a whole number.

If the fraction is .5 or above, the number will be rounded up if the fraction is less than .5, it will be rounded down.

Accordingly, by way of example, if an employee is hired August 11, 1994, the numbers of pro-rated vacation months between hire date and January 1, equals 5. The employee's earned vacation credit is computed by multiplying .833 days/mo. worked by 5 months.

This equals 4.17 days, which is rounded down to 4 allowable vacation days. Employees with more than one (1) year of service prior to January 1, 1995 shall receive vacation consisting of the vacation weeks accrued through their last anniversary date and an additional pro-rated vacation for each month worked from the employee's last anniversary date up to January 1, 1995 at the rate of:

0.833 days per month worked for those with less than five (5) years,

1.250 days per month worked for those with five (5) to ten (10) years,

1.670 days per month worked for those with ten (10) year or more.

(The foregoing prorated vacation entitlement is applicable only for earned time).

The Employer shall post the vacation schedule no later than January 1st, to be effective February 1st of each year, and shall give preference to the senior employees.

The Employer shall have the right to schedule the number of employees who shall receive vacations at a particular time. Vacations shall be scheduled on a year-round basis according to seniority.

The vacation period for the eligible employees shall consist of consecutive days.

The Employer may not change the time of an employee's vacation once scheduled, except by mutual consent.

Where any of the contractual holidays to which an employee is entitled occur during the employee's vacation period, said employee shall receive an additional day's pay for such holiday.

Vacation pay shall be paid the eligible employee before he starts vacation. If, in the event the Employer claims a man-power shortage has developed, employees may agree to work during their vacation period and such employees shall receive, in addition to his earnings for that week, the pay to which the employee would have been entitled had he been on vacation or, upon agreement, reschedule his vacation period.

ARTICLE 13. HEALTH & WELFARE

In accordance with the PU & D Operational Supplement and Office 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.

ARTICLE 14. ADDITIONAL BENEFITS

1. Retirement

In accordance with the PU & D Operational Supplement and 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.

2. Tuition Refund Plan

Refunds will be made for tuition fees to part-time employees hired on or before the date of ratification of this Agreement and full-time employees for accredited classes. The employee is eligible after one year of employment. The maximum per year is \$1,500.00.

3. Credit Union

The Employer offers a credit union program with optional payroll deduction services for savings and/or loans.

4. Travel Benefits

The Company agrees to extend corporate travel benefits to part-time employees hired on or before the date of ratification of this Agreement and full-time employees as long as all guidelines are complied with.

ARTICLE 15. WAGES

| | 4/1/2008 | 10/1/2008 | 4/1/2009 | 4/1/2010 | 4/1/2011 | 10/1/2012 | 4/1/2012 | 10/1/2012 |
|--------------------|----------|-----------|----------|----------|----------|-----------|----------|-----------|
| Existing Full Time | \$0.35 | \$0.35 | \$0.40 | \$0.45 | \$0.40 | \$0.45 | \$0.45 | \$0.50 |
| Existing Part Time | \$0.35 | | \$0.20 | \$0.23 | \$0.43 | | \$0.48 | |
| Future Full Time | \$ 12.85 | \$ 13.20 | \$ 13.60 | \$ 14.05 | \$ 14.45 | \$ 14.90 | \$ 15.35 | \$ 15.85 |

Existing part-time employees within the progression who were hired after April 1, 2005 and whose current wage rate is less than \$10.00 per hour will be increased to a wage rate of \$10.00 effective April 1, 2008 and then shall receive the following increases to their rates of pay as indicated:

4/1/09 4/1/10 4/1/11 4/1/12

\$0.20 \$0.225 \$0.425 \$0.475

Rates of pay for part-time employees hired after April 1, 2008 shall be as follows:

| | |
|-----------------|---------------|
| New Hire | \$10.00/hour |
| After 12 months | \$10.20/hour |
| After 24 months | \$10.425/hour |
| After 36 months | \$10.85/hour |
| After 48 months | \$11.325/hour |

ARTICLE 16. 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. 118, affiliated
with the International Brotherhood of Teamsters

BY _____ BY _____

TITLE

TITLE