

Local 986 Hub Local Rider
Effective
April 1, 2008 to March 31, 2013

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. 986, 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 Hub 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 27. RECOGNITION

A. The Employer herewith recognizes the Union as the sole and exclusive collective bargaining agent with respect to rates of pay, hours and other terms and conditions of employment for all full-time and regular part-time Package Handlers employed by DHL at its JOI Hub facility located in Riverside, CA.

B. All other employees, office clerical, managerial employees, professional employees, guards, and supervisors as defined in the National Labor Relations Act, as amended (hereinafter called the "Act"), are expressly excluded from the bargaining unit covered by this Local Rider.

C. All disputes, if any, between the parties arising subsequent to the execution of this Agreement concerning a classification not expressly listed in Paragraph A above, with respect to its inclusion in or exclusion from the unit, shall be subject to the grievance procedure set forth in Article 6 of the National Agreement, but shall not, under any circumstances be submitted to arbitration thereunder. If the parties are unable to resolve such dispute on a mutually satisfactory basis through the grievance procedure or otherwise, the dispute shall be submitted solely and exclusively to the National Labor Relations Board (hereinafter called the "NLRB") for final and binding resolution.

D. 1. To maximize operational efficiency at the Riverside Hub, the Employer shall have the right to cross-utilize any and all employees covered by this Agreement to perform work of any nature covered by this Agreement.

2. In addition, a Lead Person(s) may be assigned, as the Employer deems appropriate, to fulfill the operational needs of the business, as provided in Article 6 (Lead Personnel) herein.

E. The Employer may establish, on reasonable advance notification to the Union, new and/or additional and/or restructured classifications and departments for the performance of work presently within the bargaining unit, as it deems appropriate to achieve operational efficiency. In such event, the Employer shall meet promptly with the Union, upon request, and engage in effects bargaining for the sole purpose of formulating the applicable wage rate(s) for such newly created and/or restructured classification(s) or department(s), provided that the obligation to bargain under this paragraph shall not create a right in either party to engage in self-help. Any disputes shall be resolved in accordance with Article 2, Section 4 of the National Agreement.

ARTICLE 28. PROBATIONARY PERIOD

A. All employees within the unit covered by this Local Rider shall be subject to a probationary period for sixty (60) regularly scheduled work days, commencing with the first day on which the probationary employee regularly performs work for the Employer. Days lost from work for any reason during the probationary period shall not be considered in computing such time period. The Employer and the Union may agree in writing to a thirty (30) day extension of the probationary period for new employees.

B. Seniority shall not accrue during the probationary period. Upon successful completion of the probationary period, however, an employee's seniority shall relate back to and be calculated from his/her date of beginning work within the unit covered by this Agreement.

C. At any time during the probationary period, the Employer may layoff, discharge or discipline probationary employees and such action shall not be subject to the grievance and arbitration procedures of this Agreement.

D. Unless otherwise expressly provided herein, probationary employees shall not be entitled to any of the fringe benefits set forth in this Agreement during their period of probationary employment and there shall be no retroactive payment for same upon the successful completion of such period. Such probationary employees, however, shall be paid the contractual minimum wage rate for the classification in which they are placed.

ARTICLE 29. BULLETIN BOARD

The Employer will mount one (1) bulletin board to be exclusively used for Local 986 business. The bulletin board shall be supplied by the Employer. The size of such bulletin board shall be three (3) feet by four (4) feet, and shall be glass enclosed and lockable. The key for same shall be provided to the designated primary steward and the Employer's Riverside Hub Manager. Material to be posted shall not contain anything derogatory to the Employer, its officers, directors, managers and/or supervisors or employees, or anything that will affect Employer operations detrimentally. Union notices may not be posted anywhere within the facility, except on the Union Bulletin Board.

ARTICLE 30. WAGE PROGRESSION

Package Handler

| | |
|-----------|--------------|
| Start | \$10.50/hour |
| 12 months | \$11.50/hour |
| 24 months | \$12.50/hour |
| 36 months | \$13.50/hour |
| 48 months | \$14.50/hour |

All regularly scheduled employees governed by this Article shall normally be provided a minimum daily three (3) hour guarantee.

Effective on the ratification date of this Agreement, each existing employee covered by this Local Rider on the payroll shall on a one-time basis move up to the next step on the progression, and any employee at top scale shall receive an increase of \$.35 per hour on his or her base hourly rate of pay.

ARTICLE 31. LOAD PLANNER DIFFERENTIAL

If Employees perform the duties of a Load Planning Agent – Weight and Balance, they 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.

ARTICLE 32. LEAD DIFFERENTIAL

Lead personnel selected by the Employer under the provisions of Article 2, Section 3 of the Hub Operational Supplement, shall receive additional compensation in the amount of fifty (50) cents per hour above their applicable straight-time hourly wage rate under this Agreement only for days worked in a lead capacity.

ARTICLE 33. DURATION

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

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

COMPANY

UNION

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

BY _____
TITLE

BY _____
TITLE

**SIDE LETTER TO AGREEMENT REGARDING 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 (which includes all applicable supplements and riders), the Collective Bargaining Agreement controls. The Union acknowledges that the Company may update, amend, or modify the terms of its Employee Handbook from time to time and that the Company is under no obligation to bargain with the Union over such updates, amendments, or modifications.

The term of this Side Letter is subject to and controlled by all of the provisions of Article 28 of the National Agreement (“Duration”) between the parties hereto.

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

COMPANY

UNION

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

BY _____
TITLE

BY _____
TITLE

**SIDE LETTER TO AGREEMENT REGARDING LAX GATEWAY
EMPLOYEES WORKING AT RIVERSIDE HUB**

It is mutually agreed by the Company and the Union that any employee who was employed in a position covered by the LAX Gateway collective bargaining agreement between the Company and Local 986, International Brotherhood of Teamsters, but who was regularly employed at the Riverside Hub as of the date of this Collective Bargaining Agreement, shall henceforth be covered by this Collective Bargaining Agreement as to all terms and conditions of employment, with the following exception: For purposes of determining such employees' base hourly rate only, the pay rates and progression set forth in the LAX Gateway collective bargaining agreement shall apply. Accordingly, no such employee will suffer a reduction in his or her base hourly rate of pay or insurance or pension by virtue of becoming covered by this Collective Bargaining Agreement, and he or she shall continue to accrue increases in base hourly rate, if any, according to the terms of the LAX Gateway collective bargaining agreement. All other terms related to such employees' pay shall be governed by the terms of this Collective Bargaining Agreement.

The term of this Side Letter 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
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BY _____
TITLE

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TITLE