

TEAMSTERS LOCAL 986
DOCK-SHUTTLE LOCAL RIDER

Effective
April 1, 2008 to March 31, 2013

PREAMBLE

This Agreement is entered into by and between DHL EXPRESS (USA), INC. (hereinafter the "Company", "Employer" or "DHL"), the TEAMSTERS DHL NATIONAL NEGOTIATING COMMITTEE, representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and LOCAL UNION 986, which is an affiliate of THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS (hereinafter "Union" or "Local 986"). This Local Rider is supplemental to and becomes a part of the National Master DHL Agreement, hereinafter referred to as the "National Agreement" and the Pick-up and Delivery 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 Dock-Shuttle 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 Dock-Shuttle 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 22. UNION SECURITY

1. **Removals from Employment:** The Union agrees that written notice shall be given to the Company at least seventy-two (72) hours before any regular employee is to be removed from his employment by reason of his failure to maintain his membership in good standing in the Union, in accordance with this Agreement.
2. The Employer agrees within seven (7) days of the date of the action to notify the Union of the name or names of all persons hired. A copy of this notification shall be sent to the shop steward.
3. **Bargaining unit work:** freight handling and the use of freight handling equipment, shall be performed by Company employees to afford the through movement of freight. This includes the loading and unloading of aircraft and shuttle trucks and includes all types of containers except the unloading of the contents of domestic A.M. express bags and except loading/unloading of the contents of security sealed bags. Pilots may load and unload their own feeder aircraft, except that if help is required to load or unload, the bargaining unit shall be assigned to help them. In the event international express bags are scheduled to be moved within the local union's jurisdiction, it will become bargaining unit work.
4. **Intra-bargaining unit transfer:** The Company agrees that no employee shall be laid off as a result of any work transferred to Orange, Los Angeles, San Bernardino, or Riverside County. Employees shall be allowed to follow their current work if it should be

transferred to any location within Orange, Los Angeles, Riverside or San Bernardino Counties. It is specifically agreed that this clause does not refer to Convenience Center Operations currently established or that would be established in the future within those counties. A convenience center is defined as a centrally located drop point for the distribution of sales materials and enhancement of the normal pick-up function, manned by sales personnel.

5. **Linehaul Shuttles:**

- a. The scheduled express linehaul shuttle runs in the AM and the scheduled express linehaul shuttle runs in the PM from a Company tarmac to any Company facility and return to a Company tarmac, shall be bargaining unit work. Scheduled express linehaul shuttle runs are the daily scheduled runs to and from the Company tarmac and the Company facilities within the four (4) county areas described herein.
- b. The daily scheduled linehaul shuttle runs in the AM and the daily scheduled line haul shuttle runs in the PM as used in this Local Rider, shall mean a point-to-point transfer from a Company-facility/tarmac to another Company-facility/tarmac and involves sorting and unloading at the destination facility.
- c. Tarmac operations shall be part of the facility in the area where the Tarmac is located. Tarmac employees will be on the same overtime rotating wheel as the Company facility in that area.

6. **Casuals:** No casual shall be used to perform dock, shuttle or tarmac work.

ARTICLE 23. RETAINED RIGHTS

1. **Management rights:** except insofar as specifically surrendered by express provisions of this Local Rider, all management rights, powers, authority and functions, whether heretofore or hereafter exercised, and regardless of the frequency or infrequency of their exercise, including the right to determine the size, composition, qualification and the direction of the working force and the management of the business, shall remain vested exclusively in the Company.
2. **Regulatory compliance:** the Company will comply with State, Federal and DOT regulations and will require all employees who engage in the operation of vehicles to possess a valid commercial driver's license with a Hazardous Materials Endorsement. Employees will be required to take a physical examination every second year as a condition of employment. The Company will pay for this examination and for the Hazardous Material Endorsement for its current employees. Future employees will be required to provide proper licensing, and Hazardous Material Endorsement and physical examination as a condition of employment. No employee with a class B license hired prior to the original Ratification Date of this Local Rider will be displaced if he/she is unable to obtain a higher class license.

In the event an employee's license is revoked or suspended for any reason (except driving a Company vehicle in a reckless manner or under the influence of drugs and/or alcohol), the employee will be suspended without pay until the license is reinstated with no restrictions that would prevent employee from performing their driving duties. During this suspension period, the employee will not accrue any compensatory time, i.e., vacation, sick leave, floating holidays, and will be required to make all contributions to the Health and Welfare funds if he/she desires to preserve coverage.

Furthermore, if an employee is convicted of driving a Company vehicle in a reckless manner or under the influence of drugs or alcohol, or driving with a revoked/suspended license, he/she will be subject to termination.

Both the Union and the Company agree to support the goal of a drug-free work place. In compliance with CFR 391, sub-part H, the provisions of Article 23 of the National Agreement shall apply.

Employees taking a physical examination during working hours shall be compensated at their regular hourly rate as part of the workday guarantee. Employee's physicals at any other time shall be compensated at the rate of one hour straight time pay. The Company will make every effort to schedule such appointments within two (2) hours of the employee's shift.

ARTICLE 24. DISCHARGE AND SUSPENSION

Subject to provisions of Article 18, "Discipline and Discharge" of the Operational Supplement, a Letter of Understanding covering disciplinary progression for established work rule violations is incorporated into this Article and attached hereto.

ARTICLE 25. PROTECTION OF RIGHTS

The Company agrees to label equipment driven through picket lines as "Management Operated."

ARTICLE 26. HOLIDAYS

1. The following holidays shall be granted with allowance of regular pay for a day of eight (8) hours or without deduction from the weekly pay. Holidays will be considered as time worked for the purpose of computing overtime:
 - a. Employee's Birthday
 - b. New Year's Day
 - c. Memorial Day
 - d. Independence Day
 - e. Labor Day

- f. Thanksgiving Day
 - g. Day After Thanksgiving Day
 - h. Christmas Day
 - i. Four (4) floating holidays to be named by the employee. The employee will notify the Company seven (7) days in advance of the floating holiday. All full-time new hires will receive one (1) floating holiday per quarter worked the first year worked as a full timer.
2. When any of the above holidays fall on the employee's first regularly scheduled day off, the previous workday will be the designated holiday. When any of the above holidays fall on the employee's second regularly scheduled day off, the next day will be the designated holiday.
 3. The number of employees required to work any of the foregoing holidays will be posted seven (7) days in advance of the holiday. The holiday work schedule will be established on the basis of the overtime assignment procedure. If volunteers cannot fill the schedule, the inverse order of seniority will be used to fill the schedule. The Employer may delete names by using the overtime procedure in reverse order by shift, from said list as necessary. In the event the Employer determines that it is necessary to add names to said list, it shall be governed by the overtime assignment procedure.

To be eligible for holiday pay an employee must have actually worked one (1) day during the period beginning fifteen (15) calendar days prior to the holiday and ending fifteen (15) calendar days following the holiday.
 4. If an eligible employee works on a holiday he shall receive one and one-half (1 1/2) times his regular straight time hourly rate for all hours so worked in addition to holiday Pay.
 5. All holidays are to be taken on an annual basis from January 1 to December 31.
 6. All unused floating holidays will be paid off in the month of January of the following year.

ARTICLE 27. VACATIONS

1. Employees covered by this Local Rider shall be entitled to annual vacations as follows:
 - a. For one (1) year of continuous service, one (1) week vacation with pay;
 - b. For two (2) years of continuous service, two (2) weeks vacation with pay;
 - c. For five (5) years of continuous service, three (3) weeks vacation with pay;

- d. For ten (10) years of continuous service, and each year thereafter, four (4) weeks vacation with pay;
 - e. For fifteen (15) years of continuous service, and each year thereafter, five (5) weeks vacation with pay.
- 2. In case of severance of employment after one (1) year of service, the employee shall be paid for vacation earned, prorated on the basis of 1/12 of two, three or four weeks vacation, whichever applies, for each month or major fraction thereof worked since the anniversary date of his employment.
- 3. Payment for each week of vacation for full-time shall be for forty (40) hours at the applicable rate in effect at the time of vacation, and vacations shall be taken at a time mutually agreed between the Employer and the employee.
 - a. If a part-timer is elevated to full-time status, his weekly vacation pay shall be pro-rated on the following basis:
 - 1) From his most recent anniversary date as a part-timer to the date he became full-time he shall receive his weekly hourly average for this period multiplied by the number of weeks in this period and divided by 52.
 - 2) From the date he became full-time to his anniversary date he shall accumulate forty (40) hours a week multiplied by the number of weeks in t his period and divided by 52.
- 4. When one of the recognized holidays falls within an employee's vacation period; the employee shall, seven (7) days prior to going on vacation, notify the Company of their choice of day off or pay in lieu thereof. If the employee elects to take the holiday as a day off, then he shall take such day off either on the day before or the day after his vacation period.
- 5. The Company shall establish a schedule of available vacation periods per station and post the same for seniority bids to begin on November 16 and end on December 15 of the previous year. Five (5) days after the list has been posted, the Company will circulate the vacation list and employees will make their selections of vacation periods in seniority order.

As each employee makes his selection, the Company shall note such selection on the list prior to the next employee making his selection.

Any employee who does not make his selection in his proper turn will thereafter make his selections from the vacation periods remaining after all other employees have made their selections.
- 6. The Company shall allow a maximum of twenty percent (20%) of the day shift and twenty percent (20%) of the night shift, including part-timers, to go on vacation at all times.

7. Any employee wanting to work overtime while on vacation shall notify the Company in writing. Should the Company not be able to reach him, he will be charged for the time on the overtime schedule. Vacation starts with the first day off prior to vacation, and ends with the last day off prior to returning.
8. When replacing a full-time dockworker that is absent for a period of five (5) consecutive days or more, due to (i.e.) vacation, sick leave, leave of absence, disability, etc., such replacement work shall be offered on the following basis:
 - a. To part-time dock workers working at the facility where the replacement work occurs, in order of facility seniority. Part-time employees replacing full-time employees shall receive the full-time hourly guarantee, and the part-time rate of pay.
9. The Company will allow all employees to bank vacation for two (2) years.
10. The Company shall allow any such employee who has used all his sick leave to convert earned vacation time to sick leave for bona fide illness one day at a time for one week of vacation per year. Employees may convert a second week of vacation per year in a block of five (5) days for bona fide illness of the employee or an immediate family member.
11. Vacation pay shall include shift differential for full-time employees.

ARTICLE 28. SICK LEAVE

1. All employees who had attained seniority as of the prior 2003 contract ratification date shall continue to receive 10 paid sick days per year at the employee's regular rate of pay. Employees hired or promoted on or after that date shall receive five (5) paid sick days per year at the employees regular rate of pay, subject to the following conditions:
 - a. After one (1) year of continuous service.
 - b. In the event the Company reduces a full time employee to part time, the affected employee must have worked six (6) months continuous service before the reduction in order for this period of time to accumulate towards the twelve (12) months of service. When the affected employee returns to full time status, the employee will start accumulating from his last day worked towards the twelve (12) month period required.
 - c. Sick leave earned will be payable for full days of absence, or the full portion of a split shift missed, due to bona fide illness or accident. Provided, that proof of illness or accident will be required on absences of two (2) days or more. If such proof is not provided the absence will be an unexcused occurrence and without Pay.
 - d. A part time employee promoted to full time will continue under the part time sick time provisions until what would have been his next part time anniversary date had he remained part time. Immediately following this

date, the employee will receive additional unpaid sick days prorated at five twelfths (5/12) for every month remaining until his first full time anniversary date rounded to the nearest whole number. On his first anniversary date as a full time employee he will be credited with paid sick time as stated in section 1, a., b. and c. above and there after will continue under the full time sick time provisions.

2. Each employee may accumulate unused sick leave in a Sick Leave Bank from one year to the next, with the maximum accumulation not to exceed thirty (30) days or two hundred and forty (240) hours.
3. Upon request any portion of unused sick leave will be paid on an annual basis on the second pay period following employee's anniversary date of employment. Such payment will be made at the straight time rate of pay in effect on the anniversary date.
4. Upon termination after one (1) full year of employment, all unused sick leave in the Sick Leave Bank will be paid of the total amount accrued at the straight time rate of pay then in effect. It is agreed that at the time of retirement, there will be a 100% pay out of all unused sick time from the Sick Leave Bank.
5. When an employee is receiving Workmen's Compensation payments or State Disability benefits, at the employee's option, the Employer may supplement the employee's Compensation/Disability benefits to the equivalent of normal weekly straight time pay for up to forty (40) hours from the employee's accumulated Sick Leave Bank/Industrial Injury Bank. Only this supplemental pay shall be subtracted from the employee's total accumulated sick leave.
6. Time taken off the job for the purpose of medical or dental appointments for the employee or a member of their immediate family will be charged against that employee's sick leave.
7. When an employee is unable to perform his assigned duties by reason of an on-the-job injury, he will be entitled to use any accrued industrial leave as provided in Appendix "F" prior to utilizing the benefits provided in this Article.

ARTICLE 29. SENIORITY

1. Company seniority is the length of continuous service of the employee with the Employer from his most recent date of hire or rehire. No such employee shall acquire any seniority until he has completed his probationary period. When the employee has completed his probationary period his seniority shall date from date of hire. The Employer shall have the absolute right, in its discretion, to lay off, discharge or rehire any probationary employee.
 - a. Company seniority will be the same throughout all counties agreed upon this Local Rider. When two or more employees start up on the same day, seniority will then be in alphabetical order.

- b. Full-time (forty (40) hours), and part-time (fifteen (15) hours), shall be on the same seniority roster for the four (4) counties covered by this Local Rider. It is expressly understood that part-time seniority shall only apply within the part-time classification.
 - c. The term “facility seniority” is defined as the company seniority of a dockworker relative to the company seniority of the other dockworkers working at the same facility.
 - d. The term “master seniority” is defined as the company seniority of a dockworker relative to the company seniority of the other dockworkers working at all other facilities in the four (4) county jurisdictions.
- 2. When it becomes necessary to reduce the work force, the junior full time employee shall be laid off first. When the force is again increased, the employees shall be returned to work in reverse order, in which they were laid off. In all cases of layoff, and recall after lay off, master seniority shall govern.
- 3. For every 2 new part time shifts added, the next shift added will be a full time shift. There will be a minimum of one full time straight eight-hour position in every facility.
- 4. **Full-time Reduced Employee:**
 - a. If a full-time employee is reduced to part-time status then that employee shall continue to receive full-time wages including health & welfare. All other hours and working conditions (pension benefits, holidays, sick days, vacation and hourly guarantee) shall be governed by the part-time provisions of this Local Rider. The foregoing shall not apply, however, to the extent that such reduction is voluntary on the part of the employee or otherwise results from the employee’s own actions. In such instances, the employee will receive part-time wages and benefits once reduced. Moreover, nothing contained in this paragraph is intended to extend full-time wages and benefits to part-time employees on an ongoing basis when such part-time employees fill a full-time shift temporarily.
 - b. If an employee voluntarily reduces to part-time status, or if the Company recalls an employee who has been reduced by the Company to full-time status anywhere in the cluster and he/she elects to remain part-time, then he/she shall lose the aforesaid full-time health & welfare benefits, be removed from the full-time seniority list and dovetailed into the part-time length of service roster, and be governed by the part-time provisions of this Local Rider, for all purposes.
- 5. Notice of Layoff: When it becomes necessary to layoff employee, a notice of at least five (5) working days prior to such layoff, or normal pay in lieu of such notice will be given to all employees to be laid off. When there is temporarily no work because of Acts of God, circumstances over which the Company has no control, or strikes by employees, the advance notice provided above will not be required.

ARTICLE 30. SHIFT TRANSFER AND JOB BIDDING

1. Job openings in job classifications, new classifications, and/or shifts will be posted in each facility for three (3) consecutive work days (72 hours), not including Saturday and Sunday, all effective dates will be the following Monday or Tuesday.

Selections for filling jobs open for bid will be made based on:

- a. Length of continuous service with the Company.
 - b. Qualifications
2. To qualify to operate a tractor-trailer or straight truck, an employee must complete the following steps:
 - 1) Secure DMV learning permit.
 - 2) Train
 - a) On Company equipment with qualified driver present at all times, such training to be on employee's own time, or
 - b) Complete commercial driving school, or present other satisfactory credentials.
 - 3) Pass DMV Class A or B test.
 - 4) Pass Company qualifications test.
 - 5) Pass DOT requirements/test.
3. When an employee is transferred to a new job classification as a result of successful bid, he will be considered to be working on a trial basis for the first thirty (30) days from the date of his transfer. If the employee is found to be unqualified in the new position within said thirty (30) day period, however, he will be returned to his previous position if he so desires.
4. Bidding:
 - a. Between the fifteenth (15th) day and the thirty-first (31st) day of October each year, the Company shall prepare a list of all shifts which shall be posted for a period of not less than seven (7) days prior to shift bidding. The company will make every effort to make all bids effective within reasonable notice to all affected employees. Between the first (1st) day and the fifteenth (15th) day of November, the Company shall circulate among all employees within each job classification by master seniority list of all shifts.

- b.** Full-time and full-time split shift employees shall have one additional shift bid on May 1 of each year. Furthermore, a full-time employee may bid into full-time split-shift positions if they elect to do so. No full time bid shall be canceled within one month of the biannual bid; unless the Company can provide documented proof of a change in operations. This bid and the one described in 4(a) above, will be conducted in the following manner: The complete listing of all available shifts and the current Seniority Roster will be given to each employee. Each employee will indicate on the list of available shifts his preference by placing a number next to each. Example: if the individual is number 5 on the seniority list; we need to see 5 selections listed in the order of your preference. If the individual is 100 on the seniority list, there must be 100 shifts selected in your desired order.

In the event an employee refuses to indicate his preference in writing on said list when said list is presented to him, the Company shall assign said employee to any available shift vacancy.

- c.** In the event a new or existing full-time job becomes permanently available, that job shall be subject to bid by all part-time employees based on master seniority. However, the part-time job vacated by the successful bidder, shall be filled by facility seniority.
- d.** In the case an employee is on vacation during the annual bid the employee shall provide, in writing, his shift preferences as outlined in b. above, for shift bid purposes. The Company shall use his shift preferences to assign his annual shift bid in accordance with the procedures of this Local Rider.
- e.** For the convenience of the bargaining unit, the Company shall post the principle domicile corresponding to each shift, in conjunction with the bid.

- 5. All full time split shifts and part-time employees will have an individual scheduled start time at their station that shall fall within a three (3) hour window, in the morning and the afternoon. No combination of part-time start times and end times may exceed six (6) hours total. There will be no combination of full time split shift and part time shifts bid back to back.
- 6. All employees must start and end their shifts at their home location.
- 7. a. When changing the starting time of an existing shift by more than one (1) hour from the most recent bid or changing the scheduled days of an existing shift, then such position shall be offered to all dockworkers in order of master seniority. If the starting time is changed by one (1) hour or less, no bid shall be required; provided however that if two or more dock workers with the same starting time in the same classification are involved, then selection between affected employees shall be made by facility seniority.

- b. The bid starting time for each employee shall be uniform during the workweek, except that it may vary up to one (1) hour on Saturday.
7. In the event that a new full-time split-shift position is added to the workforce, or a permanent vacancy occurs in an existing full-time split-shift position, then that full-time split-shift position shall be offered by seniority, to part-time employees.
 8. Any shift bid posted that needs to be canceled before awarded must be canceled within forty-eight (48) hours of posting, with a reason for the cancellation. Once a shift bid has been awarded by seniority, it may not be canceled before the shift's effective date.

ARTICLE 31. JOB CLASSIFICATIONS AND WAGE RATES

The job classifications and wage rates for all employees covered by this Agreement shall be set forth in, Appendix "A" attached hereto and made a part of this Agreement.

ARTICLE 32. HOURS OF WORK, OVERTIME, MINIMUM DAY, COFFEE BREAKS, PAY DAYS

1. Hours of Work: The work week shall be five (5) consecutive days as scheduled by the Employer with a guaranteed minimum of forty (40) hours of work for the scheduled workweek.

The workweek for full-time split-shift employees shall be five (5) consecutive eight (8) Hour days, consisting of two (2) shift segments, which may be three (3) and five (5) hours, four (4) and four (4) hours, or five (5) and three (3) hours, with one segment in the a.m. and one segment in the p.m., per day.

Each full-time split-shift employee shall have a defined start-time for each segment of his daily shift, which shall be posted and bid as such.

2.
 - a. Overtime: One and one-half (1 ½) times the regular rate of pay as herein provided shall be paid for all hours worked:
 - (1) In excess of eight (8) straight time hours in any one (1) day.
 - (2) In excess of forty (40) straight time hours in any one (1) week. Compensatory time shall be considered as time worked for the purpose of computing overtime for full-time employees only.
 - (3) For the first eight (8) straight time hours worked on the sixth (6th) day.

- (4) In the event an employee is required to report for work before the start of his regular scheduled shift, for the first four (4) hours of such pre-shift hours so worked.
 - (5) An employee covered by this Local Rider scheduled to work on Sunday as a part of his regular workweek shall be compensated at one and one-half (1 ½) times his basic hourly rate for the first eight (8) hours worked on Sunday.
- b. Two (2) times the hourly rate will be paid for all hours worked in excess of twelve (12) hours of work in a day and for all hours worked on the seventh (7th) consecutive day worked and for all hours worked in excess of eight (8) hours on the sixth (6th) day, and for all hours worked in excess of eight (8) hours on Sunday when an employee is scheduled to work Sunday as part of his regular workweek.
- c. There shall be no pyramiding of overtime pay.
- d. Each facility shall distribute overtime among eligible employees on the basis of a rotating overtime procedure. Each employee interested in being eligible for overtime shall notify the facility in writing of his/her domicile, and up to five other facilities of their desire, in order to be called in for overtime. Each facility shall establish its own list of overtime participants, which shall include all employees who have given written notice of their desire to work overtime at that facility.
- e. All overtime shall be offered first to all full-time dock workers at the station where the overtime occurs in order of rotating facility seniority, then to part-time dock workers at the facility where the overtime occurs in order of rotating facility seniority. If work exists after this procedure is complete, then the overtime must be offered in order of rotating master seniority to full-time dock workers who have a letter on file to work at that facility, then to part-timers who have a letter on file to work at that facility, in order of rotating master seniority. Employees who are called for and accept overtime work according to this procedure, but who fail to show up for the work accepted will be dropped from the list for a twelve (12) month period, after which time they may re-submit a letter on file for that facility.
- f. An employee who has an unexcused absence during his bid workweek may bid for work offered out of that bid week in order to fulfill his guarantee, but will not receive overtime pay for such work performed.
- g. An employee who fails to protect a bid premium shift twice in thirty (30) calendar days will be removed from premium day overtime eligibility for thirty (30) calendar days at their home location.
- h. The Company shall give one (1) hour notice of forcing an employee to work overtime, whenever possible.
- i. In the event overtime is needed at any facility, such overtime shall be requested

prior to 12:00 noon. If a sick call is taken after 12:00 noon, overtime will be called within the hour. Failure to do the above will automatically pay four (4) hours overtime to whoever is entitled.

3. **Minimum Day:** Any regular full-time employee called and reporting for duty on any regularly scheduled work day shall be guaranteed a minimum of eight (8) consecutive hours of work exclusive of lunch time, which shall be not less than thirty (30) minutes nor more than one (1) hour and exclusive of any pre-shift overtime hours worked. All full-time employees called to work on overtime days or after regular hours, after they have clocked out and left the plant premises shall be guaranteed four (4) hours overtime pay. If an employee cannot take his lunch between the third (3rd) and fifth (5th) hour, he shall be allowed to go home at the end of eight (8) hours or be paid for a late lunch.
 - (a) When extending a regular shift the Company will not force an employee to work more than two (2) post shift hours, except in the case of:
 - (1) Act of God
 - (2) Equipment failure
 - (3) Excessive shipment volume
 - (4) Excessive absenteeism.
4. **Shift Differential:**
 - a. Any Shift starting at 12:00 noon or later and before 6:00 p.m. shall be considered swing shift.
 - b. Employees covered by this Local Rider shall receive a shift differential of twenty- five cents (\$.25) per hour as additional compensation over the basic rate for all hours worked on swing shift.
 - c. Any shift starting at 6:00 p.m. or later and before 6:00 a.m. shall be considered as graveyard shift.
 - d. Employees covered by this Local Rider shall receive a shift differential of thirty cents (\$.30) per hour as additional compensation over the basic rate for all hours worked on a graveyard shift.
 - e. When an employee works more than one (1) shift during his workweek, he will receive the highest shift differential for all hours worked during such week.
5. **Coffee Breaks:** All employees shall be granted a fifteen (15) minute coffee break approximately halfway through the first four (4) hours of their shift and a fifteen (15) minute coffee break approximately halfway through the second four (4) hours of their shift. Such coffee breaks shall be taken without loss of pay and the employee shall not be required to make up such time.

6. Pay days shall be each Thursday. Company shall have right to recover payroll errors, including vacation and sick leave pay, for a period of no more than one year. Pay check errors, after having been brought to the Company's attention shall be corrected in the next regular pay period. If not so corrected, the Company shall pay a penalty of \$25.00 to the affected employee.
7. All monies due an employee will be paid to his beneficiary immediately upon his death.

ARTICLE 33. PART-TIME EMPLOYEES

1. Part-time Shifts May Be Established as Follows:
 - a. Five (5) three (3) hour days, as scheduled by the Company, with a guaranteed minimum of fifteen (15) hours of work per week.

It is understood that the Company may extend part-time shifts up to five (5) hours per day. Part-time employees shall not work more than five (5) hours per day and twenty-five (25) hours per week, except when replacing vacation, or when due to delayed airplane arrival or departure of one hour or more, applicable to that shift.
 - b. The Company may hire part-time employees on a 2: 1 basis; once the 2: 1 ratio is reached, for every two (2) part-time employees hired, the next position added shall be a full-time split-shift position. The part-time to full time ratio referred to above shall not apply during the vacation months of September through December inclusive.
2. The only provisions of this Local Rider which apply to part-time employees are Articles I, II, III, IV, IX, XI- (excluding sections 1, 2(a)(4), and 3), XII, XIII XIV, XIX, and the relevant appendices.
 - a. Shift Differential for Part-time Employees: Part-time employees shall be eligible for shift differential once they have completed two (2) continuous years of service with the Company.
3. The Company shall maintain a length of service roster for part-time employees.
4. Part-time employees shall have seniority within the part-time classification. In all cases of layoff of part-time personnel and recall after layoff of part-time personnel, length of service with the Company as a part-time employee in a classification covered by this Local Rider shall govern.
5. In accordance with the PU & D Operational Supplement, the Company will continue to participate in the current health plans and will contribute one dollar (\$1.00) per hour per year per covered employee to be divided between health and welfare and pension as decided by the Area Co-Chairs. [Language to be inserted]

6. Part-time employees employed as of the Ratification Date of this Local Rider will receive a prorated vacation based on hours worked the previous year.
 - a. One (1) to two (2) years employment, 1/52 of hours worked the previous year;
 - b. Two (2) to five (5) year employment, 2/52 of hours worked the previous year;
 - c. Five (5) to ten (10) year employment, 3/52 of hours worked the previous year;
 - d. Ten (10) years employment and thereafter, 4/52 of hours worked the previous year.

7. Regularly Scheduled Part-time Wage Rate:

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

- 0-12 months - 75% of top rate (\$10.76);
- 12-18 months - 80% of top rate (\$11.48);
- 18--30 months - 85% of top rate (\$12.20);
- 30-42 months - 90% of top rate (\$12.91);
- 42-54 months - 95% of top rate (\$13.63);
- 54 months - \$14.35

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

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

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

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

Should the Company work any part-time employee in excess of the maximum hours allowed, the Company shall pay a penalty equal to the excess hours worked at time and one half pay to the senior full-time employee at that location by rotation of seniority.

Part-time employees covered by this Local Rider will be given preference of unfilled full-time vacancies before hiring from any other outside source on the basis of seniority. Seniority as used herein shall consist of the following factors:

- a. Length of continuous service with the Company;
 - b. Qualifications, ability and past performance.
8. In the event a full-time employee is laid off, or reduced, and displaces a part-time employee he shall continue to accrue full-time seniority and will be placed at the top of the part-time seniority roster at the time he displaces the part-time employee.
9. Part-time employees shall receive five (5) paid holidays per calendar year, (a) New Year's Day, (b) Christmas Day, (c) Thanksgiving Day, (d) Memorial Day, and (e) Labor Day, which shall be compensated at the rate of 4 hours for each holiday.

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

10. Company agrees that each part time employee on the active seniority list as of prior 2003 contract ratification date will receive ten (10) unpaid sick days per seniority year. All part time employees hired after that date but prior to the Ratification Date of this Local Rider will receive five (5) unpaid sick days per seniority year.

11. **PART-TIME JOB CLASSIFICATION**

- a. **Dockworker:** Whose duties shall include the normal preparation of shipping documents and cargo handling procedures inherent in the air freight industry including the loading, unloading, driving of any equipment used by the Employer to transport cargo among Company facilities within the four (4) county jurisdiction, and all other duties assigned by management. The Company can hire part-time dockworkers with a Class C as required.
- b. **Ramp Worker:** Duties include all dockworker duties and all other work assigned by management, except that they are not required to have a Class A or B license.
- c. **Work Assignments:** When an employee is requested to perform work in a higher classification, he/she shall receive the rate premium for that classification for that shift.

ARTICLE 34. UNIFORMS

Subject to the terms of the Operational Supplement, the parties agree that if an employee is required to wear any kind of uniform as a condition of his/her continued employment, such uniform shall be furnished by the Employer free of charge. Each employee will receive an annual allowance of wash and wear uniforms yearly or as needed to maintain Company image standards.

ARTICLE 35. HEALTH AND WELFARE PLAN

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

ARTICLE 36. DENTAL PLAN

See Note above for Health and Welfare Plan.

ARTICLE 37. PRESCRIPTION DRUG PLAN

See Note above for Health and Welfare Plan.

ARTICLE 38. DEATH BENEFITS

See Note above for Health and Welfare Plan.

ARTICLE 39. PENSION PLAN

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

ARTICLE 40. NON-BARGAINING UNIT

Subject to the such terms and conditions as may have been negotiated in Article 9 Scope and Assignment of Unit Work of the Operational Supplement, the Employer agrees to respect the jurisdictional rules of the Union and shall not direct or require their employees or persons other than the employees in the bargaining unit here involved, to perform work which is recognized as the work of the employees in said unit, provided this will not prevent work in instruction or training of employees. No supervisor shall be used to load and off load the airplanes. Management may look at, handle and direct miscellaneous packages, and misroutes at each

mainline aircraft location. This by no means shall be construed to allow the supervisor to replace bargaining unit employees.

ARTICLE 41. DURATION

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

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

COMPANY

UNION

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

BY _____

BY _____

TITLE

TITLE

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APPENDIX “A”

FULL TIME JOB CLASSIFICATION AND WAGE RATES

1. **JOB CLASSIFICATIONS:** Employees subject to this Local Rider will be classified as Pick-up and Delivery (P&D) Drivers, Dockworker, Lead Person, Tractor-Trailer Driver, and Ramp Marshall:
 - a. Pick-up and Delivery Drivers whose duties shall include the normal preparation of shipping document and cargo handling procedures inherent in the air freight industry;
 - b. Dockworker whose duties shall include the normal preparation of shipping documents and cargo handling procedures inherent in the air freight industry including the loading, unloading, driving of any equipment used by the Employer to transport cargo among Company facilities within the four (4) county jurisdiction, and all other duties assigned by management.
 - c. Lead Person whose duties shall include those set forth under (a) and (b) above, in addition to instructing and leading the employees with whom they work under management direction. The selection of a lead man shall not include part-time employees. When the Company sees the need for a lead man it shall post a notice requesting those employees interested to review the qualifications needed. Once posted, the Company shall select the most senior qualified bidder. It is understood that the Company can cancel any lead man position at any time if the Company determines that the position is no longer needed.
 - d. Tractor-Trailer Drivers whose duties shall include all dockworker functions, plus the operation of a tractor-trailer rig and all other duties assigned by management. When replacing a bid tractor-trailer position caused by daily absenteeism, the overtime will be offered to qualified personnel.
 - e. Ramp Marshall whose duties shall include all dockworker functions, aircraft weight and balance, marshaling of aircraft, push back techniques, and all other duties as assigned by management. Any individual wishing to hold a bidded shift requiring Ramp Marshall certification, must first successfully complete all required initial training (hazardous materials, aircraft weight and balance, etc.), and any subsequent recurrent training required.

Subject to the foregoing, Ramp Marshall training, when provided by ABX, shall be offered to bargaining unit employees by master seniority. For all Ramp Marshall training classes, however, the Employer may in its sole discretion and irrespective of master seniority, fill up to 40% of the available training slots per

initial classes and 25% of available training slots in recurrent classes. Such training slots are specifically reserved for the Employer in order to enable it to provide training to individuals at the facility where training is conducted. Further, in the event of recurrent training, current Ramp Marshall bid holders shall, notwithstanding their seniority, have priority for available training classes where necessary to retain such bids and/or to ensure FAA compliance. Such current Ramp Marshall bid holders may not be displaced from a training class by DHL supervisors, DHL employees domiciled out of the four county area, or other any other Company personnel.

To the extent that an employee signs up for Ramp Marshall training and is selected to participate and subsequently fails to attend and/or complete such training program he or she shall be ineligible to participate in any Ramp Marshall training for a period not to exceed twenty-four (24) months. Further, to the extent that an employee completes Ramp Marshall training and fails to bid (as one of his or her first three (3) choices) on a shift requiring such certification during the period in which such training remains valid he or she shall not be eligible to participate in any further Ramp Marshall training for a period not to exceed twelve (12) months. Notwithstanding the foregoing, no employee shall be penalized under this section to the extent that he or she is unable to bid on position due to relative seniority. Further, the Employer may elect under other circumstances not to apply the provisions of this paragraph upon good cause shown by the employee.

Work Assignments: When an employee is requested to perform work in a higher classification, he shall receive the higher rate of pay for a minimum of four (4) hours and eight (8) hours for work performed any fraction thereafter of the four (4) hours worked.

2. JOB CLASSIFICATION

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

	<u>4/1/08</u>	<u>10/1/08</u>	<u>4/1/09</u>	<u>4/1/10</u>	<u>4/1/11</u>	<u>10/1/11</u>	<u>4/1/12</u>	<u>10/1/12</u>
P&D Driver	\$ 23.93	\$ 24.28	\$ 24.68	\$ 25.13	\$ 25.53	\$ 25.98	\$ 26.43	\$ 26.93
Dockworker	\$ 23.83	\$ 24.18	\$ 24.58	\$ 25.03	\$ 25.43	\$ 25.88	\$ 26.33	\$ 26.83
Lead Person	\$ 24.93	\$ 25.28	\$ 25.68	\$ 26.13	\$ 26.53	\$ 26.98	\$ 27.43	\$ 27.93
Tractor Trailer Driver	\$ 24.43	\$ 24.78	\$ 25.18	\$ 25.63	\$ 26.03	\$ 26.48	\$ 26.93	\$ 27.43
Ramp Marshall	\$ 24.43	\$ 24.78	\$ 25.18	\$ 25.63	\$ 26.03	\$ 26.48	\$ 26.93	\$ 27.43

Parttime Employees: See Parttime provisions

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

All employees except lead person on the payroll as of July 1, 1979, shall receive \$10 more per hour than those employees hired after that date.

[HOLD APPENDICES B-E AS INDICATED ABOVE].

APPENDIX “F” INDUSTRIAL INJURY BANK

As provided in Article 28, Section 7 the following industrial injury bank has been established:

1. Effective with each employee’s anniversary date in 1977 and each anniversary date thereafter, employees will have the opportunity to earn an industrial injury sick leave bank separate and apart from the sick leave provisions contained in Article IX of this Local Rider.
2. The maximum accumulation in the industrial injury book will be thirty (30) days (two hundred forty hours (240 hours)). There will be no accumulation beyond the thirty (30) day maximum and therefore, there is no annual payment as there is in Article 28, Paragraph 3 for the sick leave bank. There will be no payment upon termination for the unused portion of the industrial injury bank as there is in Article 28, Paragraph 4 for the sick leave bank.
3. An employee who has, on any anniversary date beginning in 1977, thirty (30) or more days in their sick leave bank will automatically be credited with thirty (30) days in their industrial injury bank.
4. Employees with less than thirty (30) days in their sick leave bank on their anniversary date beginning in 1977 and thereafter will accumulate industrial injury leave on the basis of the number of sick leave days unused in the prior year up to a maximum of ten (10) days.

For example:

1. Assume an employee had a total of ten (10) days in his or her sick leave bank as of the employee’s anniversary date (hypothetically 4/20/76). During the period 4/20/76 -4/20/77 they used two (2) days of their sick leave bank. As of 4/20/77 this employee would have eighteen (18) days in their sick leave bank and eight (8) days (10-2) in their industrial injury bank. During the period 4/20/77 -4/20/78 they used four (4) days of their sick leave bank. As of 4/20/78 this employee would have twenty-four (24) days in his or her sick leave bank and an additional six (6) days (10-4) for a total of fourteen (14) days provided no industrial leave has been taken. During the period 4/20/78 -4/20/79 the employee uses no sick leave. As of 4/20/79 the employee would have thirty-four (34) sick leave days and therefore, would be automatically credited with thirty (30) days’ industrial leave (an increase of sixteen (16) days) and in addition would receive four (4) days’ pay for the amount in excess of thirty-four (34) as provided in Article __, Paragraph _.
2. Assume an employee had a total of twenty (20) days in his or her sick leave bank as of the employee’s anniversary date (hypothetically 4/20/76). During the period of 4/20/76 -4/20/77 they use twelve (12) days of their sick leave bank. As of 4/20/77 this employee would have eighteen (18) days in their sick leave bank and nothing in their industrial injury bank since they had used more than ten (10) days from their sick leave bank in the previous year as provided in Paragraph 4 above. It is our understanding that the above is effective October 1, 1976, and is not intended to be applied retroactively.

APPENDIX "H" DHL EXPRESS WORK RULES

ADMINISTRATIVE PROCEDURES AND WORK RULES SIDE LETTER

Disciplinary Progression Procedures

1. It is mutually agreed that the Employer reserves the right to discharge any employee for sufficient and proper cause; provided, however, that no employee be discharged or discriminated against for union membership or lawful Union activity which is not in violation of the terms of this Agreement.
2. All work rules shall be reduced to writing and categorized according to relative severity, as "Administrative", "Serious", or "Cardinal" and a copy thereof shall be appended to this Agreement, and the following disciplinary progression shall apply, and be separately administered.
 - a. Administrative offenses shall be subject to a six (6) step disciplinary progression, within a rolling calendar year, as set forth below:
 - 1) First administrative offense = 1st written reminder
 - 2) Second administrative offense = 2nd written reminder
 - 3) Third administrative offense = one (1) day suspension
 - 4) Fourth administrative offense = two (2) day suspension
 - 5) Fifth administrative offense = three (3) day suspension
 - 6) Sixth administrative offense = termination

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

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

- b. Serious offenses shall be subject to a three (3) step disciplinary progression, within a, as set forth below:
 - 1) First serious offense = written reminder
 - 2) Second serious offense = suspension (1 day)
 - 3) Third serious offense = termination
 - c. Cardinal offenses shall be defined as set forth in the Article "Discipline and Discharge" of the Operational Supplement. In addition, the striking of any aircraft by an employee with any equipment shall be considered a Cardinal Offense. Cardinal Offenses shall be subject to immediate termination.
 - d. All progressive disciplinary letters shall be issued after the effective date of this

contract shall be signed by the employee as an acknowledgment of receipt only, and if the employee refuses to sign, such refusal shall be duly witnessed by a member of the bargaining unit.

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

Note: Employees who are on LTD (Long Term Disability) will not fall under the unexcused absence progression.
 - c. The Company shall acknowledge the right of the employee to use his sick leave

benefits for the purposes expressed in this Agreement. No employee will be disciplined or given a letter of warning for such use while sick time is still on the books.

- d. The progressive disciplinary procedures set forth in Section 4 of this Article III, shall not apply to attendance.

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

Serious offense rules-three step disciplinary progression.

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

Administrative Offenses-Six Step Disciplinary Progression

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

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

EMPLOYEE SIGNATURE

DATE

LETTER OF UNDERSTANDING NO. 1

A. The parties recognize that in certain cases it may be necessary to load Containers on customer premises, or other than at the Company facilities. The Company can arrange this with any customer. A maximum of two hundred fifty (250) containers will be allowed per day. The Company must notify the Union when it becomes necessary to increase this number. In such cases, it is understood that bargaining unit employees shall drop the needed empty containers at customer premises. Owner operators or customer employees shall load the outbound freight for those containers and owner operators will transport them from customer premises either to Company dock or directly to plane side, and at that point bargaining unit employees shall unload the containers from the owner operator's truck. Owner operators will not unload their trucks at planeside or on the dock.

B. TES Technicolor (distribution center in ONT) will be permitted to load and unload Containers with non-bargaining unit personnel on their premises. The Company may also notify the local union of the need to handle additional customers in the same manner as Technicolor. The Company and the Union must agree to any additional customers proposed to be added before this section will apply to that customer.

Furthermore, if the Company or an owner operator violates the number of containers listed above on any day it will be subject to grievance. The award for a proven violation will be four (4) hours at time and one half for each incident, payable to a person on the master seniority list on a rotating basis.

C. Any violation of this agreement will be subject to the grievance procedure.

DHL _____

Teamsters Local 986 _____

LETTER OF UNDERSTANDING NO. 2

The parties recognize that DHL’s customers may have scheduled needs to load trailers on premises other than Company facilities. The Company can arrange to drop DHL (owned or leased) trailers with any customer. In such cases, it is understood that bargaining unit employees shall drop such DHL trailers at such premises within the four (4) county jurisdiction. Third party operators or customer employees shall load the outbound freight for those trailers. The Company may elect in its discretion to utilize bargaining unit employees, or to assign third party operators, to pickup up such DHL trailers at such locations and to transport them to either a Company facility or directly to plane side. At that point, bargaining unit employees shall unload the trailers as applicable. This will not set a past-practice if assigned to bargaining unit employees. Moreover, the Company may continue in its discretion to utilize third parties to drop off and pick-up non-DHL trailers at customer locations. Notwithstanding the foregoing, the Company agrees that it will give priority to utilizing DHL equipment and personnel in relation to trailer drops to the extent that such equipment and personnel are readily available at the DHL facility in closest proximity to the Customer site where such drop is to be made.

DHL _____

Teamsters Local 986 _____

LETTER OF UNDERSTANDING

Subject to the specific terms and conditions set forth in this Letter of Understanding, the Company agrees that it will utilize employees covered by this Local Rider to perform certain shuttle runs to and from the specific outlying stations, and to perform related work, as set forth below:

A. Palm Springs: Bargaining unit employees will deliver and unload all containers at the Palm Springs Independent Contractor facility in the a.m. Further, bargaining unit employees will load and pickup the containers from the Palm Springs Independent Contractor facility and return them to a Company facility or directly to planeside.

B. Victorville (IYK): With respect to shuttle operations between IYK and ONT, bargaining unit employees will deliver and pick-up, load and unload containers at the IYK facility; provided, however, that the Employer may in its discretion continue to utilize a third-party to assist in the performance of any loading and unloading.

C. Palmdale/Lancaster (WWP): With respect to shuttle operations between WWP and ONT, bargaining unit employees will deliver and pick-up, load and unload containers at the WWP facility; provided, however, that the Employer may in its discretion continue to utilize a third-party to assist in the performance of any loading and unloading.

DHL _____

Teamsters Local 986 _____