

2008

HUB OPERATIONAL SUPPLEMENT

(DHL-TENTATIVE AGREEMENT)



2 PERSON MEETING

**Lido Beach Resort
Sarasota, Florida
March 12, 2008**

This is a draft document. The parties reserve the right to correct inadvertent errors and omissions.

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HUB OPERATIONAL SUPPLEMENT

The following Articles apply to “hub sorting” (HUB) operations only. Article ____ and attachment __ hereto sets forth such operations.

ARTICLE 1. STEWARDS

Section 1. Number

The Employer recognizes the right of the Union to designate from the Employer’s seniority lists no more than six employees to serve as the primary shop steward for each hub facility covered by this Operational Supplement, and no more than six employees to serve as an alternate steward at each such facility. The alternate may not act and may not serve in the official capacity of the primary steward, except in the absence of such primary steward.

Section 2. Notification to Employer

The Union shall notify the Employer in writing of the selection and/or change of the primary and/or alternate stewards.

Section 3. Function and Authority

The authority of the primary and alternate stewards designated by the Union shall be limited to, and shall not exceed, the following duties and activities:

1. The investigation and presentation of grievances with the Employer or a designated Employer representative, and participation in Employer conducted investigatory interviews, in accordance with the provisions of this Agreement.
2. The transmission of such messages which originate with and are authorized by the Union or its officers, provided such messages and information have been reduced to writing, or, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Employer’s business.
3. The primary and alternate stewards have no authority to take strike action, or any other action interrupting the Employer’s business, except as authorized by official action of the Union. The Employer recognizes these limitations upon the authority of the primary and alternate stewards, and shall not hold the Union liable for any unauthorized acts. The Employer in so recognizing such limitations shall have the authority to impose proper discipline, including discharge, in the event the primary and/or alternate steward has taken unauthorized strike action, slowdown, or work stoppage in violation of this Agreement.

4. The primary and alternate stewards shall endeavor to conduct Union business on non-work time. Should it become necessary, however, for the steward to confer with a unit employee(s) on work time with respect to a disciplinary matter or grievance with respect thereto, the steward may do so, without loss of pay or time, provided prior approval therefor has been granted by the Employer's Manager at the hub facility in question, or designee, and provided there is no interruption of the Employer's operation. Permission for this purpose shall not unreasonably be withheld.
5. The shop stewards shall be permitted reasonable time off, not to exceed two (2) weeks per year of this Agreement, without pay to attend meetings called by the Union. The Employer shall be given a minimum of forty-eight (48) hours prior written notice by the Union.

ARTICLE 2. SCOPE AND ASSIGNMENT OF UNIT WORK

Section 1. Definition of Bargaining Unit Work

As used herein and elsewhere in this Operational Supplement, the generic term "unit work" refers to the specific work duties, functions and responsibilities regularly and customarily performed on behalf of the Employer by employees within the classifications and departments covered by this Operational Supplement. This Operational Supplement applies to covered employees of the Employer at the Employer's hub facilities set forth in Appendix ____, which Appendix shall be updated from time to time as necessary during the term of this Agreement

Section 2. Employee Performance of Unit Job Assignments

It is expressly understood and agreed that employees may be directed to, and they shall, perform any unit tasks of any and all covered classifications and departments under this Operational Supplement for which the Employer deems them qualified.

It is mutually agreed by the Company and the Union that the job duties that may be assigned to unit employees covered by the Collective Bargaining Agreement may include the loading and unloading of trucks leaving from and arriving into a covered Hub facility, including trucks driven by individuals not covered by the terms of this Agreement. It is further mutually agreed that the performance of loading and unloading of trucks may be performed by employees covered by this Agreement with the assistance of, or in certain instances exclusively by, individuals not covered by this Agreement. In each instance, the decision whether to assign, in whole or in part, the job duties of loading and unloading of trucks to employees covered by this Operational Supplement shall be in the sole discretion of the Company.

Section 3. Lead Assignment

A. The Employer may, in its sole discretion, select a unit employee(s) to serve in a lead capacity, as hereinafter defined, in accordance with the operational needs of the business.

B. The number of unit individuals selected to serve in a lead capacity, if any; the specific unit classifications and/or departments (in the event that the Employer determines to implement additional classifications and/or departments consistent with the terms of this Operational Supplement) in which such lead personnel may be selected to serve; and the selection process and criteria utilized in that regard, as well as the actual duration of the lead assignment (i.e., 1 or more days, weeks or months or combination thereof), shall be vested solely and exclusively with the Employer. Any and all disagreements between the parties with respect to the foregoing shall not be subject to Article __Grievance and Arbitration Procedure) of this Agreement, and the Union may not take any action in connection therewith in violation of Article __No Strike).

C. Lead personnel, if any, shall serve at the behest of management in a non-supervisory capacity only. As such, they shall act under and pursuant to supervisory direction and written operational policies, and provide assistance to a supervisor in the routine preparation of reports, training and direction of fellow unit employees in the proper performance of their work duties, and other duties as assigned. Leads may not discipline employees under the provisions of Article __Discipline) of the Agreement, and may not, under any circumstances, countermand an instruction or direction issued by management/supervision.

ARTICLE 4. USE OF AND PERFORMANCE OF BARGAINING UNIT WORK BY PERSONNEL OTHER THAN REGULAR EMPLOYEES

Although as a general rule unit work, as defined herein, shall continue to be performed primarily by employees covered by this Operational Supplement, non-unit personnel (i.e., those not covered by this Agreement) may perform such unit work under the circumstances and conditions set in this Agreement.

Section 1. Performance Of Unit Work By Supervisors/Management Personnel

Supervisors/management personnel may not perform unit work except to meet operational objectives such as training or emergencies, which shall be defined as the unavailability of qualified of unit personnel to do the work when it is needed.

Moreover, the training of unit employees in the proper performance of their job functions, duties and responsibilities, shall not constitute or, in any way, be deemed to constitute bargaining unit work.

Section 2. Temporary Employees

Temporary employees, are obtained by DHL through an outside agency to work for a limited, but not necessarily specified, time period, and may be utilized, as needed. Examples of circumstances in which a need for temporary employees may arise include, but are not limited to, work opportunities that arise when there is a temporary surge in volume, over and above what the regularly scheduled workforce can handle, or when a regular employee is temporarily absent, and the Employer elects to fill the vacant shift. Temporary employees utilized at Hub facilities

covered by this Operational Supplement are not covered by, and have no rights or benefits under, the Collective Bargaining Agreement.

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

Section 4. Rerouting of Freight

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

ARTICLE 5. SUBCONTRACTING

The Employer may subcontract new, but not existing bargaining unit work covered by this Operational Supplement, as operational conditions require, that may become bargaining unit work, provided such subcontracting does not proximately result in the reduction of the regular work day of currently employed unit employees, and that such subcontracting, in each instance, shall not exceed a period of sixty (60) days. This provision is not intended to limit the Employer's right to utilize temporary employees during holiday peak for a period not to exceed sixty (60) days as necessary to perform work of the type customarily performed by employees covered by this Operational Supplement.

ARTICLE 6. MANAGEMENT RIGHTS

Except as otherwise expressly provided in this Agreement, with respect to any and all operations covered by the terms of this Operational Supplement, the Employer shall have the right to manage the business, including but not limited to the right to control and supervise all operations and direct all working forces, to maintain discipline among employees, to determine and change from time to time the methods, processes and working procedures to be used, to hire, promote, assign, and transfer employees, to increase or decrease the number of employees, to assign work and duties to any employees in accordance with the Employer's determination of the needs of the respective jobs, to determine and implement reasonable qualitative and quantitative standards of production, to unilaterally implement reasonable work rules and make changes thereto, to layoff

employees, to suspend, discipline and discharge employees for cause, to expand or curtail its operations, and to close or discontinue its operations or any part thereof.

It is mutually agreed that the job duties that may be assigned to unit employees covered by this Operational Supplement may include the loading and unloading of trucks leaving from and arriving into a Hub facility, including trucks driven by individuals not covered by the terms of this Agreement or Operational Supplement. It is further mutually agreed that the performance of loading and unloading of trucks may be performed by employees covered by this Operational Supplement with the assistance of, or in certain instances exclusively by, individuals not covered by this Agreement or Operational Supplement. In each instance, the decision whether to assign, in whole or in part, the job duties of loading and unloading of trucks to employees covered by this Agreement shall be in the sole discretion of the Company.

ARTICLE 7. SENIORITY, LAYOFF & RECALL

Section 1. Seniority Definitions

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

Unit Seniority – For employees employed at a facility covered by the terms of this Operational Supplement, their Unit Seniority is calculated from the first day of employment with the Employer in the unit covered by this Agreement, effective upon the employee’s successful completion of the probationary period. Those employees who were employed by ABX Air, Inc. at a facility covered by the terms of this Operational Supplement immediately prior to accepting employment with the Employer at such covered facility shall receive Unit Seniority credit based on their most recent date of hire with ABX Air, Inc. For all other employees beginning employment at a facility covered by the terms of this Operational Supplement, Unit Seniority shall be calculated from the first day of employment, or re-employment following a loss of seniority, with the Employer in the unit covered by this Agreement, effective upon the employee’s successful completion of the probationary period.

Department Seniority – The following shall apply in the event that during the term of this Agreement the Employer exercises its discretion to establish Departments within any portion of the bargaining unit covered by this Operational Supplement. In such an event, for employees employed at a facility covered by this Operational Supplement where departments are established, their Department Seniority in their department is calculated from the first day of employment with the Employer in the department covered by this Agreement, subject to the employee having successfully completed the probationary period at any time. Those employees who were employed by ABX Air, Inc. at a facility covered by the terms of this Operational Supplement immediately prior to accepting

employment with the Employer at such covered facility shall receive Department Seniority credit based on their most recent date of hire with ABX Air, Inc., in a department covered by this Operational Supplement

Section 2. Application and Use of Seniority

Department seniority shall be utilized in the filling of bids, in the filling of permanent vacancies arising after or between bids, as may reasonably be practicable, in determining the order of layoffs and recall from layoff within a particular classification of the department in which the overstaffing exists, and in the selection of vacation weeks. If at the time of a bid the Employer has not organized the employees covered by this Agreement on a Departmental basis, Unit seniority shall be utilized for this purpose.

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

Section 3. Limitations on Seniority Usage

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

An employee's seniority shall not impact the Employer's right to cross-utilize employees covered by this Agreement in order to maximize operational efficiency.

Section 4. Posting of Seniority List

Within thirty (30) calendar days after the signing of this Agreement, the Employer shall post in a conspicuous place at the Employer's facility, lists of employees arranged according to Department and Unit seniority. New updated lists shall be posted by the Employer at least quarterly. Claims for corrections to such lists must be made to the Employer's Hub Manager or designee within thirty (30) calendar days after the posting. If no such claim for corrections is timely made, the lists shall be deemed correct and final. Any controversy over the seniority standing of any employee on such a list, if raised within the aforesaid thirty (30) calendar day period, shall be submitted to the grievance and arbitration procedure in this Agreement.

Section 5. Employee Address and Phone Number

It shall be the responsibility of the employee to keep the Employer informed of the employee's current address and telephone number. An Employee shall notify the Employer within one (1) week, in writing, of any change of address or telephone number.

Section 6. Layoffs

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

- A. Probationary employees and/or temporary employees, if any, shall be laid off first without regard to their individual periods of employment.
- B. If further layoffs are required within the affected unit classification within that contractual department, the employee (full-time or part-time) with the least department seniority shall be laid off, followed in ascending order by the next least senior employee in the affected classification, except that less senior employees possessing qualifications necessary to operations (for example, but not limited to, weight and balance certification) shall not be laid off as the least senior employee in the department.

Section 7. Notification of Layoff

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

Section 8. Bumping

- A. An employee scheduled to be laid off, may “bump” a unit employee in the same department, provided such employee:
 - (1) bumps the unit employee with the least department seniority; and
 - (2) possesses greater department seniority than the employee to be bumped; and
 - (3) is fully capable and qualified to perform the work duties of the employee to be bumped; and
 - (4) assumes the same workweek and the same work day shift schedule of the employee to be bumped.

If the Employer has not organized the bargaining unit on a Departmental basis at the time that bumping occurs, Unit seniority shall be the basis for bumping in the above provisions.

- B. The employee exercising the bump shall be paid at the wage rate of the classification into which he/she bumps, provided such rate is equal to or less than his/her current rate of pay.
- C. An employee desiring to bump must so advise the Employer in writing within three (3) calendar days after receipt of written notification of layoff. Failure to notify the Employer within such time period shall result in the forfeiture of bumping privileges.
- D. Bumping privileges shall not be extended to probationary and/or temporary employees.

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

Section 9. Recall

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

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

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

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

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

D. Unit employees (excluding probationary employees) shall enjoy recall rights by department (if applicable at the time of recall) for a period not to exceed 15 (fifteen) consecutive

months following the effective date of the layoff, or for the length of the employee's continuous service with the Employer in the unit covered by this Agreement, whichever is less.

Section 10. Termination of Seniority

An employee shall lose all accumulated seniority for any of the following reasons:

1. Voluntary resignation.
2. Termination for just cause.
3. Layoff for fifteen (15) consecutive months, or for the length of the employee's continuous service with the Employer in the unit covered by this Agreement, whichever is less.
4. Failure to report for work, as scheduled, for three (3) consecutive days.
5. Acceptance of a non-unit position with the Employer.
6. Failure to report to work, as scheduled, at the expiration of a contractual leave of absence, without the Employer's permission.
7. (i) Failure to respond in a timely manner to a notice of recall, or declining a recall offer.
(ii) Failure to report to work, as scheduled, after positively responding to a notice of recall from layoff.
8. Absence for a total of 280 or more calendar days, following the employee's exhaustion of any and all family medical leave to which he/she is entitled, as a result of an employee's medically substantiated illness or work related or non-work related injury or disability (including pregnancy), unless a longer period is required as a reasonable accommodation to a "qualified individual with a disability" in accordance with the requirements of the Americans with Disabilities Act (hereinafter called the "ADA"), or otherwise required by federal or state law.

ARTICLE 8. PAYROLL PERIOD AND PAY DAY

The applicable payroll period within which to determine wage payments and overtime entitlement shall be from 12:00 a.m. on Saturday to Friday night, or such other period as reasonably established by the Employer on at least two (2) weeks advance notice to the Union.

All employees shall be paid on Fridays, at two (2) week intervals. Payment shall cover the two (2) week period ending on the previous Friday. Pay day may be changed by the Employer on prior written notification to the Union.

In the event of a paycheck shortage in excess of twenty-five (25) dollars or more in the wages of an employee, the employee will be reimbursed for such shortage within three (3) business days (Monday through Friday); a shortage of less than twenty-five (25) dollars will be reimbursed on the next regular paycheck.

**ARTICLE 9. HOURS OF WORK, WORK DAY,
WORK WEEK, OVERTIME & SCHEDULING**

Section 1. Application of Article

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

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

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

D. The Company shall have the discretion to determine the number of full-time and part-time positions, as well as the number and type of job to be bid. Nothing in this provision shall limit the Employer's right to cross utilize employees covered by this Agreement in order to maximize operational efficiency.

E. Regularly scheduled days off for an employee shall be assigned by management within the seven (7) calendar day payroll period under Article ___ (Payroll Period and Pay Day) in accordance with the operational requirements of the business.

F. Notices of all changes from an employee's assigned work days and/or shift, other than changes due to operational need as provided in Section 2 of this Article, shall be given at least seven (7) calendar days in advance of said change, unless an extreme emergency necessitates the change on less notice, or the Employer and employee mutually agree to a change in schedule on less notice.

Section 2. Temporary Changes to Normal Work Day or Work Week

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

Section 3. Cancellation of Work Due to Weather or Other Emergency Conditions

Emergencies arising from acts of God or actions beyond the control of the Employer shall be reason to cancel scheduled work hours without pay until such time as emergency conditions subside.

Section 4. Assignment and Distribution of Overtime

All overtime shall first be offered among all qualified full-time employees at the facility in question within a classification on the basis of Hub Department seniority. The Company will give advance notice of overtime to employees whenever practicable.

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

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

Section 5. Overtime Rate of Pay

Employees shall be entitled to receive overtime pay for hours worked in accordance with the requirements of applicable federal and state law.

For purposes of calculating overtime, only those hours actually worked shall be included. There shall be no pyramiding of overtime.

Section 6. Early Release

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

Section 7. Call Back

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

ARTICLE 10. JOB BIDDING & FILLING OF VACANCIES

Section 1. General Bids

Within 60 calendar days after the ratification date of this Agreement, the Employer shall determine the number and type of regular work week and work day shifts and the number of unassigned shifts at each facility covered by this Operational Supplement, their starting and ending times and the number of employees required to staff each shift for each Department (if the bargaining unit is organized on a Departmental basis at the time) and shall post the jobs for bid.

A bid, shall be conducted at least once each contract year in the month of January. The bid shall be posted for a period of 14 days. The bid shall become effective on the first Monday, but at least 14 days, after bid close. The Employer has the right to conduct additional bids as it deems necessary based on operational need.

The following provision shall apply only if the bargaining unit is organized on a Departmental basis at the time of the bid. If so, bidding will be by department. That is, bids as described above, will be completed separately for each department. The jobs within these departments, which are posted for bid, will be open for bid to employees currently on that department's seniority roster. Employees are not permitted to bid outside their current department. The qualifications to perform a particular job shall be established by the Company in its sole discretion. An employee must possess such qualifications to successfully bid that position. Nothing herein shall limit the Employer's right to cross-utilize employees covered by this Agreement.

The Company shall have the right to force the number of qualified unassigned employees necessary to work such shifts, by inverse order of department seniority.

To fill any work shift posted as part of the job bid which is not bid by any qualified employee, the Company may assign a qualified employee in inverse order of unit seniority, or the Company may hire an employee from the outside.

Section 2. Filling of Permanent Vacancies

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

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

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

ARTICLE 11. DISCIPLINE

The Employer shall not discharge, suspend or take any other disciplinary action against any non-probationary employee covered by this Operational Supplement without just cause. With respect to discharge or suspension without pay, the Employer shall give at least one (1) warning notice to the employee in writing by personal delivery and/or certified mail with a copy of same to the Union. It is recognized that certain serious or multiple acts of misconduct may result in immediate termination, including but not limited to:

- dishonesty;
- theft;
- use or possession of weapons on Company property or while on duty;
- possession, using or being under the influence of alcoholic beverages, narcotics or other drugs (including unauthorized prescription drugs) while on duty (including while on lunch break);
- failure to submit to a sobriety/drug test in accordance with the substance abuse testing provisions of this Agreement, upon request, if the employee appears to be under such influence, or tampering with such testing procedures;
- carrying or permitting the carrying of drugs (including unauthorized prescription drugs) or narcotics on the employee's person or equipment that is prohibited by local, state or federal law;
- a serious preventable accident while on duty caused by the employee's negligence;
- the carrying of unauthorized passengers on Company vehicles/equipment;
- the failure to report an accident of which the employee was aware;
- unsafe acts or failure to correct or bring to the attention of a supervisor an unsafe condition;
- violation of the no-strike provisions of this Agreement (Article 16);
- physical damage to aircraft caused by negligence of the employee;
- committing any error in the weight and balance and/or load verification process, discovered after an aircraft has taken off;
- failure or refusal, upon reasonable request, to submit to a search of property, locker or employee vehicle (located on Company premises) in connection with an investigation by management/supervisory personnel or security agents;
- falsification of Company documents;
- tampering with the Employer's or co-worker's property;
- willful damage or destruction of Company property or equipment;
- unauthorized use of Company equipment;
- engaging in physical violence while on Company property or on duty, except in justifiable self-defense;
- harassment;
- gross insubordination;
- sleeping on the job;
- recklessness while on duty;
- being convicted of a felony;
- revocation or suspension of a drivers license required for the employee to perform their duties;

- revocation or suspension of required governmental issued clearances, identification badges or privileges;
- misuse of official identification, or entering or assisting others to enter restricted or closed areas without proper authority.

The warning notice(s) as provided herein shall not remain in effect to support further progressive disciplinary action for a period of more than twelve (12) months, provided there is no intervening misconduct within that twelve (12) month period.

Any employee covered by this Operational Supplement may request an investigation as to his/her discharge or suspension, and should the Company determine as a result of such investigation that such discharge or suspension was not for just cause, the Company shall eliminate or reduce the disciplinary action, up to and including reinstatement.

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

ARTICLE 12. INVESTIGATORY INTERVIEWS OF UNIT EMPLOYEES BY MANAGEMENT AND SUPERVISION

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

1. The shop steward may consult with the employee, assist him/her in presenting or clarifying facts and/or otherwise submit evidence or suggest further witnesses to interview. (OS)
2. The shop steward, however, may not interfere with the Employer's interview of the employees, such as preventing the employee from answering questions. In this regard, it is expressly understood and agreed that the Employer has no obligation to bargain with the shop steward during such interview, and that the shop steward shall not answer questions for the employee.
3. If at all reasonably possible, the steward specifically requested by the employee shall be afforded the opportunity to be present and participate at the interview, provided such individual is (a) on-duty and readily available (i.e., available within 20 minutes after requested); and (b) not otherwise presently occupied on an assignment from which he/she could not be relieved without seriously, adversely affecting the Employer's operations (i.e., contribute to service failures and/or

failure to meet time constraints, etc.). If the steward specifically requested by the employee does not meet both of the foregoing conditions, the interview will be conducted without the presence of such steward and the employee, should he/she still desire and request representation, shall be represented by any on-duty available unit employee who satisfies such criteria, selected by the employee.

B. In connection with violations of Article 35 of the NMFA, Drug and Alcohol Testing, which is incorporated by reference, nothing herein contained, shall prevent or preclude the Employer from declining to question the employee altogether and simply directing such employee to proceed immediately for alcohol/drug testing.

ARTICLE 13. UNION VISITATION PRIVILEGES

Authorized agents of the Union shall have access to the Employer's establishment covered by this Operational Supplement during working hours, for the purpose of adjusting disputes, investigating working conditions, collecting dues and ascertaining that the Agreement is being adhered to; provided, however, that said agent must advise the Employer's Hub Manager, or designee, of his/her intended visit prior to arrival at the Hub facility.

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

ARTICLE 14. CLEAN AND NEAT APPEARANCE

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

ARTICLE 15. UNIFORMS

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

ARTICLE 16. SAFETY AND HEALTH

Section 1. General

Safety is a vital concern to the Employer. Employees are expected to carefully follow all of the Employer's safety policies. Employees are expected to report any unsafe condition to their supervisor immediately. Employees must also immediately report all accidents and injuries.

Section 2. Identification Badges

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

All identification badges (company, airport, etc.) must be kept valid. Before an employee's badge expires, an employee must notify the employee's supervisor so that a new badge can be issued. Employees must immediately report lost, stolen or damaged identification badges to their supervisor. All identification badges must be returned upon separation from the company. The cost of replacing an employee's identification badge, up to a maximum of \$10, shall be borne by the employee.

Section 3. Equipment Safety

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

Section 4. Equipment Reports

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

Section 5. Safety Equipment and Protective Gear

If during the term of this Agreement, the Employer, in its sole discretion, requires employees performing a given task or tasks to wear black, steel toe, safety shoes or boots while on duty, the Employer will pay up to \$75.00/year (after presentation of receipt).

ARTICLE 17. SCOPE OF BARGAINING

The Employer and the Union acknowledge that during the negotiations which resulted in this Operational Supplement, each party had and exercised the unlimited right and opportunity to make demands and proposals with respect to any and all lawful and proper subjects of collective bargaining. This Agreement and Operational Supplement fully and completely incorporate all such understandings and agreements between the parties pertaining to employees covered by this Operational Supplement and supersede all prior agreements, understandings and past practices, oral or written, express or implied. Accordingly, this Agreement and Operational Supplement alone shall govern the entire relationship between the parties with respect to those employees covered by this Operational Supplement and shall be the sole source of any and all rights which may be asserted in arbitration hereunder or otherwise.

Except as expressly provided in Article __ (Recognition) and Article __ (Separability (Savings Clause)), the Employer and the Union, for the duration of this Agreement, voluntarily and unqualifiedly waive any and all rights to negotiate, discuss or bargain collectively with respect to any and all matters referred to or covered by this Agreement and Operational Supplement to the extent such matters pertain to employees covered by this Operational Supplement, even though such subject or matter may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or executed this Agreement.

It is agreed the Employer is allowed to make and implement reasonable rules, regulations, policies and procedures applying to facilities and employees covered by this Operational Supplement which do not contradict or modify this Agreement.

Any new rules, regulations, policies and procedures must be posted on the bulletin board at least fourteen (14) calendar days prior to their implementation. The Employer shall send a copy of any new such rule, regulation, policy or procedure to the Union by certified mail seven (7) calendar days prior to posting.

ARTICLE 18. WAGES

Application of wages shall be set forth in the applicable Local Riders.

ARTICLE 19. HOLIDAYS

Section 1. Designated Holidays

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

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

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

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

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

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

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

A qualified employee shall receive holiday pay for such holidays at his or her straight-time hourly rate. Such holiday pay shall be at the rate of eight (8) hours pay for employees in full-time positions and at the rate of four (4) hours per day for employees in part-time positions. If employees work on a designated holiday, they will be paid one and one-half (1 – ½) times their straight-time hourly rate for all hours worked.

Section 2. Floating Holidays

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

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

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

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

Employees whose status changes to other than regular full-time are ineligible for floating holidays, nor can they use floating holidays that were available to them in their regular full-time status.

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

ARTICLE 20. VACATION

Section 1. Vacation Accrual

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

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

Employees accrue vacation as follows:

Event	Vacation Accrual Rate*	Annual Vacation Allowance (Based on 40 hours paid/week for 52 weeks)
Upon Hire	3.846%	80 hours
On 4 th Anniversary	5.792%	120 hours
On 9 th Anniversary	7.692%	160 hours

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

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

$$\text{Hours Paid/Wk}^* \times \text{Weeks Paid} \times \text{Vacation Accrual Rate}^{**} = \text{Accrued Vacation Hours}$$

*Excludes overtime hours

****Based on years of service**

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

$$20 \text{ hrs.} \times 26 \text{ wks.} \times 5.769\% = 30 \text{ Accrued Vacation Hours}$$

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

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

Section 2. Vacation Accrual Cap

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

A Vacation Accrual Cap is determined using the following formula:

$$\text{Current Regularly Scheduled Hours/Week} \times 52 \text{ Weeks/Year} \times \text{Vacation Accrual Rate}^* \times 150\% = \text{Vacation Accrual Cap}$$

*Based on years of service

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

$$40 \text{ hrs./wk.} \times 52 \times 3.846\% \times 150\% = 120 \text{ hours}$$

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

Section 3. Vacation Scheduling And Usage

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

*Scheduled vacation requests existing upon the ratification date of this Agreement will be honored, and yet to be scheduled vacations, through [DATE] will be processed under the Company's current method of vacation scheduling.

2. The Company shall allow all employees, covered under this Agreement, an average of 10% vacation allotment each year. This allotment will range between 5% - 15% each month. The allotment allowed each month, and any blocked weeks, will be distributed to the employees prior to the annual bid.

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

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

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

Section 4. Hospitalization During Vacation Time

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

ARTICLE 21. SICK LEAVE

Section 1. Use of Sick Leave

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

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

Section 2. Amount of Sick Leave

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

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

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

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

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

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

Terminating employees will not be paid for unused sick leave.

ARTICLE 22. BEREAVEMENT LEAVE

Non-probationary unit employees shall be granted up to three (3) days of paid leave at regular straight-time rates of pay as compensation for actual work days lost due to the death of a member of the employee's immediate family, as defined herein.

“Immediate family,” as used herein, shall include: spouse, domestic partner, parents and step-parents, including in-laws; sisters, brothers, stepsisters and stepbrothers, including in-laws; grandparents, grandchildren, step grandparents and step grandchildren, including in-laws; and legal guardian relationships.

All such bereavement leave must be taken within seven (7) calendar days after the death, or it is waived.

Should an employee require additional time off from work in connection with the death, the employee may request to use personal time off or vacation time. Such requests shall not unreasonably be withheld.

A death certificate or other proof of death shall be submitted to the Employer, upon request.

An employee shall not be entitled to bereavement leave if, at the time of death, the employee is on a contractual holiday, any other leave of absence, layoff or otherwise is not actively at work for the Employer.

ARTICLE 23. LOAD PLANNER DIFFERENTIAL

If Employees perform the duties of a Load Planning Agent – Weight and Balance 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 24. LEAD DIFFERENTIAL

Lead personnel selected by the Employer under Article 6, Lead Personnel, 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 25. HEALTH INSURANCE ELIGIBILITY

For health insurance benefit purposes only, and independent of the terms of Article 9, Work Day, Work Week Scheduling, of this Agreement, all non-probationary employees who regularly work thirty-two (32) or more hours per week will be eligible to purchase the health insurance benefits available under this Agreement at the rate applicable to full-time employees. This eligibility will be determined, based upon a twice each year review on April 1 and October 1, by calculating if an individual has worked an average of thirty-two (32) hours or more per week for the preceding six (6) months. Based upon these calculations, eligible employees may purchase health insurance for the next six (6) months, effective January 1 after the October 1 calculation, and effective July 1 after the April 1 calculation.

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

ARTICLE 26. HEALTH AND WELFARE

All eligible non-probationary regular full-time and part-time employees may participate in existing DHL medical insurance programs, and will pay all applicable employee contributions. Effective [DATE], and for the remainder of this Agreement.

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

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

ARTICLE 27. 401(K) PLAN

All eligible non-probationary regular full-time and part-time employees will continue their current ability to participate in the DHL pension and 401(k) plans on the same terms as DHL employees not covered by this Agreement.