2008

NATIONAL MASTER
DHL
AGREEMENT
(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.

NATIONAL MASTER DHL AGREEMENT

DHL EXPRESS (USA), INC.

For the Period:

April 1, 2008 through March 31, 2013

Covering: operations in, between and over all of the states, territories and possessions of the United States, and operations into and out of all contiguous territory, to the extent specifically set forth herein and as may be modified from time to time by operation of the terms of this Agreement, its Operational Supplements, Regional Supplements, Local Riders, and/or other agreements reached by of the Parties.

DHL EXPRESS (USA), INC., hereinafter referred to as "Company" or "Employer" and the TEAMSTERS DHL NATIONAL NEGOTIATING COMMITTEE, representing Local Unions affiliated with the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, and Local Union No. _____, which is an affiliate of the INTERNATIONAL BROTHERHOOD OF TEAMSTERS, agree to be bound by the terms and conditions of this Agreement.

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ARTICLE 1. PARTIES TO THE AGREEMENT

Section 1. Employer Covered

The Employer signatory to this National Agreement, Operational Supplements, other Supplemental Agreements and/or Local Riders is DHL EXPRESS (USA), INC. This Agreement does not apply to the corporate parent of DHL EXPRESS (USA), INC. nor to any other wholly or partially owned or controlled subsidiaries of said corporate parent.

Section 2. Unions, Operations and Employees Covered

The Union consists of any Local Union which may become a party to this Agreement, Operational Supplements and any other Supplemental Agreement and/or Local Rider as hereinafter set forth. As used herein the general term "Supplements" includes the Operational Supplements. Such Local Unions are hereinafter designated as "Local Union." In addition to such Local Unions, the Teamsters DHL National Negotiating Committee ("TDHLNNC") representing Local Unions affiliated with the International Brotherhood of Teamsters, hereinafter referred to as the "National Union Committee" is also a party to this Agreement and the agreements supplemental thereto.

The Employer recognizes the Union as the sole and exclusive collective bargaining agent with respect to rates of pay, hours and other terms and conditions of employment for the employees in previously certified or recognized units referenced in Attachment A.

A list of all the Local Unions covered by this National Agreement and the associated categories of employees represented by said Local Unions is described in Attachment A to this National Agreement, which Appendix will be updated by the parties by mutual written agreement as additional operations become covered by this National Agreement.

Section 3. Transfer of Employer Title and Interest

The Employer's obligations under this Agreement and the supplements hereto shall be binding upon its successors, administrators, executors and assigns. The Employer agrees that the obligations of this Agreement shall be included in the agreement of sale, transfer or assignment of the business. In the event an entire active or inactive operation, or a portion thereof, are sold, leased, transferred or taken over by sale, transfer, lease, assignment, receivership or bankruptcy proceedings, such operation shall continue to be subject to the terms and conditions of this Agreement for the life thereof. Transactions covered by this provision include stock sales or exchanges, mergers, consolidations, spin-offs or any other method by which a business is transferred.

It is understood by this Section that the signatory Employer shall not sell, lease or transfer such business to a third party to evade this Agreement. In the event the Employer fails to require the purchaser, transferee, or lessee to assume the obligations of this Agreement, as set forth above, the Employer (including partners thereof) shall be liable to the Local Union(s) and to the employees covered for all damages sustained as a result of such

failure to require the assumption of the terms of this Agreement until its expiration date, but shall not be liable after the purchaser, the transferee or lessee has agreed to assume the obligations of this Agreement. The obligations set forth above shall not apply in the event of the sale, lease or transfer of a portion of the Employer's business comprising less than all of the signatory Employer's business to a non-signatory company unless the purpose is to evade this Agreement. Corporate reorganizations by the signatory Employer, occurring during the term of this Agreement, shall not relieve the signatory Employer or the re-organized Employer of the obligations of this Agreement during its term.

The Employer shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, assignee, or other entity involved in the sale, merger, consolidation, acquisition, transfer, spin-off, lease or other transaction by which the operation covered by this Agreement or any part thereof may be transferred. Such notice shall be in writing, with a copy to the Local Union, at the time the seller, transferor or lessor makes the purchase and sale negotiation known to the public or executes a contract or transaction as herein described, whichever first occurs. The Local Union shall also be advised of the exact nature of the transaction, not including financial details.

This Article does not apply to business transactions where the Company is simply selling, leasing, subleasing, assigning or otherwise transferring to a non-affiliated third party facilities, vehicles, equipment or other assets previously used in its business, but is *not* transferring to such party any of the work of bargaining unit employees, and where such work will continue to be performed by bargaining unit members using other facilities, vehicles, equipment or other assets as the Employer in its discretion deems most efficient and appropriate for the operation of its business.

ARTICLE 2. SCOPE OF AGREEMENT

Section 1. Scope and Approval of Local Supplements

It is the intent of the parties that generally negotiated terms and conditions of employment will be set forth in the National Agreement and applicable Operational Supplements, and that locally negotiated conditions generally will be narrowly limited in scope to locally negotiated economic provisions and local terms and conditions of employment. All Local Supplements and/or riders must be submitted to the National Union Committee for review and approval. Failure to be approved in writing by said Committee shall render a Local Supplement null and void. This provision does not alter or substitute for any procedures the Union has for membership ratification. Present supplements, riders, and addenda negotiated and approved shall remain in effect until renegotiated.

Section 2. Non-Covered Units

This Agreement shall not be applicable to those operations of the Employer where the employees are covered by a collective bargaining agreement with a Union not signatory to this Agreement, or to those employees who have not designated a signatory Union as their collective bargaining agent.

Notwithstanding the forgoing, the provisions of the national master DHL agreement and the applicable Supplements and/or Riders shall be applied without evidence of union representation of the employees involved to all subsequent additions to, and extensions of, current operations covered by the national master DHL agreement which adjoin and are controlled and utilized as a part of such current operation, and newly established terminals and consolidations of terminals which are controlled and utilized as a part of such operation.

Section 3. Single Bargaining Unit

It is the intent of the parties that each of the groups of represented employees referenced in Attachment A will be governed by this National Agreement and applicable Operational Supplements, together with any Local Supplements and/or riders.

All employees covered by this National Agreement, the Operational Supplements, and the various Supplements and/or Riders shall constitute one (1) bargaining unit. The printing of this National Agreement and the various Supplements and/or Riders in separate agreements is for convenience only and is not intended to create separate bargaining units.

Any lesser conditions contained in any Supplement, Rider or Addendum shall be superseded by the conditions contained in this National Agreement. However, nothing in this National Agreement shall deprive any employee of any superior benefit or term contained in their Supplement, Rider or Addendum.

Section 4. New or Changed Classifications

Any modifications to the current bargaining unit classifications must be negotiated with the National Union Committee and Local Unions involved. If agreement cannot be reached the dispute shall be submitted to the national grievance procedure.

ARTICLE 3. UNION SECURITY AND CHECKOFF

Section 1. Union Shop

(a) All present employees who are members of the Local Union on the effective date of this subsection or on the date of execution of this Agreement, whichever is the later, shall remain members of the Local Union as a condition of employment. Union membership

for purposes of this Agreement, is required only to the extent that employees must pay either (i) the Union's initiation fees and periodic dues or (ii) service fees which in the case of a regular service fee payer shall be equal to the Union's initiation fees and periodic dues, and in the case of an objecting service fee payer shall be the proportion of the initiation fees and dues corresponding to the portion of the Union's total expenditures that support representational activities. All present employees who are not members of the Local Union and all employees who are hired hereafter shall become and remain members of the Local Union as a condition of employment on and after the thirty-first (31st) calendar day following the beginning of their employment or on and after the thirty-first (31st) calendar day following the effective date of this subsection or the date of this Agreement, whichever is the later. An employee who has failed to acquire, or thereafter maintain, membership in the Union as herein provided, shall be terminated seventy-two (72) hours after his/her Employer has received written notice from an authorized representative of the Local Union, certifying that membership has been, and is continuing to be, offered to such employee on the same basis as all other members and, further, that the employee has had notice and opportunity to make all dues or initiation fee payments. This provision shall be made and become effective as of such time as it may be made and become effective under the provisions of the National Labor Relations Act, but not retroactively**.** For purposes of this Article, "present employees" and "employees who are hired hereafter" shall include probationary, "casual" and/or "part-time" employees." Such "casual" or "part-time" employees will be required to join the Union prior to their employment on or after the thirty-first (31st) calendar day following their first (1st) day of employment.

Hiring

(b) When the Employer needs additional employees, it shall give the Local Union equal opportunity with all other sources to provide suitable applicants, but the Employer shall not be required to hire those referred by the Local Union. Violations of this subsection shall be subject to the National Grievance Procedure.

Any employment examination for applicants must test skills or physical abilities necessary for performance of the work in the job classification in which the applicant will be employed. Violations of this subsection shall be subject to the National Grievance Procedure.

State Law

(c) No provision of this Article shall apply in any state to the extent that it may be prohibited by state law. If under applicable state law additional requirements must be met before any such provisions may become effective, such additional requirements shall be first met.

Agency Shop

(d) If any agency shop clause is permissible in any state where the provisions of this Article relating to the Union Shop cannot apply, the following Agency Clause shall prevail:

(1) Membership in the Local Union is not compulsory. Employees have the right to join, not join, maintain, or drop their membership in the Local Union, as they see fit. Neither party shall exert any pressure on, or discriminate against, an employee as regards such matters.

(2) Membership in the Local Union is separate, apart and distinct from the assumption by one of his/her equal obligation to the extent that he/she receives equal benefits. The Local Union is required under this Agreement to represent all of the employees in the bargaining unit fairly and equally without regard to whether or not an employee is a member of the Local Union. The terms of this Agreement have been made for all employees in the bargaining unit and not only for members in the Local Union, and this Agreement has been executed by the Employer after it has satisfied itself that the Local Union is the choice of a majority of the employees in the bargaining unit. Accordingly, it is fair that each employee in the bargaining unit pays his/her own way and assumes his/her fair share of the obligations along with the grant of equal benefits contained in this Agreement.

(3) In accordance with the policy set forth under subparagraphs (1) and (2) of this Section, all employees shall, as a condition of continued employment, pay to the Local Union, the employee's exclusive collective bargaining representative, an amount of money equal to that paid by other employees in the bargaining unit who are members of the Local Union, which shall be limited to an amount of money equal to the Local Union's regular and usual initiation fees, and its regular and usual dues. For present employees, such payments shall commence thirty-one (31) days following the effective date or on the date of execution of this Agreement, whichever is the later, and for new employees, the payment shall start thirty-one (31) days following the date of employment.

Savings Clause

(e) If any provision of this Article is invalid under the law of any state wherein this Agreement is executed, such provision shall be modified to comply with the requirements of state law or shall be renegotiated for the purpose of adequate replacement. If, however, such negotiations shall not result in mutually satisfactory agreement, either party may submit the dispute to the National Grievance Committee, which shall issue a decision implementing one of the parties' final offers.

Employer Recommendation

(f) In those instances where subsection (a) hereof may not be validly applied, the Employer agrees to recommend to all employees that they become members of the Local

Union and maintain such membership during the life of this Agreement, to refer new employees to the Local Union representative, and to recommend to delinquent members that they pay their dues since they are receiving the benefits of this Agreement.

Business agents shall be permitted to attend new employee orientation. The sole purpose of the business agent's attendance is to encourage employees to join the Union.

Future Law

(g) To the extent such amendment may become permissible under applicable federal and state law during the life of this Agreement as a result of legislative, administrative or judicial determination, all of the provisions of this Article shall be automatically amended to include the greater Union security provisions permitted by the amended federal or state law.

No Violation of Law

(h) Nothing contained in this Section shall be construed so as to require the Employer to violate any applicable law.

Section 2. Probationary Employees

Provisions regarding the use of probationary employees are as set forth in this section, except as modified and/or expanded in the applicable Supplement and/or Rider.

Probationary Employees

A. Definition. All newly hired employees within any unit covered by this Agreement, and any Local Supplement thereto, shall be subject to a probationary period for sixty (60) calendar days, commencing with the first day on which the probationary employee regularly performs work for the Employer as a regular full-time or part-time employee. Days lost from work for any reason during the probationary period shall not be considered in computing such time period. The Employer, Employee and the Union may agree in writing to a thirty (30) calendar day extension of the probationary period for new employees.

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

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

D. Benefits Eligibility. Unless otherwise provided, probationary employees shall not be entitled to fringe benefits set forth in this Agreement during their period of probationary employment and there shall be no retroactive payment for the same upon the successful completion of such period. Such probationary employees, however, shall be paid the contractual minimum wage rate for the classification in which they are placed. In those areas where Health, Welfare and Pension funds require payment then Employer shall make the necessary contributions.

Section 3. Checkoff

The Employer agrees to deduct from the pay of all employees covered by this Agreement the dues, initiation fees and/or uniform assessments of the Local Union having jurisdiction over such employees and agrees to remit to said Local Union all such deductions. Where laws require written authorization by the employee, the same is to be furnished in the form required. The Local Union shall certify to the Employer in writing each month a list of its members working for the Employer who have furnished to the Employer the required authorization, together with an itemized statement of dues, initiation fees (full or installment), or uniform assessments owed and to be deducted for such month from the pay of such member. The Employer shall deduct such amount within two (2) weeks following receipt of the statement of certification of the member and remit to the Local Union in one (1) lump sum within three (3) weeks following receipt of the statement of certification. The Employer shall add to the list submitted by the Local Union the names and Social Security numbers of all regular new employees hired since the last list was submitted and delete the names of employees who are no longer employed. Checkoff shall be on a monthly or per pay period basis at the option of the Union. The Local Union and Employer may agree to an alternative option to deduct Union dues bi-monthly.

When an Employer actually makes a deduction for dues, initiation fees and assessments, in accordance with the statement of certification received from an appropriate Local Union, the Employer shall remit same no later than three (3) weeks following receipt of the statement of certification and in the event the Employer fails to do so, the Employer shall be assessed ten percent (10%) liquidated damages. All monies required to be checked off shall become the property of the entities for which it was intended at the time that such checkoff is required to be made. All monies required to be checked off and paid over to other entities under this Agreement shall become the property of those entities for which it was intended at the time that such payment or checkoff is required to be made.

Where an employee who is on checkoff is not on the payroll during the week in which the deduction is to be made, or has no earnings or insufficient earnings during that week, or is on leave of absence, the employee must make arrangements with the Local Union and/or the Employer to pay such dues in advance.

The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to DRIVE. DRIVE shall notify the Employer of the

amounts designated by each contributing employee that are to be deducted from his/her paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" excludes any week other than a week in which the employee earned a wage. The Employer shall transmit to DRIVE National Headquarters on a monthly basis, in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's social security number and the amount deducted from that employee's paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the Employer's actual cost for the expenses incurred in administering the weekly payroll deduction plan.

The Employer will recognize authorization for deductions from wages, if in compliance with state law, to be transmitted to Local Union or to such other organizations as the Union may request if mutually agreed to. No such authorization shall be recognized if in violation of state or federal law. No deduction shall be made which is prohibited by applicable law.

In the event that an Employer has been determined to be in violation of this Article by the decision of an appropriate grievance committee and/or arbitrator, and if such Employer subsequently is in violation thereof after receipt of seventy-two (72) hours' written notice of specific delinquencies, the Local Union may strike to enforce this Article. However, such strike shall be terminated upon the delivery thereof. Errors or inadvertent omissions relating to individual employees shall not constitute a violation.

Upon written request of an employee, the Employer shall make payroll deductions for the purchasing of U. S. Savings Bonds. The Employer hereby agrees to participate in the Teamsters National 401(k) Savings Plan (the "Plan") on behalf of all employees represented for purposes of collective bargaining under this Agreement. The Employer is not required to participate in the Teamsters National 401(k) if Teamsters employees were eligible to participate in an Employer sponsored 401(k) as of January 1, 1998.

The Employer will make or cause to be made payroll deductions from participating employee's wages, in accordance with each employee's salary deferral election subject to compliance with ERISA and the relevant tax code provisions. The Employer will forward with held sum to State Street Bank or its successor at such time, in such form and manner as required pursuant to the Plan and Declaration of Trust (the "Trust").

The Employer will execute a Participation Agreement with the National Union Committee and the Trustees of the Plan evidencing Employer participation in the Plan effective prior to any employee deferral being received by the Plan.

Section 4. Local Union

The term "Local Union" as used herein refers to the IBT Local Union which represents the employees of the Employer for the purpose of collective bargaining at the particular place or places of business to which this Agreement and the Supplements thereto are applicable, unless jurisdiction over such employees, or any number of them, has been

transferred to some other Local Union, in such a manner as may be recognized herein, in which case the term Local Union as used herein shall refer to such other Local Unions. Nothing herein contained shall be construed to alter the multi-union unit or single contract status of this Agreement.

Section 5. Electronic Funds Transfer

If the Employer institutes an electronic funds transfer (EFT) system, employees may participate.

ARTICLE 4. UNION STEWARDS, NOTIFICATION, AND ACCESS

Section 1. Union Notification to Employer of Union Officials and Representatives

Each Local Union shall notify the Employer in writing (to the Facility Manager(s) where employees work and the VP of Labor for DHL) of the names of all Union Stewards and all Local Union Representatives with authority to act on behalf of the Local Union under the parties' labor agreement. The National Union Committee shall notify the Employer in writing (to the VP of Labor for DHL) of the names of all Officials with authority to act on behalf of the National Union Committee with regard to the parties' labor agreement. The Company shall be free to rely upon such written authorization, and may refuse to deal with any individual as an authorized representative of the National Union Committee or Local Union in the absence of such written authorization.

Section 2. Union Visitation Privileges

A. Authorized agents of the Union shall have access to the Employer's establishment during working hours for the purpose of adjusting disputes, investigating working conditions, collecting dues and ascertaining that the Agreement is being adhered to.

B. For purposes of this Section 2 of the Agreement only, the term Union Representative refers to official Union representatives and excludes any and all actively employed unit employees, including stewards.

C. Facility access under this Agreement shall be governed by the terms of the applicable Operational Supplement hereto, provided that in all circumstances the Union Representatives will comply with all applicable TSA and other regulatory requirements with regard to security and facility access.

Section 3. Printing of Agreement

The cost of printing copies of the Agreement shall be split equally between the parties.

ARTICLE 5. SENIORITY RIGHTS

The Employer recognizes the principle of seniority. The application of seniority shall be set forth in the appropriate Operational Supplements.

ARTICLE 6. CONFLICTING AND EXTRA CONTRACT AGREEMENTS

Section 1. Maintenance of Standards

Provisions regarding Maintenance of Standards shall be set forth in the appropriate Operational Supplements of this agreement.

Section 2. Extra Contract Agreements

(a) The Employer agrees not to enter into any agreement or contract with its employees, individually or collectively, which in any way conflicts with the terms and provisions of this Agreement. Any such agreement shall be null and void.

(b) Every profit-sharing plan, condition, or incentive plan of any type, whether or not it alters or amends the economic conditions contained in this Agreement, must be negotiated and agreed to by TDHLNNC prior to implementation. Nothing in this Section shall be construed to apply to existing safety programs or other prizes or bonus items the receipt of which do not alter the economic terms of this Agreement.

Section 3. Workweek Reduction

If either the Fair Labor Standards Act or the Hours of Service Regulations are subsequently amended so as to result in substantial penalties to either the employees or the Employer, a written notice shall be sent by either party requesting negotiations to amend those provisions which are affected.

Thereafter, the parties shall enter into negotiations for the purpose of arriving at a mutually satisfactory solution. If the parties are unable to reach agreement the matter shall be resolved through the national grievance procedure.

ARTICLE 7. GRIEVANCE AND ARBITRATION PROCEDURE

Section 1. Definition

A “grievance” is defined as any complaint or dispute arising under and during the term of this Agreement raised by the employee or Union against the Employer involving an

alleged violation, misinterpretation or misapplication of a provision of this Agreement. All such disputes shall be adjusted and settled solely and exclusively in accordance with the procedures set forth in this Article.

Section 2. Procedure

Step 1 – With regard to disciplinary matter, a grievance must be filed within ten (10) calendar days of the receipt of discipline. With regard to all other matters, a grievance must be filed within thirty (30) calendar days of when the Union or affected employee(s) should have become aware of the events giving rise to the dispute. The grievance shall be reduced to writing and presented to the Facility Manager or his designee. The Steward, employee(s) involved and the Facility Manager or his designee(s) shall meet within ten (10) calendar days after the grievance is presented to attempt to resolve it. The Facility Manager or his designee shall provide a written answer to the Steward within ten (10) calendar days of such meeting.

Step 2 – If the grievance is not resolved at Step 1, then the grievance automatically moves to Step 2. The Facility Manager and a Business Agent of the Local Union shall meet and attempt to resolve the grievance. The Facility Manager or his designee shall provide a written answer to the Business Agent within ten (10) calendar days of such meeting.

Step 3 – Any grievance unresolved at Step 2 will be docketed to the appropriate Regional Joint Grievance Committee within ten (10) calendar days of receipt of the Step 2 answer. However, Local Unions shall have the option of electing to have a state panel. Such election shall be binding on the Local Union for the duration of this Agreement. In staffing any state panel under this provision, the Employer shall have the option of utilizing MCLAC or DHL management from outside the region for its side of the panel. The Regional Joint Grievance Committee shall be composed of two members designated by the Company and two members designated by the Union, which shall not include any Union designee or representative from the Local Union involved in the dispute or Company designee or representative from the local operations involved in the dispute. The Union shall be entitled to one postponement by right, and the Company shall be entitled to a postponement only with the mutual agreement of the Union. The Regional Joint Grievance Committee shall consider all grievances at its next quarterly meeting which are docketed at least ten (10) calendar days prior to the next quarterly meeting. Grievances may be resolved at the Regional Joint Grievance Committee level only by a majority of the members of the committee, and the resolution of any grievance by the Regional Joint Grievance Committee shall be final and binding on the Company, Union and employees. Decisions of the Regional Joint Grievance Committee shall be rendered at the time of the meeting, reduced to writing and signed by members of the Committee who participated in the deliberations and decision-making, and issued within ten (10) calendar days following the meeting at which the grievance was considered. If a majority of the members of the Regional Joint Grievance Committee are unable to reach agreement on the resolution of the grievance, it shall be considered deadlocked. Regional Joint Grievance Committee meetings shall be heard in the same locations and days where

the Freight hearings are held. Records of the Regional Joint Grievance Committee hearings shall be comprised of a written transcript and exhibits. The Rules and Procedures of the Regional Joint Grievance Committee will be established by the National Grievance Committee within 60 days of the effective date of this agreement.

Step 4 – If a grievance is deadlocked at Step 3, it will be advanced to the National Grievance Committee. The National Grievance Committee shall consist of an equal number, but no more than four (4), representatives from each party. The National Grievance Committee shall meet quarterly. Any grievance referred to the National Grievance Committee at least ten (10) calendar days before the next quarterly meeting will be considered at such meeting. The deadline for the National Grievance Committee to issue a written decision shall be thirty (30) calendar days after it meets on a case. Grievances can be resolved at Step 4 only by majority decision of the National Grievance Committee in a written decision signed by members of the National Grievance Committee. A decision of the National Grievance Committee shall be final and binding on the Company and Union.

Section 3. Arbitration

A mutually agreed upon arbitrator shall be present with the National Grievance Committee when it considers its cases. If the National Grievance Committee cannot reach a decision, either party may immediately refer the matter to the neutral arbitrator who shall make the decision. The arbitrator shall issue a concise decision on the underlying grievance by bench decision on the date on which the National Grievance Committee considered the matter. The record before the National Grievance Committee shall consist only of the transcript and exhibits from earlier Steps. The fees and expenses of the arbitrator, as well as hearing room and transcript costs, shall be borne by the Company. Each party shall be responsible for any costs associated with their representatives.

The parties shall agree to a panel of five (5) permanent arbitrators, who will rotate quarterly in the hearing of cases arising under this Agreement. Prior to the first meeting the National Grievance Committee shall agree upon the list of standing arbitrators, as well as the procedure for replacing an arbitrator who is no longer available during the term of this Agreement.

Attorneys, other than full-time employees of the Union or Company and who are not employed in their capacities as attorneys, will not be permitted to attend or participate in any step of the grievance/arbitration procedure.

Section 4. Advance Level Filing in the Case of National Disputes

If the parties agree that a timely-filed grievance involves a dispute over the interpretation or application of this National Agreement or any of its Operational Supplements that is not simply local in nature, but involves or could involve more than one facility or Local Union, then the parties may mutually agree to advance the grievance directly to Step 3 so

that the appropriate record can be made. Upon completion of the record, the matter will proceed directly to Step 4 (including arbitration if necessary). The Parties agree that the grievance will be presented at the Joint Regional Grievance Committee solely for the purpose of developing the record and a transcript for the National Grievance Committee.

Section 5. Grievant's Bill of Rights

All employees who file grievances are entitled to have their cases decided fairly and promptly. In order to satisfy these objectives and promote confidence in the integrity of the grievance procedures, all employees who file grievances are entitled to the following rights:

1. A Grievant may attend a Step 1 meeting without loss of pay if it is held during the Grievant's regularly scheduled work hours.

2. Grievants and local stewards shall be informed by their Local Union of the time and place of any Step 3 Regional Joint Grievance Committee hearings in which they are involved.

3. Grievants and local stewards are permitted to attend, at their own expense and on their own time, the hearing at Step 3 before the Regional Joint Grievance Committee in cases in which they are involved.

4. The Employer shall provide any information relevant to a grievance containing specific factual allegations within fifteen (15) calendar days of receipt of a written request by the Local Union, steward or grievant. The Local Union or grievant shall provide any information relevant to such a grievance within fifteen (15) calendar days of receipt of a written request by the Employer.

5. All cases heard at Step 3 before the Regional Joint Grievance Committee (or at the National Grievance Committee under Section __of this Article) shall be transcribed by a certified court reporter or otherwise reliably recorded, except for executive sessions. Transcriptions of those proceedings shall be prepared in response to a written request by the Local Union at the reasonable cost of transcription. No recording devices shall be used in any Regional Joint Grievance Committee hearing except as specifically authorized under the Rules of Procedure of the Regional Joint Grievance Committee or by mutual consent of the co-chairpersons.

6. A grievant or steward may request permission to present evidence or argument in support of their case to the Regional Joint Grievance Committee in addition to the evidence or argument presented by the Local Union.

7. The Regional Joint Grievance Committee shall, upon request, issue a copy of the grievance decision or transcript pages containing the hearing proceedings and the decision to the grievant and/or a Local Union.

8. A copy of the Rules of Procedure of the Regional Joint Grievance Committee, including the Grievant's Bill of Rights, shall be provided, upon request, to the grievant prior to the commencement of the grievance hearing before the Regional Joint Grievance Committee.

Section 6. Time Limit for Filing

A grievance shall be considered waived if not filed within the time limits set forth in this Agreement. The parties may by mutual written agreement extend any of the time limits set forth in this Article.

Section 7. Authority of Arbitrator

The decision of the arbitrator on any matter which shall have been submitted in accordance with the provisions of this Agreement shall be final and binding on the Employer, Union and the employees, and the decision of the Union not to proceed to arbitration shall also be binding on the employees. The arbitrator shall have no authority to add to, subtract from or otherwise alter the provisions of this Agreement.

In the event the Employer fails to comply with a decision rendered by a grievance committee, the Local Union shall give the Employer a seventy-two (72) hour (excluding Saturday, Sunday and holidays) prior written notice of the Local Union's authorization of strike action, which notice shall specify the basis for the compliance failure. If the Employer believes that it is in compliance or that there is a clarification needed in order to comply, the matter of compliance and/or clarification shall be submitted to the grievance committee that decided the case. The question of compliance or clarification shall be determined by the grievance committee within forty-eight (48) hours after receipt of the Employer request. The forty-eight (48) hour period for the grievance committee to determine the question of compliance or clarification shall run concurrently with the seventy-two (72) hour notice prior to a strike. The grievance committee may meet telephonically to consider and decide questions of compliance or clarification.

Section 8. Timely Payment of Grievances

All monetary grievances that have been resolved either by decision or through settlement shall be paid within twenty-one (21) calendar days of formal notification of the decision or date of settlement. If the Employer fails to pay a monetary grievance in accordance with this Section, the Employer shall pay as liquidated damages to each affected grievant eight (8) hours straight time pay for each day the Employer delays payment, commencing the date the grievant(s) notified the Employer of such non-payment.

Section 9. No Strike/No Lockout

As a corollary to the national dispute resolution procedure, and unless specifically set forth otherwise in this Agreement (including Section 7 and Section 12 of this Article) or any Supplements or Riders hereto, the Local Union agrees that it shall not call, institute, or authorize any strikes, walkouts, sitdowns, slowdowns or other concerted refusals to work, and the Employer will not lockout, over any matter that can be resolved through the national grievance procedure during the life of this Agreement.

Section 10. Union Responsibility in the Event of Unauthorized Strike

The Local Union shall not authorize any work stoppages, slowdown, walkout, or cessation of work in violation of this Agreement. It is further agreed that in all cases of an unauthorized strike, slowdown, walkout, or any unauthorized cessation of work which is in violation of this Agreement the Union shall not be liable for damages resulting from such unauthorized acts of its members.

In the event of a work stoppage, slowdown, walkout or cessation of work, the Employer shall immediately send a wire or fax to the Chairman of the TDHLNNC to determine if such strike, etc., is authorized. No strike, slowdown, walkout or cessation of work alleged to be in violation of this Agreement shall be deemed to be authorized unless notification thereof by facsimile has been received by the Employer and the Local Union from the Chairman of the TDHLNNC. If no response is received by the Employer within twenty-four (24) hours after request, excluding Saturdays, Sundays, and holidays, such strike, etc., shall be deemed to be unauthorized for the purpose of this Agreement.

In the event of such unauthorized work stoppage or picket line, etc., in violation of this Agreement, the Local Union shall immediately make every effort to persuade the employees to commence the full performance of their duties and shall immediately inform the employees that the work stoppage and/or picket line is unauthorized and in violation of this Agreement.

The TDHLNNC, and Local Unions shall make immediate efforts to terminate any strike or stoppage of work as aforesaid which is not authorized by such organizations, without assuming liability therefore. For and in consideration of the agreement of the TDHLNNC and Local Unions affiliated with the International Brotherhood of Teamsters to make the aforesaid efforts to require Local Unions and their members to comply with the law or the provisions of this Agreement, including the provisions limiting strikes or work stoppages, the Employer agrees that it will not hold the International Brotherhood of Teamsters, TDHLNNC and Local Unions liable or sue them in any court or before any administrative tribunal for undertaking such efforts to terminate unauthorized strikes or stoppages of work as aforesaid or for undertaking such efforts to require Local Unions and their members to comply with the law or the provisions of this Agreement. It is further agreed that the Employer will not hold the International Brotherhood of Teamsters, TDHLNNC or Local Unions liable or sue them in any court or before any administrative tribunal for such unauthorized work stoppages alleging condonation,

ratification or assumption of liability for undertaking such efforts to terminate strikes or stoppages of work, or requiring Local Unions and their members to comply with the law or the provisions of this Agreement.

It is understood and agreed that failure by the International Brotherhood of Teamsters, and/or TDHLNNC to authorize a strike by a Local Union shall not relieve such Local Union of liability for a strike authorized by it and which is in violation of this Agreement.

The question of whether the International Union, TDHLNNC, Joint Council or Local Union have met its obligation set forth in the immediately preceding paragraphs, or the question of whether the International Union, TDHLNNC, and Joint Council or the Local Union, separately or jointly, participated in an unauthorized work stoppage, slowdown, walkout or cessation of work in violation of this Agreement by calling, encouraging, assisting or aiding such work stoppage, etc., in violation of this Agreement, or the question of whether an authorized strike is in violation of this Agreement, or whether an Employer engaged in a lockout in violation of this Agreement, shall be submitted to the grievance procedure at the national level, prior to the institution of any damage suit action. When requested, the co-chairpersons of the National Grievance Committee shall immediately appoint a subcommittee to develop a record by collecting evidence and hearing testimony, if any, on the questions of whether the International Union, TDHLNNC, Joint Council or Local Union have met its obligations as aforesaid, or of Union Participation or Employer lockout in violation of this Agreement. The record shall be immediately forwarded to the National Grievance Committee for decision.

A majority decision of the National Grievance Committee on the questions presented as aforesaid shall be final and binding on all parties. If such majority decision is rendered in favor of one (1) or more of the Union entities, or the Employer, in the case of lockout, no damage suit proceedings on the issues set forth in this Article shall be instituted against such Union entity or such Employer. If the National Grievance Committee decides that a strike was unlawful, it shall not have the authority to assess damages. Except as provided in this subsection, agreement to utilize this procedure shall not thereafter in any way limit or constitute a waiver of the right of the Employer or Union to commence damage suit action. However, the use of evidence in this procedure shall not waive the right of the Employer or Union to use such evidence in any litigation relating to the strike or lockout, etc., in violation of this Agreement.

Section 11. Disciplinary Penalties for Violation of No Strike Clause

It is specifically understood and agreed that the Employer during the first twenty-four (24) - hour period of such unauthorized work stoppage in violation of this Agreement, shall have the sole and complete right of reasonable discipline, including suspension from employment, up to and including thirty (30) days, but short of discharge, and such employees shall not be entitled to or have any recourse to the grievance procedure. In addition, it is agreed between the parties that if any employee repeats any such unauthorized strike, etc., in violation of this Agreement, during the term of this Agreement, the Employer shall have the right to further discipline or discharge such

employee without recourse for such repetition. After the first twenty-four (24) - hour period of an unauthorized stoppage in violation of this Agreement, and if such stoppage continues, the Employer shall have the sole and complete right to immediately further discipline or discharge any employee participating in any unauthorized strike, slowdown, walkout, or any other cessation of work in violation of this Agreement, and such employees shall not be entitled to or have any recourse to the grievance procedure. The suspension or discharge herein referred to shall be uniformly applied to all employees participating in such unauthorized activity. The Employer shall have the sole right to schedule the employee's period of suspension.

Section 12. Delinquent Health & Welfare and Pension Obligations

In the event the Employer is delinquent in its health & welfare or pension payments in the manner required by this agreement or applicable supplements and/or riders, the Local Union shall have the right to take whatever action it deems necessary until such delinquent payments are made. The Local Union shall give the Employer a seventy-two (72) hour, (excluding Saturday, Sunday and holidays) prior written notice of the Local Union's authorization of strike action which notice shall specify the failure to make health & welfare or pension payments providing the basis for such strike authorization. In no event shall the Union have the right to strike over a dispute concerning eligibility and/or a payment of health & welfare or pension contributions by the Employer on behalf of specific individuals, and such disputes shall be subject to the grievance procedure. Such notice shall be provided in writing by confirmed delivery to the DHL Vice President of Labor Relations.

ARTICLE 8. PROTECTION OF RIGHTS

Section 1. Picket Lines: Sympathetic Action

It shall not be a violation of this Agreement, and it shall not be cause for discharge, disciplinary action or permanent replacement in the event an employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line sanctioned by TDHLNNC, including the primary picket line of Unions party to this Agreement, and including primary picket lines at the Employer's places of business. In such circumstances, the Employer may exercise its lawful rights to get the work done.

Section 2. Struck Goods

It shall not be a violation of this Agreement and it shall not be cause for discharge, disciplinary action or permanent replacement if any employee refuses to perform any

service which his/her Employer undertakes to perform as an ally of an Employer or person whose employees are on strike and which service, but for such strikes, would be performed by the employees of the Employer or person on strike.

ARTICLE 9. LOSS OR DAMAGE

Section 1. Loss, Damage or Theft

In the event loss, damage or theft of freight, equipment, materials, or supplies is incurred as a direct result of a willful gross negligent act by an employee in the performance of assigned work, when such act knowingly may result in such loss, damage or theft, the employee may be held responsible for such acts and may be required to assume liability for any such loss, damage or theft, in whole or in part. The term "willful, gross negligent acts" is intended to describe independent actions of any employee who knowingly violates established rules or policies that, when adhered to, clearly prevent loss, damage or theft described herein. Employees shall not be held responsible or required to assume liability for loss or damage or theft unless clear proof of willful, gross negligence is shown. In no event will an employee be held responsible for, or required to assume any liability for any loss, damage or theft when performing assigned work in a manner as specifically instructed by a supervisor. This Article shall not be utilized in any manner to hold an employee liable for any loss or damage of equipment under any conditions or for any damage to cargo as a result of a vehicular accident.

Section 2. Responsibility and Liability

Prior to an employee being charged with the responsibility and liability for any loss, damage or theft because of willful gross negligent acts on the part of the employee, a hearing shall be held with the Local Union, the employee and the Employer. Employees who are found to be liable and required to make restitution for such liability, shall not then be subject to any further disciplinary action. Any disputes between the parties may be referred to the grievance procedure.

ARTICLE 10. BONDS AND INSURANCE

Section 1. Bonds

Should the Employer require any employee covered by this Agreement to give bond, cash bond shall not be compulsory, and any premium involved shall be paid by the Employer. The primary obligation to procure the bonds shall be on the Employer. If the Employer cannot arrange for a bond within ninety (90) days, it must so notify the employee in writing. Failure to so notify shall relieve the employee of the bonding requirement. If proper notice is given, the employee shall be allowed thirty (30) days from the date of such notice to make his/her own bonding requirements, standard premiums only on said

bond to be paid by the Employer. A standard premium shall be that premium paid by the Employer for bonds applicable to all other of its employees in similar classifications. Any excess premium is to be paid by the employee. Cancellation of a bond after once issued shall not be cause for discharge unless the bond is cancelled for cause which occurs during working hours, or due to the employee having given a fraudulent statement in obtaining said bond.

Section 2. Corporate Owned Life Insurance

The Employer will not own and/or be the beneficiary of any life insurance policy on the life or lives of any members of the bargaining unit without obtaining the explicit authorization of the Teamsters DHL National Negotiating Committee and the individual affected employees.

ARTICLE 11. WORKERS COMPENSATION

Section 1. Compensation Claims

(a) The Employer agrees to cooperate toward the prompt disposition of employee on-the-job injury claims. The Employer shall provide worker's compensation protection for all employees even though not required by state law, or the equivalent thereof, if the injury arose out of or in the course of employment. No employee will be disciplined or threatened with discipline as a result of filing an on-the-job injury report. The Employer or its designee shall not visit an injured worker at his/her home without his/her consent.

(b) At the time an injury report is turned in, the Employer shall provide the injured employee with an information sheet briefly outlining the procedure for submitting a worker's compensation claim to include the name, address and phone number of the company's worker's compensation representative and other pertinent information relative to claim payment.

(f) The Employer agrees to provide any employee injured locally transportation at the time of injury, from the job to the medical facility and return to the job, or to his/her home if required.

(g) In the event of a fatality arising in the course of employment, while away from the home terminal, the Employer shall return the deceased to his/her home at the point of domicile.

(h) The Employer may publish reasonable safety rules and procedures and provide the Local Union with a copy. Failure to observe such reasonable rules and/or procedures shall subject the employee to disciplinary action in accordance with the disciplinary procedures in the applicable Supplemental Agreement. However, the time limitation relative to prior offenses shall be waived to permit consideration of the employee's entire

record of failure to observe reasonable safety rules and/or procedures resulting in lost time personal injuries. This provision does not apply to vehicular accidents.

When issuing progressive discipline under the terms and conditions of the applicable Operational Supplement, it is understood that the time limitation relative to prior offenses of failure to observe reasonable safety rules and/or procedures resulting in lost time injuries is waived and may be included in the disciplinary process.

However it is also understood that when an employer issues progressive discipline, the employer shall not utilize prior discipline that is in excess of three (3) years old when issuing additional progressive discipline, unless the employee has shown a pattern of failure to observe reasonable safety rules and/or procedures resulting in lost time injuries.

Section 2. Modified Work

This section applies only to employees working under PU&D and Office Clerical Operational Supplements.

(a) The Employer may establish a modified work program designed to provide temporary opportunity to those employees who are unable to perform their normal work assignments due to a disabling on-the-job injury. Recognizing that a transitional return-to-work program offering both physical and mental therapeutic benefits will accelerate the rehabilitative process of an injured employee, modified work programs are intended to enhance worker's compensation benefits and are not to be utilized as a method to take advantage of an employee who has sustained an industrial injury, nor are they intended to be a permanent replacement for regular employment.

An active employee, who is injured on the job, qualifies for workers' compensation benefits and is subsequently laid off, will continue to receive compensation payments and benefits for the period provided by his/her supplement.

(b) Implementation of a modified work program shall be at the Employer's option and shall be in strict compliance with applicable federal and state worker's compensation statutes. Acceptance of modified work shall be on a voluntary basis at the option of the injured employee. However, refusal to accept modified work by an employee, otherwise entitled to worker's compensation benefits, may result in a loss or reduction of such benefits as specifically provided by the provisions of applicable federal or state worker's compensation statutes. Employees who accept modified work shall continue to be eligible to receive "temporary partial" worker's compensation benefits as well as all other entitlements as provided by applicable federal or state worker's compensation statutes.

Employees who need additional medical and/or physical therapy may go for such treatments during scheduled hours for modified work whenever practical and reasonable.

(c) At facilities where the Employer has a modified work program in place, temporary modified assignments shall be offered in seniority order to those regular full time

employees who are temporarily disabled due to a compensable worker's compensation injury and who have received a detailed medical release from the attending physician clearly setting forth the limitations under which the employee may perform such modified assignments. Once a modified work assignment is made and another person is injured, the second person must wait until a modified work opening occurs, regardless of seniority. All modified work assignments must be made in strict compliance with the physical restrictions as outlined by the attending physician. All modified work program candidates must be released for eight (8) hours per day, five (5) days per week. The Employer at its option, may make a modified work offer of less than eight (8) hours per day where such work is expected to accelerate the rehabilitative process and the attending physician recommends that the employee works back to regular status or up to eight (8) hours per day by progressively increasing daily hours. A copy of any release for modified work must be given to the employee before the modified work assignment begins.

It is understood and agreed that those employees who, consistent with professional medical evaluations and opinion, may not be expected to receive an unrestricted medical release, or whose injury has been medically determined to be permanent and stationary, shall not be eligible to participate in a modified work program.

In the event of a dispute related to conflicting medical opinion, such dispute shall be resolved pursuant to established worker's compensation law and/or the method of resolving such matters as outlined in the applicable Supplemental Agreement. In the absence of a provision in the Supplemental Agreement, the following shall apply:

When there is a dispute between two (2) physicians concerning the release of an employee for modified work, such two (2) physicians shall immediately select a third (3rd) neutral physician within seven (7) days, who shall possess the same qualifications as the most qualified of the two selecting physicians, whose opinion shall be final and binding on the Employer, the Union and the employee. In the event the availability of a qualified physician is in question, the Local Union and the Company shall resolve such matter by selecting the third (3rd) physician whose opinion shall be final and binding. The expense of the third (3rd) physician shall be equally divided between the Employer and the Union. Disputes concerning the selection of the neutral physician or back wages shall be subject to the grievance procedure.

For locations where the Employer intends to implement a modified work program or has a modified work program in place, the Local Union shall be provided with a copy of the current form(s) being used for employee evaluation for release and general job descriptions. This information shall be general in nature, not employee specific.

When a modified work assignment is made, the employee shall be provided with the hours and days he/she is scheduled to work as well as the nature of the work to be performed in writing. A copy of this notice shall also be submitted to the Local Union.

An employee who is placed in a modified work position may be subject to medical evaluation(s) by a physician selected by the Employer to determine if the modified work being performed is accelerating the rehabilitative process as anticipated by Section 2 above. In the event such medical evaluation(s) determine that the rehabilitative process is not being accelerated, the employee shall have the right to seek a second opinion from a physician of his choosing. Any disputes regarding conflicting medical claims shall be resolved in accordance with the provisions outlined above. The employee may be removed from the modified work program based upon final medical findings under this procedure. Employees so removed shall not have their worker's compensation benefits affected because of such removal. In the event the employee's temporary disability worker's compensation benefit is subject to reduction by virtue of an applicable Federal or State statute, the Employer shall pay the difference between the amount of the reduced temporary worker's compensation benefit to which the employee would be entitled.

(d) Modified work shall be restricted to the type of work that is not expected to result in a re-injury and which can be performed within the medical limitations set forth by the attending physician. In the event the employee, in his/her judgment, is physically unable to perform the modified work assigned, he/she shall be either reassigned modified work within his/her physical capabilities or returned to full "temporary total" worker's compensation benefits. In the event a third (3rd) party insurance carrier refuses to reinstate such employee to full temporary total disability benefits, the Employer shall be required to pay the difference between the amount of the benefit paid by such third (3rd) party insurer and full total temporary disability benefits. Determination of physical capabilities shall be based on the attending physicians medical evaluation. Under no conditions will the injured employee be required to perform work at that location subject to the terms and conditions of the National Agreement or its Supplements and/or Riders, provided that such employee may be required to perform letter scanning, sorting, and re-weighing in a manner consistent with physician's restrictions. Prior to acceptance of modified work, the affected employee shall be furnished a written job description of the type of work to be performed.

(e) The modified workday and workweek shall be established by the Employer within the limitations set forth by the attending physician. However, the workday shall not exceed eight (8) hours, inclusive of coffee breaks where applicable and exclusive of a one-half (1/2) hour meal period and the workweek shall not exceed forty (40) hours, Monday through Friday, or Tuesday through Saturday, unless the nature of the modified work assignment requires a scheduled workweek to include Sunday. Whenever possible, the Employer will schedule modified work during daylight hours, Monday through Friday, or during the same general working hours and on the same workweek that the employee enjoyed before he/she became injured. In the case of an employee whose workdays and/or hours routinely varied, the Employer will schedule the employee based on the availability of the modified assignment being offered. Any alleged abuse of the assignment of workdays and work hours shall be subject to the grievance procedure.

(f) Modified work time shall be considered as time worked when necessary to satisfy vacation and sick leave eligibility requirements as set forth in the National Agreement,

Supplements and/or Riders. In addition to earned vacation pay as set forth in the applicable Supplements and/or Riders, employees accepting modified work shall receive prorated vacation pay for modified work performed based on the weekly average modified work pay. The only time modified work is used in prorating vacation is when the employee did not qualify under the applicable Supplements and/or Riders.

Holiday pay shall first be paid in accordance with the provisions of the applicable Supplements and/or Riders as it relates to on-the-job injuries. Once such contractual provisions have been satisfied, holidays will be paid at the modified work rate which is the modified work wage plus the temporary partial disability benefit.

Sick leave and funeral leave taken while an employee is performing modified work will be paid at the modified work rate, which is the modified work wage plus the temporary partial disability benefit. Unused sick leave will be paid at the applicable contract rate where the employee performed modified work and qualified for the sick leave during the contract year.

(g) The Employer shall continue to remit contributions to the appropriate health & welfare and pension trusts during the entire time period employees are performing modified work. The payment of health & welfare and pension contributions while the employee is on modified work is not included in the health & welfare and pension contributions required by the Supplement when an employee is off work on worker's compensation. Continuation of such contributions beyond the period of time specified in the Supplements and/or Riders for on-the-job injury shall be required. Provisions of this Section shall not be utilized as a reason to disqualify or remove an employee from the modified work program.

(h) Employees accepting modified work shall receive temporary partial benefits as determined by each respective state worker's compensation law, plus a modified work wage when added to such temporary partial benefit, shall equal not less than eighty-five percent (85%) of forty (40) hours' pay he/she would otherwise be entitled to under the provisions of the applicable Supplements and/or Riders for the first six (6) months from the date the modified work assignment commences. After this initial six (6) month period, the percentage shall increase to ninety percent (90%) for the duration of each individual modified work assignment. The Employer shall not refuse to assign modified work to employees based solely on such employees reaching the ninety percent (90%) wage level. Such refusal shall be considered an abuse of the program and shall be subject to the grievance procedure. Modified work assignments beginning or ending within a workweek shall be paid on a prorated basis; one (1) day equals one-fifth (1/5th).

(i) Employees accepting modified work shall not be subject to disciplinary action provisions of the Operational Supplements, Supplements and/or Riders unless such violation involves an offense for which no prior warning notice is required under the applicable Operational Supplements (Cardinal Sins). Additionally, the Uniform Testing Procedures set forth in the National Agreement shall apply.

(j) Alleged abuses of the modified work program by the Employer and any factual grievance or request for interpretation concerning this Article shall be submitted directly to the Regional Joint Area Committee. Proven abuses may result in a determination by the National Grievance Committee that would withdraw the benefits of this Article from that Employer, in whole or in part, in which case affected employees shall immediately revert to full worker's compensation benefits.

Section 3. Americans with Disabilities Act

The Union and the Employer recognize their obligations under the Americans with Disabilities Act. It is agreed that the Employer shall determine whether an employee is a qualified individual with a disability under the ADA and, if so, what reasonable accommodations, if any, should be provided. In the event that the Employer determines that a reasonable accommodation is necessary, the Employer shall notify the Local Union before providing the reasonable accommodation to a qualified bargaining unit employee to ensure that the reasonable accommodation selected by the Employer does not impact another employee's seniority or other contract rights.

Any dispute over whether the Employer complied with its duty to notify the Local Union before implementing a proposed reasonable accommodation or whether providing the reasonable accommodation violates any employee's rights under any other provision of the National Agreement shall be subject to the grievance procedure. Disputes over whether the Employer has complied with its legal requirements under the ADA, including the ADA requirements to provide a reasonable accommodation, however, shall not be subject to the grievance procedure.

ARTICLE 12. MILITARY CLAUSE

Employees in service in the uniformed services of the United States, as defined by the provisions of the Uniform Services Employment and Reemployment Rights Act (USERRA), Title 38, U.S. Code Chapter 43, shall be granted all rights and privileges provided by USERRA and/or other applicable state and federal laws. This shall include continuation of health coverage to the extent required by USERRA, and continuation of pension contributions for the employee's period of service as provided by USERRA. Employee shall be subject to all obligations contained in USERRA which must be satisfied for the employees to be covered by the statute.

In addition to any contribution required under USERRA, the Employer shall continue to pay health & welfare contributions for regular active employees involuntarily called to active duty status from the military reserves or the National Guard for military-related service, excluding civil domestic disturbances or emergencies. Such contributions shall only be paid for a maximum period of eighteen (18) months.

ARTICLE 13. PAY PERIOD

Section 1.

Pay Period
(a) All employees covered by this Agreement shall he paid in full each week. Not more than one (1) week [seven (7) days] shall be held on an employee; provided however, that present arrangements shall not be disturbed by this provision, except by mutual agreement of the Union and the Employer. Anything currently bi-weekly will remain unless changed to weekly.

Regular Paydays
(b) The Employer shall have a regular designated payday for regular and regular-extra employees in each of the various classifications, and such payday shall not be changed without agreement of the Local Union involved.

In the event that the regular payroll checks or drafts are not available by the close of the normal business hours on the employee's regular payday, upon request of the employee, the Employer shall issue drafts/replacement check whenever possible. Such draft/replacement check shall be available by the end of the business day following the day the payroll check or draft replacement check was due.

Incomplete Paycheck/Payroll Shortage
(c) In the event of a payroll shortage equal to or greater than fifty dollars ($50.00)**,** the Employer shall issue a draft upon request of the employee. Such draft shall be available by the end of the business day following the day the shortage was due but in no event, not later than the next regular pay day. Failure to correct the shortage by the next regular pay day shall subject the Employer to pay liquidated damages in the amount of eight (8) hours pay for each day of delay.

Sunday or Holiday
(d) When a regular designated payday falls on a Sunday or a holiday (excluding the Employee's Birthday, Anniversary Date or Personal holiday), the pay checks for the employee not designated to work on such Sunday or holiday shall be made available on the preceding day.

Pay Upon Termination/Separation of Employment
(e) 1. Upon discharge the Employer shall pay earned wages due to the employee during the first payroll department working day following the date of discharge or as otherwise provided by state law. Vacation pay (including floating holidays) for which the discharged employee is qualified shall he paid no later than the first day following final determination of the discharge.

2. Upon quitting, the Employer shall pay all money due to the employee on the next regular payday for the week in which the resignation occurs or as otherwise provided by state law.

3. Failure to remit the payments as described in this Section by the regularly scheduled pay day in the week following the employee's separation of employment, shall subject the Employer to pay liquidated damages in the amount of eight (8) hours pay for each day of delay thereafter.

Terminal Closing
(f) Upon a permanent terminal closing and/or cessation of operations, the Employer shall pay all money due to the employee during the first payroll department working day following the date of the terminal closing and/or cessation of operations. Failure to remit the payments as described in this Section by the regularly scheduled pay day in the week following the employee's separation of employment, shall subject the Employer to pay liquidated damages in the amount of eight (8) hours pay for each day of delay thereafter.

Section 2.

Payroll Drafts
Payroll drafts issued shall be negotiable in the area in which issued.

Section 3.

Itemized Statement
The Employer shall furnish each employee with an itemized statement of earnings and deductions, specifying hours, straight time and overtime, vacation pay, holiday pay, and other compensation payable to the employee, which is included in the check. Paycheck shall also show available vacation hours, sick leave hours, and personal holidays.

Section 4.

Tax Withholding
Federal and State income tax withholding, on vacation shall not exceed the normal rate.

Section 5.

Rejected Claims
The employee must note any claim on his own time card during the shift such claim occurs. In the case of time claimed by the employee but disallowed by the Employer, the full detailed written and dated explanation must be given to the employee within fourteen (14) days of the date the claim was submitted.

Section 6.

New hires must participate in direct deposit or debit card payment unless otherwise prohibited by state law.

ARTICLE 14. POSTING

Section 1. Posting of Agreement

A copy of this Agreement shall be posted in a conspicuous place in each garage and terminal.

Section 2. Union Bulletin Boards

The Employer agrees to provide suitable space for the union bulletin board in each garage, terminal or place of work. Postings by the Union on such boards are to be confined to official business of the Union.

All Union bulletin boards must be glass encased and the steward and Business Agent given a key. The Employer shall have 90 days to comply.

ARTICLE 15. UNION AND EMPLOYER COOPERATION

The parties agree at all times as fully as it may be within their power to cooperate so as to protect the long-range interests of the employees, the Employer, the Union and the customers served by the Employer and employees covered by this Agreement.

ARTICLE 16. UNION ACTIVITIES

Any employee, member of the Union, acting in any official capacity whatsoever shall not be discriminated against for his/her acts as such officer of the Union so long as such acts do not interfere with the conduct of the Employer's business, nor shall there be any discrimination against any employee because of Union membership or activities.

A Union member elected or appointed to serve as a Union official shall be granted a leave of absence during the period of such employment, without discrimination or loss of seniority rights, and without pay. The Local Union must give forty-eight (48) hours notice for the first three (3) individuals by Local and two (2) weeks notice for any additional employees for such leave. The Union agrees that in making its request for time off for union activities, due consideration shall be given to the number of employees affected in order so that there shall be no disruption of the Employer's operation due to lack of available employees.

ARTICLE 17. SEPARATION OF EMPLOYMENT

Upon discharge, the Employer shall pay earned wages due to the employee on the next payroll following the date the employee quits or is discharged. Vacation pay for which the discharged employee is qualified shall be paid no later than the next payroll following final determination of the discharge.

Upon a permanent terminal closing and/or cessation of operations, the Employer shall pay all money due to the employee on the next payroll following the date of the terminal closing and/or cessation of operations.

Failure to comply shall subject the Employer to pay liquidated damages in the amount of eight (8) hour's pay for each day of delay. Upon quitting, the Employer shall pay all money due to the employee on the next regular payday for the week in which the resignation occurs.

ARTICLE 18. EMPLOYER AND EMPLOYEE IDENTIFICATION

Company representatives, if not known to the employee, shall identify themselves to employees prior to taking disciplinary action.

Safety or other company vehicles shall be identified when stopping company equipment.

The Employer agrees to supply company identification to employees covered by this Agreement.

ARTICLE 19. SEPARABILITY (SAVINGS CLAUSE)

If any provision of this Agreement, or the application of such provision, is subsequently determined to be contrary to or unauthorized by law, or held invalid or unenforceable by operation of law or by decision of any tribunal of competent jurisdiction, then such provision shall not be applicable, performed or enforced, except to the extent permitted or authorized by law, and such provision shall be deemed to be temporarily modified to the extent necessary to conform to law; provided that in such event all other provisions of this Agreement shall continue in effect. The parties shall enter into immediate collective bargaining negotiations after receipt of written notice of the desired modification of the provision held invalid or unenforceable for the purpose of arriving at a mutually satisfactory replacement. If, however, such negotiations shall not result in mutually satisfactory agreement, either party may submit the dispute to the National Grievance Committee, which shall issue a decision implementing one of the parties' final offers. The No Strike/No Lockout provisions of Article __ shall remain in full force and effect in the event of such negotiations.

ARTICLE 20. EMERGENCY REOPENING

In the event of national health care insurance, mandatory economic controls (such as a wage or price freeze) or other state or federal legislative or executive action (including without limitation changes in wage and hour laws) which is applicable to employees and/or the Company during the term of this Agreement and which has an unanticipated material impact on the financial structure of the Company or materially alters the cost or level of wages, benefits or job security of employees, either party may reopen the provisions of this Agreement directly affected thereby with a sixty (60) day written notice of intent to renegotiate said provisions. If the parties reach agreement in such reopener negotiations but government approval is required for the revisions to become effective, the Union and Employer will cooperate fully to obtain such approval. In the event the parties are unable to reach agreement in such reopener negotiations within one-hundred-eighty (180) days of the notice, either party shall be permitted all lawful economic recourse to support its position.

ARTICLE 21. WAGES

The following wage provisions pertain to all employees covered by this agreement. Other wage provisions not mentioned in this Article can be found in the relevant Operational Supplements, Supplements and/or Riders.

Section 1. No Reduction in Pay

No employee on the books as of the date of ratification shall suffer a reduction in their rate of pay as a result of this agreement.

Section 2. COLA

All regular employees shall be covered by the provisions of a cost-of living allowance as set forth in this Article.

The amount of the cost-of-living allowance shall be determined as provided below on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers", CPI-W (Revised Series Using 1982-84 Expenditure Patterns), All Items (1982-84=100), published by the Bureau of Labor Statistics, U.S. Department of Labor and referred to herein as the "Index".

Effective April 1, 2008, and every April 1 thereafter during the life of the agreement, a cost-of-living allowance will be calculated on the basis of the difference between the

Index for January, 2007 (published February 2007) and the Index for January, 2008 (published February 2008) with a similar calculation for every year thereafter, as follows:

For every 0.2 point increase in the Index over and above the base (prior year's) Index plus 3.0%, there will be a 1 cent increase in the hourly wage rates payable on April 1, 2008, and every April 1 thereafter. These increases shall only be payable if they equal a minimum of five cents ($.05) in a year.

All cost-of-living allowances paid under this agreement will become and remain a fixed part of the base wage rate for all job classifications. A decline in the Index shall not result in the reduction of classification base wage rates.

Section 3. Tuition Assistance

All active regular part-time employees (including those hired after April 1, 2008) who have completed the probationary period are eligible to participate in the Tuition Assistance Program ("TAP").

DHL will reimburse 100% of the cost of tuition and certain fees which apply to approved course work up to the limit of $1,500 per calendar year for part-time employees. Special fees including, but not limited to parking and add/drop fees, will not be included. Tuition and fees are reimbursed to employees following their successful completion of the course(s). Courses started prior to employment with DHL will not be covered under the provisions of this policy.

Upon successful completion of the course, the employee must submit a copy of the official grade reports and itemized tuition receipts to the Company. Reimbursement should be requested within 60 days of the end of the school term. Requests submitted more than 90 days after the end of the school term will not be eligible for reimbursement.

ARTICLE 22. GARNISHMENTS

In the event of notice to an Employer of a garnishment or impending garnishment, the Employer may take disciplinary action if the employee fails to satisfy such garnishment within a seventy-two (72) - hour period (limited to working days) after notice to the employee. However, the Employer may not discharge any employee by reason of the fact that his earnings have been subject to garnishment for any one (1) indebtedness. If the Employer is notified of three (3) garnishments irrespective of whether satisfied by the employee within the seventy-two (72) - hour period, the employee may be subject to discipline, including discharge in extreme cases. However, if the Employer has an established practice of discipline or discharge with a fewer number of garnishments or impending garnishments, if the employee fails to adjust the matter within the seventy-two (72) - hour period, such past practice shall be applicable in those cases.

ARTICLE 23. SPECIAL LICENSES AND DRUG/ALCOHOL TESTING

If the Employer or government agency requests a regular employee to qualify on equipment requiring a classified or special license, or in the event an employee is required to qualify (recognizing seniority) on such equipment, the Employer shall allow such regular employee the use of the equipment so required in order to take the examination on the employee's own time.

If the employer requires (senior may, junior must) that an employee obtain a commercial drivers license or additional endorsements, the employee shall be required to pay for such CDL and endorsements, and the employer shall, upon completion of certification, pay that employee the one time sum of $250.00.

The employer will execute and pay for all non-CDL related identification, documents, proof of citizenship or any other means, including time spent, required by the Employers and/or the Employer's customer(s) to ensure that the employee shall have access to any job location he/she is being dispatched to.

No employee will be required to have their driver's license reproduced in any manner except by their employer, law enforcement agencies, government facilities and facilities operating under government contracts that require such identification to enter the facility.

For any employee required to obtain a classified or special license or security clearance requiring DOT mandated drug or alcohol testing, the Employer shall have the right to perform drug and alcohol testing of such employee consistent only in accordance with the terms of Article 35 of the National Master Freight Agreement (NMFA).

For any other employee covered by the terms of this Agreement, the Employer shall have the right to perform drug and alcohol testing of such employee consistent with the terms of Article 35 of the NMFA, provided that such testing shall be consistent with applicable state and federal law and the Employer shall not have the right to conduct random drug testing of such employee.

ARTICLE 24. NON-DISCRIMINATION

The Employer and the Union agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual's race, color, religion, sex, age, or national origin nor will they limit, segregate or classify employees in any way to deprive any individual employee of employment opportunities because of race, color, religion, sex, age, or national origin or engage in any other discriminatory acts prohibited by law. This Article also covers employees with a qualified disability under the Americans with Disabilities Act, although whether the

Employer has complied with the ADA's statutory requirements shall not be subject to the grievance procedure.

ARTICLE 25. LEAVES OF ABSENCE

Section 1. Sick Leave

All supplements and riders shall maintain the same amount of sick days contained in those labor agreements in effect prior to April 1, 2008 unless otherwise set forth in the current Operational Supplement, Supplement and/or Rider.

Sick days are usable from the first day of absence.

Section 2. Eligibility Requirements for Sick Leave

Additional issues related to eligibility for Sick Leave are set forth in the various Operational Supplements to this Agreement.

Section 3. Bereavement/Funeral Leave

Unless otherwise set forth in applicable Operational Supplements, Supplements and/or Riders, the following shall apply.

Non-probationary regular full-time 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, provided that the employee attends the funeral or memorial service. One (1) day of paid leave at regular straight time rates of pay shall be provided for an actual work day lost to attend the funeral or memorial service for a member of the "extended family", as defined herein.

"Immediate family," as used herein, shall include: current spouse, domestic partner, mother, father, sister, brother, child, step-child (providing persons in such relationship were raised in the same home and have continued an active family relationship), mother-in-law, or father-in-law.

"Extended family" as used herein shall include step-parents, sister-in-law, brother-in-law, step-sisters, step-brothers, grandparents, grandchildren, step-grandparents, step-grandchildren 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 floating holidays 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 vacation, holiday, any other leave of absence, layoff, workers compensation or otherwise is not actively at work for the Employer.

Section 4. Jury Duty

All regular employees called for jury duty will receive the difference between eight (8) hours pay at the applicable hourly wage and actual payment received for jury service for each day of jury duty to a maximum of fifteen (15) days pay for each contract year.

When such employees report for jury service on a scheduled workday, they will not unreasonably be required to report for work that particular day.

Time spent on jury service will be considered time worked for purposes of Employer contributions to health & welfare and pension plans, vacation eligibility and payment, holidays and seniority, in accordance with the applicable provisions of the Supplemental Agreements to a maximum of fifteen (15) days for each contract year.

Section 5. Witness Appearance Leave

Non-probationary regular full-time employees required, and appropriately documented, to appear in court or other legal proceedings, for other than jury duty, shall notify the Employer on their next work day after receiving notice requiring their attendance in court or other legal proceedings. If the employee provides such notice, the employee shall be permitted, at the employee's option, to utilize available vacation or floating holidays to remain in pay status for the day(s) of the witness appearance (provided the Employer is given reasonable advance notice.). If the employee is required to appear in a legal proceeding or arbitration arising out of his work at any proceeding and at the request of the Employer, he shall be paid for such time spent.

Section 6. FMLA Leave

All employees who worked for the Employer for a minimum of twelve (12) months and worked at least 1250 hours during the past twelve (12) months are eligible for unpaid leave as set forth in the Family and Medical Leave Act of 1993.
Eligible employees are entitled to up to a total of 12 weeks of unpaid leave during any twelve (12) month period for the following reasons:
1. Birth or adoption of a child or the placement of a child for foster care;
2. To care for a spouse, child or parent of the employee due to a serious health condition;

3. A serious health condition of the employee.
The employee's seniority rights shall continue as if the employee had not taken leave under this Section, and the Employer will maintain health insurance coverage during the period of the leave.

The Employer may require the employee to substitute accrued paid vacation or other paid leave for part of the twelve (12) week leave period.

The employee is required to provide the Employer with at least thirty (30) days advance notice before FMLA leave begins if the need for leave is foreseeable. If the leave is not foreseeable, the employee is required to give notice as soon as practicable. The Employer has the right to require medical certification of a need for leave under this Act. In addition, the Employer has the right to require a second (2nd) opinion at the Employer's expense. If the second opinion conflicts with the initial certification, a third opinion from a health care provider selected by the first and second opinion health care providers, at the Employer's expense may be sought, which shall be final and binding. Failure to provide certification shall cause any leave taken to be treated as an unexcused absence. As a condition of returning to work, an employee who has taken leave due to his/her own serious health condition must be medically qualified to perform the functions of his/her job. In cases where employees fail to return to work, the provisions of the applicable Supplemental Agreement will apply.

It is specifically understood that an employee will not be required to repay any of the contributions for his/her health insurance during FMLA leave. No employee will be disciplined for requesting or taking FMLA leave under the contract absent fraud, misrepresentation, or dishonesty.

Disputes arising under this provision shall be subject to the grievance procedure.
The provisions of this Section are in response to the federal FMLA and shall not supersede any state or local law which provides for greater employee rights.

The Employer may not force an employee who has taken separate hours of unpaid leave for medical reasons to substitute those hours as accrued leave under the FMLA.
The Employer may not force an employee to substitute accrued leave for FMLA leave if the employee is receiving supplemental loss-of-time disability benefits from a benefit plan under the Agreement.

Section 7. Unpaid Personal Leave of Absence

All supplements and riders shall maintain the unpaid personal leave of absence provisions contained in those labor agreements in effect prior to April 1, 2008 unless otherwise set forth in the current Supplement and/or Rider.

Section 8. Non-Employment Elsewhere

Except as provided in Section 7 immediately above, a leave of absence will not be granted to enable an employee to try for or accept employment elsewhere or for self-employment, without prior written approval of the Employer. Failure to comply with this provision shall result in the complete loss of seniority rights of the employee.

ARTICLE 26. HOLIDAYS

Section 1. Designated Holidays

All supplements and riders shall maintain the same holidays contained in those labor agreements in effect prior to April 1, 2008 unless otherwise set forth in the current Operational Supplements, Supplements and/or Riders.

Each of the Holidays shall be observed on the calendar day on which the holiday falls.

Section 2. Eligibility Requirements for Holiday Pay

Additional issues related to eligibility for holiday pay are set forth in the various Operational Supplements to this Agreement.

Section 3. Holiday Pay

All qualified full-time employees shall receive holiday pay for such holidays at their straight-time hourly rate. Such holiday pay shall be equal to the employee's regularly scheduled weekly hours of duty divided by the number of regularly scheduled weekly work days. All qualified regular part-time employees shall receive holiday pay for such designated holidays at their regular straight-time hourly rate. Such holiday pay shall be equal to four (4) hours of holiday pay, regardless of the schedule worked, unless otherwise set forth in the applicable Supplement or Rider as to part-time employees hired after April 1, 2008.

Section 4. Pay for Working on a Holiday

Employees may be required to work on a designated holiday. However, where senior employees do not elect to voluntarily work, the employer may draft employees to work in inverse seniority order.

All supplements and riders shall maintain the same practices regarding compensation for working on a holiday contained in those labor agreements in effect prior to April 1, 2008 unless otherwise set forth in the current Operational Supplements, Supplements and/or Riders.

Section 5. Holidays Falling During Vacation Period or Day Off

If a designated holiday is observed during an employee's scheduled vacation or scheduled day off, eligible employees shall be paid both vacation and holiday pay for the day.

ARTICLE 27. VACATIONS

All supplements and riders shall maintain the same provisions related to vacations contained in those labor agreements in effect prior to April 1, 2008 unless otherwise set forth in the current Operational Supplements, Supplements and/or Riders.

ARTICLE 28. DURATION

Section 1. Term of Agreement

This Agreement shall be effective April 1, 2008 and shall continue in full force and effect, without reopening of any kind, except as expressly provided herein, to and including twelve midnight on March 31, 2013.

Section 2. Notification Requirements

Either party desiring to modify, change, or terminate this Agreement shall notify the other, in writing, not more than ninety (90) calendar days and not less than sixty (60) calendar days prior to the expiration date of this Agreement. In the absence of such notice, this Agreement shall continue from year to year thereafter unless written notice of the desire to modify, change, or terminate this Agreement is served by either party upon the other not more than ninety (90) calendar days and not less than sixty (60) calendar days prior to _____, 20__ [insert one year after stated expiration date] or _____th [insert month and day of stated expiration date] of any subsequent contract year.

Should the parties fail to reach an agreement on proposed modifications by the expiration date after timely notice of a desire to modify, change or terminate this Agreement has been provided, this Agreement shall terminate, unless extended in writing by the mutual consent of authorized representatives of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this _____ day of _____, 2007.

[Insert appropriate Signature Lines, Names & Titles for both parties]

APPENDIX A. SCOPE

(Insert Chart Here for Final Copy)

APPENDIX B. MEMORANDUM OF UNDERSTANDING: ANTI-HARASSMENT POLICY

DHL is committed to providing a work environment free of harassment. DHL prohibits, and will not tolerate, harassment of employees by managers and supervisors. DHL complies with all applicable federal, state and local laws prohibiting discrimination, harassment, and retaliation in employment.

For purposes of this policy, harassment consists of a single outrageous act, or an identifiable pattern or practice of behavior by a manager or supervisor that is sufficiently severe, offensive, or intimidating, to a reasonable person as to create a hostile or abusive work environment. This may occur in a variety of contexts, including face-to-face conversations, telephone calls, radio transmissions, letters, notes, e-mail messages or the like.

Not every concern is subject to this policy. If there is a statutory remedy (i.e. EEOC, NLRB, etc.), then that remedy takes precedence over this one. Furthermore, if the management actions in question amount to nothing more than holding an employee accountable for the proper performance of the job, or imposing discipline where there is a legitimate basis for doing so (regardless of whether that discipline is subsequently upheld in the grievance procedure), then they are not harassment. Also, different supervisors will take different approaches to personnel issues and such differences in style are not be construed as harassment under this policy.

If an employee believes harassment has occurred in violation of this policy, the employee should submit the written complaint to the Business Agent for the local union. The Union will conduct an investigation. The complaint will be kept confidential to the extent consistent with conducting a complete and thorough investigation. If the union investigation determines that there has been a violation of this policy, the Business Agent for the local union will contact the local DHL Labor Relations Manager to discuss an appropriate solution to the situation. If the Business Agent and the Labor Relations Manager cannot reach a mutually acceptable resolution of the complaint, the matter will proceed through the grievance process.