

**Summary Q&A for Manager and Supervisors Regarding  
Tentative Agreement with Teamsters on Changes to Allow  
Part-time Couriers Reached on 10-28-09**

**[THIS IS ONLY A TENTATIVE AGREEMENT AND MUST  
BE RATIFIED—A PROCESS THAT WILL TAKE MOST  
OF NOV. IF THE TENTATIVE AGREEMENT DOES NOT  
RATIFY, WE WILL CONTINUE TO WORK UNDER THE  
CURRENT AGREEMENT.]**

**Q: Does the tentative agreement (TA) to all Company  
stations?**

**A: No. The TA applies only to those Company stations with  
PU&D operations that are covered by the National Master  
DHL Agreement with the Teamsters (BFI, BOS, BWI, CLE,  
DTW, FFT, HHH, JCC, NUQ, PDX, PHL, PIT, SBN, SER,  
STL). It does not apply to dock-shuttle stations, nor does it  
apply to union stations in Chicago and New York, or to the  
Company's operations at MSY.**

**Q: Why is there a new agreement now? I thought the  
National Master DHL Agreement wasn't set to expire until  
2013.**

**A: While the National Master DHL Agreement does run  
through March 2013, the fact is that a lot has changed  
operationally for DHL Express since we reached agreement on  
the national contract in 2008. When DHL reduced its network  
and discontinued domestic service, the Company approached  
the Teamsters to discuss whether there were changes that  
could be made to the national agreement that would better  
enable DHL to operate in its new business model. The  
Teamsters agreed to discuss changes with the Company,  
resulting in this tentative agreement.**

**Q: When do the terms of the tentative agreement go into effect?**

**A: The key word here is “tentative.” Before any changes can lawfully go into effect, the Teamsters need to hold a ratification vote among their members. If the membership votes to accept the terms, we will implement the agreement as expeditiously as possible; however, we will not rush implementation. It is the Company’s goal to make this transition as smooth as possible and to cooperate with our employees’ union representatives to ensure that we avoid unnecessary mistakes.**

**Q: What are the terms of the tentative agreement?**

**A: The deal involves two key components. The first is an offer of payments to certain eligible employees who voluntarily exit employment with DHL Express. The second is a series of operational changes that will permit the Company to set employee schedules in a way that better matches DHL’s international-only PU&D operations. Both aspects of the deal are summarized below and in the separate summary document the Company has prepared.**

**Q: What are the terms of the payment opportunity to employees:**

**A: There are two separate payment tiers that will be offered.**

**Tier 1 (\$75k) Payment Eligibility and Process: This would be offered in seniority order to 50% of the active full-time bids (including ten percenters) on the schedule on October 26, 2009 at each stations. If someone offered the Tier 1 payment did not take it, that slot would be offered to next most senior person among the active FT. If all the available slots were taken, that**

would end the offer of the Tier 1 payment in that station. If the available slots were offered to all the active FT and all the slots were not taken, the unused slots would be abandoned. They would not offered to laid off couriers, even if the laid off courier were working as a part-timer.

*Example: If there were 36 regular FT bided routes and 4 ten percenter bided routes at a station on 10/26/09, and then there would be an offer of 20 slots to take the Tier 1 payment. The 20 slots will be offered to the 20 most senior active FT holding bids. (This would include those out on FMLA in seniority order but does not include others on leave unless they are holding a bided position.) If the top 20 take the offer, this process is completed. If only some of the top 20 (assume 18) take the offer, then the remaining slots (in the example 2 slots) will be offered to the 2 next most senior employees. This process will continue through the active FT group until the 20 slots are taken. If the process of offering the 20 slots continues through the entire list of the 40 active FT employees and not all the 20 slots are taken, the slots that were not take are closed or abandoned. They are not offered to any other employees, either at that station or at any of the other participating stations.*

The Tier 1 payment offer would require the employee to sign an agreement where the employee would agree to resign/retire effective on a particular date. Upon signing the agreement, the employee would know his or her final day of work and be paid for all hours worked and for all unused but owed PTO. Determination of what would be paid out as PTO would follow the requirements of the applicable local rider. Once the employee resigned/retired and all monies in the nature of wages or for hours of service were paid to the employee, then approximately four weeks later, the employee would receive the Tier 1 lump sum payment, less any applicable payroll taxes and legally required deductions.

**We do not yet know exactly how long the employees who are offered the opportunity for a Tier 1 lump sum payment would have to make the decision about whether to take the payment. Also the Tier 1 offer process must be completed before we would proceed with the Tier 2 process.**

**Tier 2 (\$25K) Payment and Process Eligibility: All other employees on the seniority would be offered the opportunity to accept the Tier 2 payment which is a lump sum in the amount of \$25,000. Employees would be given a set date by which they must make the decision whether they will take the Tier 2 payment. After signing the agreement to accept the Tier 2 payment, employees would terminate their employment. They would be paid their accrued PTO according to the requirements of the local rider, as well for all hours worked. A period of time (probably 4 weeks) after the termination of their employment they would receive the \$25K payment less any payroll taxes and legally required deductions.**

**The Tier 2 payment would not be available to those employees who are working in the ramp classification in Local 162 and Local 174. The Tier 2 payment would be available to all FT employees who were working and were not offered the Tier 1 payment; employees on lay off; laid off FT employees working part-time, and all employees on leave.**

**Q: What contract changes are covered by the tentative agreement?**

**A: The biggest changes involve the Company's ability to use part-time employees in the PU&D operation in covered locations, as well as an ability to flex a larger proportion of full-time driver schedules/routes. The following language revises and supersedes contrary language in the PU&D**

**Operational Supplement and/or Local Supplements/Riders for the 15 stations covered by this TA. All other aspects of the national agreement and the various supplements and riders remain in full force and effect.**

**A. In covered PU&D operations, the company would be allowed to have up to 25% of the company's drivers/couriers, by station, to be part-time employees as outlined below. Such part-time positions may be used even if full-time employees are on layoff. Seniority, however, would be maintained in filling such positions. This provision would supersede any contrary restrictions on the use of part-time drivers in the PU&D, or any other supplements and/or riders. It also would eliminate the ability of laid-off full-timers to bump into part-time positions on a weekly basis**

**a. The number of part-time couriers/drivers at a given facility would be determined by multiplying the total number of drivers by 25% and traditional rounding (.5 up/ .4 down concept).**

**b. Example: For a facility with eight couriers/drivers, two could be part-time and six would be full time, and for a facility with nine couriers/drivers, two could be part-time and seven full time.**

**B. The TA revises current PU&D supplement language to increase the number of cover drivers from ten-percent to up to twenty percent, subject to specific provisions for certain "red circle" employees as defined below who work in the newly created "twenty percenter" positions. Therefore, 80% of the FT bids would be guaranteed 40 hours per week, and 20% of the FT bids would not be guaranteed 40 hours per week. Except as provided below, all other provisions of the national**

**agreement, PU&D supplement and local riders which applied to "ten percenter" would apply to "twenty percenters."**

- a. Example: If the bid calls for 40 drivers – 30 drivers are full-time (24 are guaranteed route bids, 6 are 20%), and 10 are part-time drivers.**
- b. Except in the case of on-the-job injury, bona fide illness or accident, jury duty, or attendance at a funeral compensable under provisions of the national agreement, an employee working one of the 20% positions who is a "red circle" employee as defined in the next Q&A below, shall receive full pension and health and welfare contributions in any week in which that employee does not break such red circle guarantee by refusing a full time work assignment. The above does not modify any existing limitations on the period of time that the company must continue to make benefit payments (i.e. 12 months continuation of benefits contributions in the case on-the-job injury, if the employee remains out of work).**
- c. Additionally, such red-circled "twenty percenters" shall be utilized to fill any daily or weekly vacancies for full-time bid position (i.e., the company shall fill all bided full-time vacancies rather than split a route as long as there are red-circled twenty percenters who have not been offered a work opportunity that day).**

**Q: How will the new "red circle" be applied if the TA is ratified?**

**A: Generally, part-time employees would be paid at the applicable part-time wage rate and benefits. However, there would be an exception for “red-circled” employees by name who satisfy certain criteria and therefore shall be guaranteed full-time pay and benefits when they are working in a part-time position.**

**Q: Who would be red-circled by name under the terms of the TA?**

**A: Employees would be red-circled by name on the basis of the following: The total number of employees who worked a full-time or part-time bargaining unit position on Monday, October 26, 2009, at each of the stations covered by the TA would constitute the red-circle number for that location. The red-circle number would then be applied on a one-time basis, by name, in order of master seniority by station (including seniority employees on leave of absence who performed covered work on or after June 26, 2009).**

**Any red-circled employee under the TA who voluntarily bids a part-time position but whose seniority would permit him to bid a full-time position would forfeit his red-circle status.**

**Q: What happens to the existing red-circle provision of the PU&D Operational Supplement that guarantees certain employees 40 hours per week?**

**A: That red-circle provision would be eliminated from the agreement if the TA is ratified.**

**Q: Does the TA affect the Company’s right to use part-time employees in non-driving positions in the PU&D at covered locations?**

**A: No. If the TA is ratified, non-driving part-timers remain unchanged and uncapped.**