

PHILADELPHIA AREA PICK-UP AND DELIVERY AREA SUPPLEMENT
Effective
April 1, 2008 to March 31, 2013

PHILADELPHIA, PENNSYLVANIA & VICINITY

DHL EXPRESS PICK-UP AND DELIVERY AREA SUPPLEMENT

**For the Period:
April 1, 2008 to March 31, 2013**

Agreement by and between undersigned Employer Association or Employer, as applicable (hereinafter "Employer"), and Highway Truck Drivers and Helpers, Local No. 107, Chauffeurs, Teamsters, Warehousemen and Helpers, General Teamsters Local No. 326, Chauffeurs, Teamsters and Helpers Local No. 331, Truck Drivers, Chauffeurs and Helpers, (hereinafter "Union"), all of whom are affiliated with both the Eastern Region of Teamsters and the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.

This **Local Rider** is supplemental to and becomes a part of the **National DHL Express Agreement**, hereinafter referred to as the **"Master Agreement"** and the **Pick-Up and Delivery Operational Supplement**, hereinafter referred to as **the "PUD"**, for the period commencing April 1, 2008 through March 31, _____, the terms and conditions contained herein, shall prevail over the provisions of the **Master** and **(PUD) Agreement**. Questions arising out of alleged conflicts shall be submitted directly to the National Grievance Committee.

ARTICLE 40 - SCOPE OF AGREEMENT

Section 1. Operations Covered

(a) All operations and work covered herein shall be performed exclusively by employees covered by this Agreement (except as otherwise provided in this Agreement).

Section 2. Employees Covered

(a) Employees covered by this Agreement shall be construed to mean, but not limited to, any driver, chauffeur, or driver-helper operating a truck, tractor, motorcycle, passenger or horse-drawn vehicle, or any other vehicle operated on the highway, streets or private road for transportation purposes when used to defeat the purposes of this Agreement. The term employee also includes, but is not limited to, all employees used in dock work, checking, stacking, loading, unloading, handling, shipping, receiving, switching, forklift, Teamster Rigger, and assembling or drag line and allied work.

It is understood, however, that the term employee shall be construed to mean those employees of the Employer, employed directly and indirectly by and/or under the control of the Employer, and who are represented by the Local Union or during the life of this Agreement may come to be represented by the Local Union.

Section 3. Local Operations

- (a) This Agreement shall cover all local dock work or city pickup and delivery service and local operations within the jurisdiction of the PHILADELPHIA, PENNSYLVANIA & VICINITY DHL EXPRESS PICK-UP AND DELIVERY **LOCAL RIDER AGREEMENT**.

- (b) Subcontracting: WITHIN NINETY (90) DAYS OF RATIFICATION, THE EMPLOYER WILL DISCONTINUE THE USE OF SUBCONTRACTORS TO PERFORM THE CURRENT K-LOADER OPERATION. FURTHERMORE, BARGAINING UNIT EMPLOYEES WILL BE ASSIGNED TO PERFORM THE WORK FORMERLY PERFORMED BY THE CURRENT SUBCONTRACTOR OR NON-BARGAINING UNIT PERSONNEL.

ARTICLE 41 - ABSENCE

Section 1. Leave of Absence

Any employee desiring a leave of absence from his employment without discrimination or loss of seniority rights and without pay shall secure written permission from both the Union and the Employer. The maximum leave of absence shall be for sixty (60) days and may be extended for like periods. Permission for same, must be secured from both the Union and the Employer. During the period of absence, the employee shall not engage in gainful employment in the same industry in classifications covered by this Agreement. Failure to comply with this provision shall result in the complete loss of seniority rights for the employee involved. Inability to work because of proven sickness or injury shall not result in the loss of seniority rights.

An employee shall be permitted to take a leave of absence for the purpose of undergoing treatment of an approved program for alcoholism. The leave of absence must be requested prior to the commission of any act subject to disciplinary action. Such leave of absence shall be granted on a one-time basis and shall be for a maximum of sixty (60) days unless extended by mutual agreement. While on such leave, the employee shall not receive any of the benefits provided by this Agreement, Supplements or Riders except the continued accrual of seniority, nor does this provision amend or alter the disciplinary provisions.

Section 2.

- (a) Time off during any leave of absence shall be included in the total length of service for determining the number of weeks of vacation, which an employee shall receive, but this time off shall not be counted as days worked for purposes of qualifying for a vacation or a holiday.

ARTICLE 42 - SENIORITY

Section 1.

(a) A probationary employee who is terminated during the probationary period and is worked two (2) or more days at any time within the next twelve (12) months at the Employer's location within the jurisdiction of the Local Union shall be added to the seniority list with a seniority date as of the first day the probationary employee is again worked.

Section 2.

(a) Any employee on the seniority list who is absent because of illness or injury shall continue to accrue seniority during such absence for the purpose of determining his place on the seniority list. However, upon being able to return to work, he shall immediately inform the Employer of his return date.

(b) One steward shall be granted super-seniority for layoff and recall. Any additional application of super-seniority for stewards must be justified as being directly related to the proper performance of the steward duties as steward and permitted by applicable law.

(c) Any regular employee who has an established starting time and who is eligible for work by an Employer and/or having acquired seniority shall not work for any other Employer without prior approval of his own Employer, and if so found to be working, shall first be given a warning notice and shall be discharged for the second offense. This provision will only apply to an employee bidding a route regulated by DOT hours of work restrictions who also works another job that is also covered by DOT hours of work restrictions.

Employees who do not have an established starting time shall make themselves available to their Employer each day before accepting employment elsewhere. In each terminal the Union and the Employer shall establish procedures as to how and at what time each day non-starting time men shall be told if there is work available for them that day.

Section 3.

(a) All regular runs, positions, starting times, classifications and shifts are subject to seniority and shall be posted for bids for a period of not less than seven (7) calendar days. The Employer shall not post starting times, which are less than thirty (30) minutes apart. Posting shall be in a conspicuous place so that all eligible employees will receive notice of a vacancy, run or position open for bid, and such posting of bids shall be made not more than twice each calendar year. Vacancies, new runs, new positions shall be posted for bid immediately, unless otherwise mutually agreed upon. Peddle runs shall be subject to bidding provided driver is qualified.

(b) All starting times routes and classifications for employees shall be posted for bids and qualified employees, in seniority order, shall bid on such starting times and classifications. For the purpose of employees signing in seniority order, the steward may assist the Company in the bidding procedure. All posting shall be at a conspicuous place so that all eligible employees will receive notice of the vacancy or starting time bid. Such posting of bids shall be made not more than twice each calendar year. Vacancies, new starting times and new classifications shall be posted for bid immediately, unless otherwise mutually

agreed upon. Such posting of bids must be posted at least once each calendar year and cannot be posted more than twice each calendar year.

(c) It is understood that any layoff will be in seniority order. If work develops and such laid off employee: (a) is called in less than two (2) hours prior to his bid starting time, he shall receive overtime until his regular bid starting time provided the employee finishes his regular shift, or (b) is called in less than two (2) hours after his regular bid starting time, he shall be paid from his regular bid starting time.

Full time seniority employees who are laid off shall be afforded the opportunity, in seniority order, to work ahead of casual employees. Further, full-time employees on lay-off may bump more junior part-time employees and permanently fill one (1) or two (2) part-time shifts. Employees will perform such work at their current rate of pay and benefits.

(d) If an employee is required to report for work before his regular starting time, he shall be paid for such period at the overtime rate applicable for that day. When an employee is called in earlier than their bid start time the employee must complete their regular bid time to qualify for the up front overtime.

Section 5.

The parties agree that in the event of an approved change of operations, employees who bid on the initial move but are not successful because of seniority shall be afforded additional opportunity to transfer in the event additional regular work opportunity develops within six (6) months of the approved change of operations.

Section 6.

Notwithstanding the provisions set forth in **Article __**, Job Bidding and Filling of Vacancies in the Pick-Up and Delivery Operational Supplement, the Parties agree to include the following in this **Local Rider**:

1. If a full-time employee's assigned route is permanently changed by **forty percent (40%)** or more of its delivery stops, the employee shall have the right to exercise terminal seniority to bid for and bump into a desired route, and employees affected by such bumping shall also have the right to utilize seniority to bid for a desired route.

2. If an employee bids for an "overtime route) and the Employer later restructures the overtime route so that the route no longer regularly involves the performance of over two (2) hours overtime, the employee shall have the right to exercise terminal seniority to bid for and bump into another desired route, and employees affected by such bumping shall also have the right to utilize seniority to bid for a desired route.

3. After bidding the first 90% per station, the Employer may add up to two (2) supplemental training routes per station. These routes may be assigned to newly hired employees for a maximum of twenty (20) working days per new employee. The routes will not exceed eight (8) hours per day. In the event that a training route is not be performed by a new hire for training purposes, it will be filled by an unassigned ten percenter in order of seniority. Further, a training route will not be assigned to a new hire while a full-time employee is on layoff.

Section 7. The DHL Express/Philadelphia Supplemental Negotiating Committee may establish additional guidelines and terms to apply the above language and furthermore may modify and/or change the language contained in this Article by mutual agreement between the parties.

ARTICLE 43 – GRIEVANCE MACHINERY

The parties will utilize a state panel at Step 3 under the national grievance procedure set forth in Article 7 of the **Master Agreement**. The procedure will be as follows.

Section 1.

The Union and the Employer agree that there shall be no strike, lockout, tie-up or legal proceedings without first using all possible means of a settlement, as provided for in this Agreement, of any controversy which might arise.

Section 2.

(a) Disputes and grievances may first be taken up by the steward, and settled in accordance with this Agreement and if no settlement is reached, then taken up between the business agent of the Local Union involved and the Employer representative.

(b) All grievances must be made known to the other party, in writing, within fifteen (15) working days after the reason for such grievance has occurred or within fifteen (15) working days after the driver has returned to his home terminal. Provided, however, that those grievances alleging that the Employer did not pay the proper contractual rate of pay or the employee was not paid for the proper amount of hours which he actually worked may be filed within fifteen (15) working days of the date on which the employee became aware of the cause of such grievance.

1. The time limitation of ten (10) working days is applicable to an Employer taking disciplinary action against an employee except in cases of dishonesty or involving the investigation of an accident. In those instances, the Employer may take appropriate action within ten (10) working days from the date on which the Employer first became aware of the employee's involvement in an alleged dishonesty or accident. Failure of the Employer to complete or mutually extend in writing by the employee, with a copy to the Local Union, any investigation within forty-five (45) calendar days from the date of letter of investigation shall forfeit the Employers' right to discipline.

3. With respect to grievances filed under this Article, other than discharges, the parties agree that within ten (10) working days of such written notice by the Union to the Employer, the grievance must either be resolved or a Pre-Hearing Information Form filed with the Co-Secretaries of the Joint Area State Committee. Filing with the Co-Secretaries means receipt by both Co-Secretaries of the forms within the ten (10) day period.

4. Appeals from discharge must be made to the Joint Area State Committee by filing the Pre-Hearing Information Form within ten (10) working days from the date of discharge. The Pre-Hearing Information Forms must be received by both Co-Secretaries within such ten (10) day period.

5. An employee's right to appeal a warning letter or reprimand will be protected if, within ten (10) working days of such letter, a written protest is made to the Employer by the Union. Appeals from warning letters will not be heard by the Joint Area State Committee until the grievant has been given disciplinary time off or has been discharged.

Section 3. Joint Area State Committee FOR GRIEVANCES AND DISCIPLINE FILED OR ISSUED UNDER THE DHL PHILADELPHIA AREA PICK-UP AND DELIVERY **LOCAL RIDER**

(a) The Employer and the Union shall together create a permanent Joint Area State Committee which shall consist of an equal number of representatives appointed by the Employer and by the Unions (Locals 107 , 326, 331) or a panel thereof. This Joint Area State Committee shall meet at established times and at a mutually convenient location. The Joint Area State Committee shall at its first meeting formulate rules of procedure to govern the conduct of its proceedings.

(b) The requirements of this Article 44 and of Article 45, Section 3, that, the Joint Area State Committee hold a hearing within ten (10) working days from receipt of written notice of appeal from discharge may be extended by mutual agreement of the Union Co-Secretary and the Employer Co-Secretary of the Joint Area State Committee.

(c) Failure of the Co-Secretaries to schedule a Joint Area State Committee hearing within ten (10) working days from receipt of the pre-hearing information form shall not affect the timeliness of the grievance and shall not be defense of the Employer or the Union to prevent the holding of such hearing.

(d) Where the Joint Area State Committee is unable to agree or come to a decision on a case, it shall be appealed to the Appropriate Regional Joint Area Committee at the next regularly constituted session.

(e) Any discharge of an employee that is not resolved at the Joint Area State Committee will be submitted to the Regional Joint Area Committee.

ARTICLE 44 – DISCHARGE OR SUSPENSION

(a) Discharge or suspension must be for just cause and written notice of such discharge or suspension, must be given by the Employer to the employee, and a copy of such written notice given to the Local Union.

(b) Except in cases involving “cardinal” infractions under the applicable Supplemental Agreement, an employee to be discharged or suspended shall be allowed to remain on the job until the discharge or suspension is sustained under the grievance procedure.

1. Calling an unauthorized strike or walkout.
2. Drunkenness, drinking during working hours (including lunch time), or being under the influence of liquor or drugs during working hours (including lunch time).
3. Proven theft or dishonesty. Not applicable to issues of time.
4. Unprovoked assault on any person when on duty and on employer property when off duty.
5. Carrying unauthorized passengers in Employer's vehicle.
6. The provisions of Article 35, Section 3 relating to illegal drug-induced intoxication is hereby incorporated by reference into this Supplemental Agreement. Refusal of the employee to participate in the testing procedure provided therein shall constitute a presumption of drug and/or alcohol induced intoxication and shall constitute the basis for discharge without the issuance of a prior warning letter.
7. Possession of firearms when on duty and when on Employer property while off duty.
8. Tampering with equipment that alters its intended performance.

ARTICLE 45 - MEAL PERIOD

Section 1.

Employees shall, except by mutual agreement, take at least one (1) continuous period for meals but not less than thirty (30) minutes nor more than one (1) hour in any one (1) day. Except by mutual agreement the meal period must be started and completed during the fourth and fifth hours after an employee starts his tour of duty. For example: an employee who begins work at 8:00 a.m. shall not be required to begin his meal period before 12:00 noon. He may not be required to take any part of his meal period after 2:00 p.m.

Meal period shall not be compulsory at stops where driver is responsible for equipment or cargo, nor shall meal period be compulsory when or where there is no accessible eating place.

Section 2.

The Employer may direct any employee to work all or part of his lunch period, in which event the employee shall receive twenty (20) minutes to eat on the Employer's time and the employee may not be dismissed early but must be worked to the employee's regular quitting time, producing a minimum of overtime pay equal to the employee's assigned meal period.

Section 3.

Employer may establish the practice of requiring employees to work eight (8) hours and forty (40) minutes each day with a twenty (20) minute paid lunch period providing a minimum of one (1) hour of overtime pay.

Section 4.

No employee shall use the Employer's equipment to drive home to lunch without the express approval of the Employer.

Section 5.

Full-time employees shall be permitted two (2) ten (10) minute breaks during their eight (8) or ten (10) hours based on classification tour of duty.

ARTICLE 46 - SAFETY VIOLATIONS

Section 1. Safety Violations

(a) Whenever employees are required to operate overloaded equipment and are penalized because of such overload, Employer shall bear all cost in connection with such overload penalty and shall pay for all damages assessed against the employees, including accrued overtime for delay and/or lost earning opportunity that he might suffer.

(b) In the event the employee shall suffer a revocation of his chauffeur's license because of violation of any laws by Employer, Employer shall provide suitable and continued employment for such employee at not less than his regular earnings at the time of revocation of license and the employee shall be reinstated, in the seniority he held, prior to revocation of his driver's license, after his driver's license is restored.

(c) Employees shall not be required to operate equipment when in violation of the law.

Section 2. Winter Safety Equipment

The Employer shall install heaters and defrosters on all trucks and tractors, and shall keep heaters, defrosters and all safety equipment in working order as required by law.

ARTICLE 47 - PAY PERIOD

Section 1.

All employees covered by this Agreement shall be paid in full each week. Not more than one (1) week's pay shall be held on an employee. Where less than one (1) week's pay is now held, Employer may not increase amount held until change has been discussed with the Union.

Section 2.

When the regular payday occurs on a holiday, the Employer shall pay the employees on the regular workday immediately preceding the holiday.

Section 3.

Each employee shall be provided with an itemized statement of gross earnings and an itemized statement of all deductions made for any purposes.

ARTICLE 48 – PAID-FOR TIME

Section 1. General

(a) All employees covered by this Agreement shall be paid for all time spent in the service of the Employer. Rates of pay provided by this Agreement shall be minimums. Time shall be computed from the time that the employee is ordered to report for work and registers in and until the time he is effectively released from duty. All time lost due to delays as a result of overloads or certificate violations involving Federal, State or City regulations, which occur through no fault of the driver, shall be paid for. Such payment for driver's time when not driving shall be in accordance with Article 51, Section 1.

(b) A daily time record shall be maintained by the Employer at his place of business. All Employers who employ five (5) or more people shall have time clocks unless otherwise mutually agreed to.

Section 2. Funeral Leave (for employees on the seniority list hired prior to January 1, 2008):

(a) In case of death of an employee's spouse, mother, father, sister, brother, or child, such employee shall be granted up to four (4) days off with pay for attending or making a bona fide effort to attend the funeral or memorial service.. The employee shall be paid for such days off unless the employee is on vacation, leave of absence, bona fide layoff, or while unable to work because of illness or injury. Pay for such days off shall be for eight (8) hours based on classification for each day at the straight time hourly rate. However, compensation for such days shall not exceed actual earnings lost.

(b) The relatives designated in (a) of this section shall include brothers and sisters having one parent in common; and those relatives generally called "step," providing persons in such relationship were raised in the same home and have continued an active family relationship.

(c) In the event of the death of grandparents or grandchildren or one mother-in-law and one father-in-law the employee shall be allowed one (1) day off with pay to attend the funeral or memorial service

(d) Death Certificate or other satisfactory proof of death must be submitted to the Employer upon request.

Bereavement/Funeral Leave (for all other employees):

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 3. Sick Leave

This Agreement shall provide for five (5) days of sick leave per contract year. Employees who otherwise qualify for sick leave as provided for in **Article 38**, having worked or been paid for sixty (30) days in a contract year, may take any unused sick leave as a personal holiday with forty-eight (48) hours notice to and subject to the approval of the Employer, unless otherwise mutually agreed to. The Employer shall respond to such notice within twenty-four (24) hours. Failure to respond to such notice shall be deemed as approval by the Employer. Employees shall be paid sick days when they miss a scheduled day off.

ARTICLE 49 - LOCAL AREA OPERATIONS

Section 1.

1. The following increases for full-time employees shall take effect on the dates shown:

Effective April 1, 2008	35 cents per hour
Effective October 1, 2008	35 cents per hour
Effective April 1, 2009	40 cents per hour
Effective April 1, 2010	45 cents per hour
Effective April 1, 2011	40 cents per hour
Effective October 1, 2011	45 cents per hour
Effective April 1, 2012	45 cents per hour
Effective October 1, 2012	50 cents per hour

2. The following increases for part-time employees on the seniority list as of April 1, 2008 shall take effect on the dates shown:

Effective April 1, 2008	35 cents per hour
Effective April 1, 2009	20 cents per hour
Effective April 1, 2010	22.5 cents per hour
Effective April 1, 2011	42.5 cents per hour
Effective April 1, 2012	47.5 cents per hour

3. Rates of pay for part-time employees hired after April 1, 2008 shall be as follows.

- (a) If the new part-time employee is required by law or trust agreement to have health and welfare and pension benefit contributions, the following wage progression applies:

New Hire	\$10.00/hour
After 12 months	\$10.20/hour
After 24 months	\$10.425/hour
After 36 months	\$10.85/hour
After 48 months	\$11.325/hour

- (b) If the new part-time employee is not required to have health and welfare and pension benefit contributions, the following wage progression applies:

New Hire	\$12.00/hour
After 12 months	\$12.20/hour
After 24 months	\$12.425/hour
After 36 months	\$12.85/hour
After 48 months	\$13.325/hour

4. Casual employees shall receive 85% of the contract rate.

Section 2.

All work on weekends or holidays must be offered in straight seniority order to full-time employees before part-time employees may be utilized.

Section 3.

When an employee is requested to do work in a higher rated classification, he shall receive the higher rate of pay for the entire day in which such work is performed. When an employee is requested to work in a lower rated classification, he shall receive his regular rate of pay for all such lower rated work performed. However, road chauffeurs shall not be required to do city work, and city chauffeurs shall not be required to do road work provided, however, that if the Union does not, upon request of Employer, supply competent and experienced help in any classification, Employer may interchange help so that work in such classification may be done by employees in any other classification willing to perform such work.

ARTICLE 51 - VACATIONS

Section 1.

Every regular employee who has been continuously in the employ of an Employer shall if he meets the other qualifications set forth herein, receive paid vacation as set forth below. The qualifying year for vacation shall be measured from an employee’s anniversary date.

Years of Continuous	Weeks of Service Vacation
1	1
2	2
8	3
15	4
20	5

Section 2.

(a) To qualify for a vacation an employee in addition to having been continuously employed by the Employer for the specified number of years must not have been absent from work during his anniversary year for more than fifty (50) days on which he was afforded the opportunity to work by the Employer provided that absence caused by legitimate illness, or an accident, shall not be counted.

(b) By “continuously” is meant the following: If an employee loses less than six (6) calendar months or less than one hundred thirty (130) working days because of proven illness, accident or layoff during his anniversary year, he shall be entitled to his full vacation with pay. If an employee loses six (6) or more calendar months or one hundred thirty (130) or more working days because of proven illness, accident or layoff during his anniversary year, he shall be entitled to a pro rata share of his vacation. Upon permanent layoff, death or retirement, an employee on the seniority list with one or more years of service, shall be entitled to vacation pay on a pro rata basis. Such pro rata vacation shall be computed as follows:

The total number of days worked (including days for which he was paid holidays or the previous year's vacation) shall be divided by 130. The resulting figure, when multiplied by the vacation amount he would have been entitled to if not off, is the pro rated vacation due. Example: If an employee normally entitled to \$734.85 as a week's vacation pay worked only 112 days, his vacation is as follows:

112 (days worked)
130 (total possible days) = .86 (factor)
 $\$734.85 \times .86 = \631.97 (pro rata vacation due)

(c) If an employee is discharged or quits and has been on the seniority list one (1) or more years, he shall be entitled to vacation on a pro rata basis to be computed as follows:

The total number of days worked (including days for which he was paid holidays or previous year's vacation) shall be divided by 260. The resulting figure when multiplied by vacation amount he would have been entitled to if he had not quit or been discharged, is the pro rata vacation due. Example: If an employee normally entitled to \$734.85 as a week's vacation pay worked 112 days, his vacation is as follows:

112 (days worked)
260 (total possible days) = .43 (factor)
 $\$734.85 \times .43 = \315.99 (pro rata vacation due)

Section 3.

(a) The Employer shall have the right to schedule the number of men in each classification who shall receive vacations at a particular time. Employees within a particular classification must select their vacations according to their seniority, unless otherwise mutually agreed to by the Union and the Employer. The vacation period of each qualified employee shall be set with due regard to the desire, seniority and preference of the employees, consistent with the efficient operation of the Employer's business. Subject to the other provisions of this paragraph, vacations shall be scheduled at any time during the eleven (11) months following the anniversary date on which the employee qualifies for such vacation.

(b) A minimum of ten percent (10%) of the total number of employees by classification shall be permitted to go on vacation each week. (Example $3.5=4$)

(c) As to a man eligible for a 4th and/or 5th week(s) vacation the Employer shall have the option, after working same out with the Union, of paying the man or having him take the 4th and/or 5th week(s) off. Where he takes the 4th and/or 5th week(s) off, the 4th and/or 5th week(s) vacation need not be consecutive. When the man works the 4th and/or 5th week(s), the man shall receive his vacation pay plus pay for time worked. The fourth and/or fifth week(s) of vacation may be taken as individual days, however, the employee must select to do so at the time the vacations are selected. Ample notice must be given by the employee when selecting individual days with the Employer having the right to schedule according to business demands.

Vacations may be taken in consecutive weeks provided, however, that as to any employee who is entitled to more than two (2) weeks vacation, the Employer may schedule the weeks in excess of two (2) separate from the other weeks of vacation.

(d) If, in the future, the Employer and Union agree that a manpower shortage has developed, an employee may be required to work during the vacation period, but in such event he shall receive in addition to his earnings for that week the pay to which he would have been entitled had he been on vacation.

(e) If an employee's vacation falls in a week in which a holiday recognized by this Agreement falls, the employee shall receive an additional day's pay at the straight time rate in lieu thereof.

Section 4.

(a) Vacation pay shall be paid the eligible employee before he starts his vacation.

(b) Employees shall be paid forty-five (45) straight time hours for each week of vacation for which they qualify.

(c) A returning serviceman entitled to the benefits of the Universal Military Training and Service Act, as amended, and the Reserve Forces Act of 1955, as amended, who would have had an opportunity to qualify for vacation had he not been in the military service during a portion of his anniversary year shall receive a vacation as set forth below.

An employee who enters military service shall be paid pro rata vacation for the period from his anniversary date to his last date of employment before entering military service. An employee who returns from military service shall, at his anniversary date, qualify for pro rata vacation for the period between the date he returned to work after military service to his anniversary date. Such pro rata vacations shall be computed as set forth in Section 2(b) of this Article.

Section 5.

If an employee's paid vacation period accrues or is payable during a period in which he is otherwise entitled to unemployment compensation, the employee's right to and payment for such vacation shall be deferred until after termination of the unemployment benefit period. The Employer waives the privilege of allocating vacation pay to past, present or future weeks of unemployment. Employees out on long term disability such as workers compensation/illness or leave of absence shall not lose his/her earned vacation.

ARTICLE 52 - HOLIDAYS

Section 1.

(a) Regular employees shall not be required to work and shall be paid eight (8) hours' pay at the straight time hourly rate for the following holidays: New Year's Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve and Christmas Day. In addition to the above-named holidays a regular employee shall be entitled to four (4) Personal Holidays each calendar year. All qualified personal days unused as of December 31 will be paid in the pay week of January 15.

(b) An employee shall be required to give the Employer at least forty-eight (48) hours' notice of his intent to take such Personal Holiday(s). The selection of the Personal Holiday(s) shall be subject to the approval of the Employer. The Employer shall respond to such notice within twenty-four (24) hours. Failure to respond to such notice shall be deemed as approval by the Employer. An employee shall not be eligible

for a Personal Holiday while on layoff unless he notifies Employer of his intent to take his Personal Holiday at time of layoff. It is understood and agreed that the Personal Holiday shall be paid in the same manner as the other holidays set forth in this Agreement. The Employer agrees to allow a minimum of at least one (1) employee from each classification to take a personal holiday on any day of the week for terminals under thirty (30) employees on the seniority list, and a minimum of two (2) employees for terminals thirty (30) or more employees on the seniority list.

Section 2.

(a) All employees ordered to work on any of the above listed holidays shall be paid a minimum of eight (8) hours' pay at double the regular straight hourly rate.

Any regular employee who qualifies for holiday pay shall also receive such holiday pay.

Any employee who works more than eight (8) hours on one (1) of the above-named holidays, including holidays on Saturdays shall be paid for such hours worked in excess of eight (8) at three (3) times the regular straight time hourly rate.

(b) Employees who are assigned to work their regular shift on an evening prior to the holiday, and whose work ends on the holiday, shall work the hours necessary to complete the day's work at the regular rate. All hours worked in excess of eight (8) hours will be at the holiday rate of double the straight time rate.

(c) Starting time and shifts shall not be changed to circumvent application of the above provisions relating to holiday pay.

(d) If a holiday falls on Sunday it shall be celebrated on Monday. Monday shall be considered as the holiday. In any week in which a holiday falls, overtime shall commence after eight (8) daily and thirty-two (32) hours weekly based on classification except if the holiday is worked or falls on Saturday.

Section 3.

If an employee's vacation falls in a week in which a holiday recognized by this Agreement falls, the employee shall receive an additional day's pay at the straight time rate in lieu thereof.

Section 4.

Employees who are serving their probationary period are not entitled to holiday pay for holidays falling within the probationary period.

Section 5.

In order to qualify for eight (8) hours of straight time based on classification for holiday not worked, it is provided that regular employees must work the regularly scheduled workday, which precedes or follows the holiday, except in cases of proven illness, paid day off or unless the absence is mutually agreed to.

Section 6.

(a) A regular employee is entitled to holiday pay if the holiday falls within the thirty (30) day period following an employee's layoff due to lack of work, and such employee is also recalled to work during the same thirty (30) day period, but did not receive any holiday pay, then in such case he shall receive an extra day's pay for each holiday in the week in which he returns to work. Said extra day's pay shall be equivalent to eight (8) hours at the straight time hourly rate specified in the Agreement. An employee who was laid off because of lack of work and is not recalled to work within the aforementioned thirty (30) day period is not entitled to the extra pay upon his return. Under no circumstances shall the extra pay referred to herein be construed to be holiday pay nor shall it be considered as hours worked for weekly overtime. If a regular employee is unable to work due to a proven illness, or proven off-the-job injury, he shall be paid for all holidays occurring within thirty (30) calendar days from the first day of illness.

(b) Senior employees may refuse to work on a holiday; however, all jobs must be covered by junior men on the seniority list.

(c) The holiday shall be computed at eight (8) hours of straight time based on classification in determining the hours in such week for which the employee is entitled to be compensated at the overtime rate, except in any week in which the holiday falls on the employee's day off.

Section 7.

Part-timers are entitled to designated holidays only, and will receive three (3) hours pay on holidays. Holiday eligibility requirements for part-timers shall be the same as for full-timers, and part-timers are eligible for holiday pay only after attaining seniority.

ARTICLE 53 - HEALTH AND WELFARE AND LIFE INSURANCE

The provisions of Article 53 will apply to full-time employees and/or Red-Circled Part-Time employees.

Section 1.

Effective April 1, 2008, the Employer will contribute the current rate \$ 5.8975 per hour to the Health and Welfare Fund in the manner described in the Sections below.

Section 2.

On August 1st of each year of the contract, the Employer shall contribute additional \$1.00 per hour to be divided between pension and health and welfare as directed by the Area Supplemental co-chairs.

The Committees shall, in those Supplemental Agreements, which include one (1) Pension Fund and multiple Health & Welfare Funds, first allocate that portion, if any, of the above indicated benefit increases to the Pension Fund subject to the approval of the Joint National Master Committee. The remaining amount, if any, shall be applied uniformly to each of the Health & Welfare Funds.

Section 3.

The contributions referred to above shall cover health, welfare and life insurance benefits.

Section 4.

(a) Contributions shall be made as set forth in Section 2 above for each day worked for each regular, probationary, extra or casual employee covered by this Agreement on the Employer's payroll on the first forty (40) hours worked per week.

(b) Contributions shall also be made as set forth in Section 2 above for each regular employee for each day paid for pursuant to the terms of this Agreement covering holidays, vacations, and paid sick leave (not worked), to a maximum of eight (8) o hours per day or forty (40) hours per week.

(c) If a holiday falls in a vacation week and a contribution to the Health and Welfare Fund is needed to qualify an employee for a claim for benefits filed, the Employer shall make the required contribution for such holiday.

Section 6.

The sums required by Section 2 above shall be remitted monthly to the Teamsters Health and Welfare Fund of Philadelphia, Pennsylvania and Vicinity (hereinafter referred to as the Fund). Such monthly payments shall be submitted to the Fund on or before the 24th day of the month following the month in which these monies were accrued.

Section 7.

Notwithstanding the provisions of Article 44, Section 1, the Union may suspend the operations of a delinquent Employer three (3) working days after receipt of a verification by telegram, registered or certified mail, that such Employer is delinquent. Copies of the verification shall be sent by the

Administrator of the Fund to the Employer, the Local Union and the Employer Association of which the Employer is a member.

Section 8.

Failure on the part of the Employer to contribute as specified herein above shall make him liable for all claims, damages, attorney fees, court costs, plus all arrears in payment plus ten per cent (10%) as liquidated damages.

Section 9.

Any employee assigned by an Employer for any period with leased or rental equipment to a non-union or non-affiliated operator, shall for Fund purposes continue to be the employee of the lessor-operator, whose obligation it shall be to continue payment of welfare contributions for such employee throughout any such period.

Section 10.

(a) Each Employer shall complete and deliver to the Fund, on forms supplied by the Fund, an Employer's report, stating the name and social security number, for each regular, probationary, extra, part-time or casual employee employed by Employer during the previous calendar month.

(b) The Trustees or their designated representatives shall have the authority to audit the payroll and wage records of the Employer for all individuals performing work within the scope of and/or covered by this Agreement, for the purpose of determining the accuracy of contributions to the funds and adherence to the requirements of this Agreement regarding coverage and contributions. For purposes of such audit, the Trustees or their designated representatives shall have access to the payroll and wage records of any individual, including owner-operators, lessors and employees of fleet owners (excluding any supervisory, managerial and/or confidential employees of the Employer) who the Trustees or their designated representatives reasonably believe may be subject to the Employer's contribution obligation.

Section 11.

By the execution of this Agreement, the Employers authorize the Transport Employers Association, which is party to this Agreement, to enter into appropriate trust agreements necessary for the administration of such Fund, and to designate the Employer Trustees under such agreements, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

Section 14.

If a regular employee is absent because of illness or off-the-job injury for two (2) consecutive weeks and notifies the Employer of such absence, the Employer shall make the required contributions from the first

day for a maximum of four (4) weeks. If a regular employee is injured on the job, the Employer shall continue to pay the required contributions until such employee returns to work; however, during any period of such on-the-job-injury, such contributions shall not be paid for a period of more than nine (9) months.

The amount of such contribution shall be that required to maintain the employee's eligibility during such period of absence.

ARTICLE 54 – PENSION

The provisions of Article 54 apply to full-time employees and/or Red-Circled Part-Time employees.

Section 1.

Effective April 1, 2008, the Employer will contribute the current rate \$ 5.8975 per hour to the Teamsters Pension Trust Fund of Philadelphia, Pennsylvania and Vicinity (hereinafter referred to as the "Pension Fund") in the manner described in the Sections below.

Section 2.

On August 1st of each year of the contract, the Employer shall contribute an additional \$1.00 per hour to be divided between pension and health and welfare as directed by the Area Supplemental co-chairs.

The Committees shall, in those Supplemental Agreements, which include one (1) Pension Fund and multiple Health & Welfare Funds, first allocate that portion, if any, of the above indicated benefit increases to the Pension Fund subject to the approval of the Joint National Master Committee. The remaining amount, if any, shall be applied uniformly to each of the Health & Welfare Funds.

Section 3.

There shall be no other pension fund under this Agreement for operations under this Agreement.

Section 4.

(a) Contributions shall be made as set forth in Section 2 above for each day worked for each regular, probationary, extra, or casual employee covered by this Agreement on the Employer's payroll on the first forty (40) hours worked per week.

(b) Contributions shall also be made as set forth in Section 2 above for each regular employee for each day paid for pursuant to the terms of this Agreement covering holidays, vacations, and paid sick leave (not worked), to a maximum of eight (8) hours per day or forty (40) hours per week.

(c) If a holiday falls in a vacation week and a contribution to the Pension Fund is needed to qualify an employee for a claim for benefits filed, the Employer shall make the required contribution for such holiday.

Section 5.

The sums required by Section 2 above shall be remitted monthly to the Pension Fund. Such monthly payments shall be submitted to the Pension Fund on or before the 24th day of the month following the month in which these monies were accrued.

Section 6.

Notwithstanding the provisions of Article 44, Section 1 the Union may suspend the operations of a delinquent Employer three (3) working days after receipt of a verification by telegram, registered, or certified mail, that such Employer is delinquent. Copies of the verification shall be sent by the Administrator of the Pension Fund to the Employer, the Local Union, and the Employer Association of which the Employer is a member.

Section 7.

Failure on the part of the Employer to contribute as specified herein above shall make him liable for all claims, damages, attorney fees, court costs, plus all arrears in payment plus ten per cent (10%) as liquidated damages.

Section 8.

Any employee assigned by an Employer for any period with leased or rental equipment to a non-union or non-affiliated operator, shall for Pension fund purposes continue to be the employee of the lessor-operator, whose obligation it shall be to continue payment of pension contributions for such employee throughout any such period.

Section 9.

(a) Each Employer shall complete and deliver to the Pension Fund, on forms supplied by the Pension Fund, an Employer's report stating the name, social security number, and total contributions paid or due by Employer to the Pension Fund for each regular, probationary, extra, part-time or casual employee employed by Employer during the previous calendar month.

(b) The Trustees or their designated representatives shall have the authority to audit the payroll and wage records of the Employer for all individuals performing work within the scope of and/or covered by this Agreement, for the purpose of determining the accuracy of contributions to the funds and adherence to the requirements of this Agreement regarding coverage and contributions. For purposes of such audit, the Trustees or their designated representatives shall have access to the payroll and wage records of any individual, including owner-operators, lessors and employees of fleet owners (excluding any supervisory, managerial and/or confidential employees of the Employer) who the Trustees or their designated representatives reasonably believe may be subject to the Employer's contribution obligation.

Section 10.

By the execution of this Agreement, the Employers authorize the Transport Employers Association, which is party to this Agreement, to enter into appropriate trust agreements necessary for the
Philadelphia Pick Up and Delivery Supplement
Prepared by the Company
Submitted 3-6-2008

administration of such Fund, and to designate the Employer Trustees under such agreements, hereby waiving all notice thereof and ratifying all actions already taken or to be taken by such Trustees within the scope of their authority.

ARTICLE 56 – TERM OF AGREEMENT

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

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

COMPANY UNION

TEAMSTERS LOCAL UNION NO. 135, affiliated with the International Brotherhood of Teamsters

BY _____

BY _____

TITLE

TITLE

SIDE LETTER
RULES AND REGULATIONS

The following Rules and Regulations and the penalties to be charged for violation of same are placed into effect. They were approved by the Philadelphia, Pennsylvania & Vicinity Local Rider Negotiating Committee so that all employees of each Employer which is a member of may know what duties are required of them in the general conduct of the Employer's business.

Nothing in these Rules and Regulations shall abrogate the employee's right through the Local Union to challenge a penalty through the regular grievance machinery. Rules and Regulations herein contained shall not supersede any rules or regulations of the labor contract itself. The Employer may, with the consent of the Philadelphia Supplemental Negotiating Committee, revise the Rules and Regulations listed below.

(a) Accidents:

(1) Major chargeable accident (after full investigation):
Subject to discharge.

(2) Minor chargeable accident:
First offense — reprimand
Second offense — one (1) day suspension
Third offense — three (3) day suspension
Subsequent offenses — subject to discharge

(3) Failure to report all accidents, spillage, or property damage promptly, and personal injury or major accidents immediately:
First offense — one (1) week suspension
Subsequent offenses — subject to discharge.

(b) Equipment:

(1) Failure to report mechanically defective condition of equipment:
First offense — reprimand
Subsequent offenses — three (3) day suspension.

(2) Unauthorized use of motor vehicles:
Subject to suspension or discharge

(3) Failure to report breakdowns promptly:
First offense — reprimand
Second offense — three (3) day suspension

(4) Failure to take necessary safety precautions to protect load and/or equipment at all times, including safety lights, parking, etc.:
First offense — reprimand
Second offense — reprimand
Third offense — three (3) day suspension
Subsequent offenses — subject to discharge.

(5) Failure to keep equipment in good appearance inside where charged to do so:

First offense — reprimand

Second offenses — three (3) day suspension

Subsequent offenses — subject to discharge.

(6) Tampering with tachograph, service recorders and/or governors:

Subject to discharge

(7) Willful damage to equipment:

Subject to discharge

(8) Careless operating of equipment resulting in damage to equipment:

Subject to discipline or discharge

(9) Failure to take necessary precautions to protect load from inclement weather:

First offense — one (1) day suspension

Second offense — three (3) day suspension

Third offense — subject to discharge

(10) Failure to inspect equipment in accordance with procedures set forth by the Employer:

First offense — one (1) day suspension

Second offense — three (3) day suspension

Subsequent offenses — subject to discharge

(11) Failure to operate radio in accordance with directions set forth by Employer:

First offense — reprimand

Second offense — one (1) day suspension

Third offense — three (3) day suspension

Subsequent offenses — subject to discharge

(c) Conduct:

(1) Use or possession of drugs or alcoholic beverage while on duty:

Subject to discharge

(2) Drinking prior to reporting for duty so that employee's condition is such that it may affect the proper performance of his duties:

First offense — one (1) day suspension

Second offense — three (3) day suspension

Third offense — subject to discharge

(3) Unprovoked assault of the Employer's customer or the customer's representative while on duty or while on Employer's premises: customer's representative while on duty or while on Employer's premises:

Subject to discharge

(4) Discourtesy to customers:

First offense — reprimand

Philadelphia Pick Up and Delivery Supplement

Prepared by the Company

Submitted 3-6-2008

Second offense — three (3) day suspension
Third offense — subject to discharge

(5) Failure to turn in collections at first opportunity to person designated to receive same:
First offense — three (3) day suspension
Subsequent offenses – subject to discharge

(6) Shortage in collections:
First offense — reprimand
Second offense — one (1) week suspension
Third offense — subject to discharge

(7) Flagrant disobeying of orders:
First offense — reprimand
Second offense — subject to discharge

(8) Conviction for reckless driving while on duty (except when an accident is involved and other clauses govern):
First offense — reprimand
Second offense — three (3) day suspension
Third offense — subject to discharge

(9) Failure to report arrests while on duty as soon as possible:
First offense — reprimand
Second offense — three (3) day suspension
Subsequent offenses — subject to discharge

(10) Inaccurate counting or careless loading and/or unloading:
First offense — reprimand
Second offense — one (1) day suspension
Third offense — three (3) day suspension
Subsequent offenses — subject to discharge

(11) Abuse of time (hanging out or bumming):
First offense — reprimand
Subsequent offenses — subject to discharge

(12) Failure to comply with D.O.T. Safety Regulations:
First offense - written warning
Subsequent offenses - three (3) day suspension
In aggravated cases — subject to discharge

(13) Sabotage or creating fire or safety hazards:
Subject to discharge

(14) Creating Health Hazards:
First offense — reprimand
Subsequent offenses — subject to discharge

(d) Reports:

(1) Failure to make out reports and trip sheets properly:

First offense — reprimand

Subsequent offenses — three (3) day suspension

(2) Failure to register in and out of established check stations:

First offense — reprimand

Subsequent offenses — three (3) day suspension

(3) Failure to report to dispatchers at specified time when required to do so while on duty:

First offense — reprimand

Subsequent offenses — three (3) day suspension

In aggravated cases — subject to discharge

(4) Punching a time card other than your own or having another employee punch in your time card:

Subject to discharge

(e) Driving Schedules:

(1) Failure to complete run or make pickups and/or deliveries at scheduled time without satisfactory explanation:

First offense — reprimand

Second offense — reprimand

Third offense — three (3) day suspension

Fourth offense — five (5) day suspension

Subsequent offenses — subject to discharge

(2) Unnecessary delaying of load or equipment:

First offense — reprimand

Second offense — three (3) day suspension

Third offense — one (1) week suspension

In aggravated cases — subject to discharge

(3) Failure to follow routings as designated or instructed:

First offense — reprimand

Second offense — reprimand

Subsequent offenses — three (3) day suspension

(4) Taking meal period at times other than as specified by the Employer:

First offense — reprimand

Second offense — three (3) day suspension

Subsequent offenses — subject to discharge

(f) Attendance:

(1) Absent for five (5) successive working days without notification:

Voluntary quit.

(2) Failure to notify Employer at least one hour before regular show-up time when unable to report for duty:

First offense — reprimand

Second offense — one (1) day suspension

Third offense — one (1) day suspension

Subsequent offenses — subject to discharge

(3) Reporting late for work (truck will be held for twenty (20) minutes if driver calls in before starting time):

First offense — reprimand

Second offense — reprimand

Third offense — one (1) day suspension

Fourth offense — three (3) day suspension

Subsequent offenses — subject to discharge

(4) Excessive absenteeism shall be subject to verbal warning in meeting with Employer, steward and employee. If employee fails to correct his attendance record, he shall be subject to appropriate warning and disciplinary action, including possible dismissal.

(5) When employee has been absent from work, he must advise Employer of his return to work in accordance with the Employer's practice or rule mutually agreed to; otherwise, employee will not be permitted to work that day.

(g) Miscellaneous:

(1) Penalty for three minor offenses within a sixty (60) day period (see Note 1):

Three (3) day suspension

(2) Penalty for three major offenses (see Note 2):

Subject to discharge

Minor offenses against any employee's record that are over nine (9) months old shall be forgiven and the employee's record wiped clean. This nine (9) month period for both minor and major offenses shall include only days worked if during this nine (9) month period the employee received worker's compensation.

A major offense against any employee's record that is over nine (9) months old shall be forgiven and the employee's record wiped clean. This nine (9) month period for both minor and major offenses shall include only days worked if during this nine (9) month period the employee received worker's compensation.

Note 1: A minor offense is defined as one for which the penalty is a reprimand.

Note 2: A major offense is defined as one for which the penalty is disciplinary time off.

A warning notice in writing with a copy to the Local Union must be given for infractions of any Rules and Regulations.

An employee shall not receive warning letters for violation of more than one rule as the result of any single incident or infraction.

Discharge must be by proper written notice, with a copy to the Local Union.

The foregoing Rules and Regulations have been formulated to serve as guideposts for the employees. It is to be understood that, in describing certain offenses and the penalties therefore, the Employer has not limited the violations for which it may discipline an employee to the offenses covered in these Rules and Regulations. The Employer may exert discipline in other types of cases should the situation warrant.

**PHILADELPHIA AREA PICK-UP AND DELIVERY LOCAL RIDER
TEAMSTERS LOCAL UNIONS 107, 326 & 331
SIDE LETTER**

THE PARTIES AGREE TO CONTINUE THE CURRENT RED CIRCLED LANGUAGE FOR PAID MEAL BREAKS AS FOLLOWS:

- THE PARTIES AGREE TO CONTINUE TO IMPLEMENT THE LANGUAGE AS CURRENTLY PRACTICED AND DECIDED IN THE CASE NOTE BELOW.

***C-109-94 LOCAL 107 v. AIRBORNE EXPRESS / MAY 31, 1996 & AUGUST 1, 1996.
(DECISIONS ATTACHED)***

- (105) EMPLOYEES FOR TEAMSTERS LOCAL UNION 107
- (15) EMPLOYEES FOR TEAMSTERS LOCAL 326
- (6) EMPLOYEES FOR TEAMSTERS LOCAL UNION 331

UNION

DHL EXPRESS

DATE:_____

DATE:_____