

**AGREEMENT**  
**BY AND BETWEEN**  
**SOUTHWEST AIRLINES CO.**  
**AND**  
**THE MATERIAL SPECIALIST**  
**IN THE SERVICE OF**  
**SOUTHWEST AIRLINES CO.**  
**AS REPRESENTED BY**  
**INTERNATIONAL BROTHERHOOD OF TEAMSTERS**



**For the Period**  
**AUGUST 16, 2008**  
**To**  
**AUGUST 16, 2013**

## TABEL OF CONTENTS

	<u>Page No:</u>
ARTICLE 1: PURPOSE OF ARGEMENT	3
ARTICLE 2: RECOGNITION AND SCOPE	4
ARTICLE 3: STATUS OF AGREEMENT	5
ARTICLE 4: CLASSIFICATIONS	7
ARTICLE 5: HOURS OF SERVICE	9
ARTICLE 6; OVERTIME AND HOLIDAYS	13
ARTCILE 7: TRAINING	20
ARTCILE 8: FIELD SERVICE	21
ARTICLE 9: SENIORITY	23
ARTICLE 10: FILLING OF VACANCIES	27
ARTICLE 11: VACATIONS	30
ARTICLE 12: LEAVE OF ABSENCE	32
ARTICLE 13: SICK LEAVE AND ON-THE-JOB-INJURIES	33
ARTICLE 14: WAGE RULES-SHIFT PREMIUMS-LONGEVITY	35
ARTICLE 15: WAGE RATES	37
ARTICLE 16; PROFIT SHARING	42
ARTCILE 17: SAFETY AND HEALTH	43
ARTCILE 18: SEVERANCE PAY	45
ARTICLE 19: MOVING EXPENSES	46
ARTICLE 20: INSURANCE BENEFITS	48
ARTICLE 21: GRIEVANCE PROCEDURES	51
ARTICLE 22: ARBITRATION	54

TABEL OF CONTENTS

	<u>Page No:</u>
ARTICLE 23: GENERAL AND MISCELLANEOUS	55
ARTICLE 24: UNION REPRESENTATION	58
ARTICLE 25: UNION SECURITY	59
ARTICLE 26; SAVING CLAUSE	64
ARTCILE 27: SHIFT/DAY TRADES	65
ARTCILE 28: DURATION OF AGREEMENT	66
<del>LOA 1: (OLD) INSERTED IN ARTICLE 15</del>	<del>67</del>
LOA 1: (NEW) TO BE INSERTED IN PLACE OF OLD LOA 1	67
LOA 2: VEHICLE LICESNSE	68
LOA 3: APPRENTICE PROGRAM	69
<del>LOA 4: (OLD) TO BE REMOVED</del>	<del>70</del>
LOA 4: (NEW) RETIEVAL OF AIRCRAFT RECORDS	70
LOA 5: INSERTED IN ARTICLE 20	71
LOA 6: INSERTED IN ARTICLE 20	72
LOA 7: TO BE REMOVED	73
LETTER OF INTENT BASE CITY AIRPORT RETRIVALS	74
LETTER OF INTENT EMPLOYEES AT MAINTENANCE REPAIR VENDOR	75
NOTE OF NEGOTIATION – ARTICLE 5 AND ARTICLE 10	76
NOTE OF NEGOTIATION – ARTICLE 6 PARAGRAPH 1	77
LETTER OF INTENT GRANDFATHER CLAUSE WAGE PROGRESSION	78

## ARTICLE 1 - PURPOSE OF AGREEMENT

1. The purpose of this Agreement is, in the mutual interest of the company and employees, to provide for the operation of the services of the company under methods which will further, to the fullest extent possible, the safety of air transportation, the efficiency of operation, and the continuation of employment under conditions of reasonable hours, proper compensation and reasonable working conditions. It is recognized to be the duty of the company, the employees, both individually and collectively, and the Union to cooperate fully for the attainment of these purposes.
2. No employee covered by this Agreement will be interfered with, restrained, coerced or discriminated against by the Company, its officers or agents because of membership in or lawful activity on behalf of the Union.
3. It is understood, wherever in this Agreement employees or jobs are referred to in the male gender, it shall be recognized as referring to both male and female employees, In accordance with the established policy of the Company and the Union, the provisions of this Agreement will apply equally to all employees, regardless of sex, color, race creed, age, national origin, religion, handicapped or veteran status.

## ARTICLE 2 - RECOGNITION AND SCOPE

1. The Company hereby recognizes, in accordance with Certification in Case No. #R-5752 by the National Mediation Board dated December 16, 1987, the Union as sole and exclusive bargaining representative of all ~~Stock Clerks~~ **Material Specialist** employed by the Company within the United States, for the purpose of the Railway Labor Act. All **Material Specialist** ~~Stock Clerk~~ work is recognized as coming within the jurisdiction of the Union and shall be performed by employees subject to this Agreement unless otherwise provided in this Article.
2. Employees covered by this Agreement shall be governed by all Company rules, regulations and orders previously or hereafter issued by proper authorities of the Company which are not in conflict with the terms and conditions of this Agreement and which have been made available to the affected employees prior to becoming effective.
3. The Company shall not contract out work when such contracting out results, or will result in a reduction in force for any employee covered by this Agreement. The parties agree that the Company may (a) continue to contract out work heretofore customarily contracted out, (b) contract out any work when the Company's facilities and equipment are not sufficient, or qualified personnel are not available, or where employees available do not have the experience and ability to perform the work required, (c) contract out work at any location where the Company has not heretofore maintained permanent maintenance bases or employees. If the Company has need for contracting out work presently performed by employees covered by this Agreement, the Company will so notify the Union by written *or electronic* notice.
  - a. If after the effective date of this Agreement, the Union believes the Company is abusing the right to contract out, provided in this Article; it shall notify the Company *by written or electronic notice* of such belief not later than five (5) days after the conclusion of such discussion.
  - b. The Company and the Union shall proceed to resolve the issue up to and including the final and binding arbitration decision.
4. *At the sole discretion of the Company, the Company may utilize covered Employees or contract out all work at a Company approved maintenance repair vendor. (refer to Letter of Intent for Employees at a Maintenance Repair Vendor)*
- 4- 5. The right to manage and direct the working forces, subject to the provisions of this Agreement, is vested in and retained by the Company.
- 5- 6. a. All Maintenance Bases will be staffed under the provisions of this Agreement. The Company will staff the flight line at Maintenance Bases with **Material Specialist** ~~Stock Clerk~~ (Lead **Material Specialist** ~~Stock Clerk~~ are not required.) If the flight line **Material Specialist** ~~Stock Clerk~~ is absent for any reason, there shall be no requirement to replace such employee.
- b. The Company is not required to establish additional Stockrooms at Line Stations. When a Line Station **Material Specialist** ~~Stock Clerk~~ is not present, his duties may be performed by a Mechanic or other personnel, including Supervisory personnel.

### ARTICLE 3 – STATUS OF AGREEMENT

1. It is expressly understood and agreed that this Agreement supersedes any and all Agreements now existing or previously executed between the Company and any Union or individual, affecting the craft or class of employees covered by this Agreement.
- ~~2. a. This Agreement shall be binding upon any successor, consolidated or merged corporation, and the Company agrees that it will not sell, merge, or in any manner transfer its control over operations unless this Agreement is expressly assumed by the successor, merging or acquiring company. In the event the entire company, or a division or department thereof covered by this Agreement, is sold, leased, taken over by sale, lease, merger, acquisition, assignment, receivership, or bankruptcy proceeding, such company or division or department thereof covered by this Agreement shall continue to be subject to the terms and conditions of this Agreement.~~
2. a. ***This Agreement shall be binding upon any successor, assign, assignee, transferee, administrator, executor, trustee, consolidated or merged corporation, and the Company agrees that it will not sell, merge, or in any manner transfer its control over operations unless the successor, merging, or acquiring company expressly agrees to be bound by the rates of pay, rules, and working conditions prescribed by this Agreement, and such assumption is included as a material and irrevocable condition of such transaction. In the event the entire company, or a division or department thereof covered by this Agreement, is sold, leased, taken over by sale, lease, merger, acquisition, assignment, receivership, or bankruptcy proceeding, such company or division or department thereof covered by this Agreement shall continue to be subject to the rates of pay, rules, and working conditions prescribed by this Agreement until changed in accordance with the Railway Labor Act.***
- b. The successor, consolidated or merged corporation shall staff the operations described in Section 2a above with employees covered by this Agreement, recognize the Union as their representative and adhere to this Agreement, whether or not a question of representation exists, until it is changed in accordance with the requirements of the Railway Labor Act.
- c. The Employer shall give notice of the existence of this Agreement to any purchaser, lessee, assignee, etc. who is a party to any transaction described in Section 2a above. Such notice shall be in writing and a copy served upon the Union as soon as practicable after execution of a contract of the nature described herein, provided that the Company shall not be obligated to violate any confidentiality or nondisclosure obligations under such contract. The Union shall also be advised of the nature of the transaction excluding financial details.
- d. In the event the Company is acquired by or transfers control of its operations to another air carrier, where operational integration is to occur, the Company will require the fair and equitable integration of the pre- merger ***Material Specialist*** ~~Stock Clerks~~ Seniority List in accordance with Sections 3 and 13 of the Allegheny-Mohawk LPPs.
- e. ***In the event the Company agrees with any other contractual bargaining unit for any additional protections or benefits with respect to pay; seniority integration; or job security in the event of a transaction described in Section 2.a above, then such additional protections or benefits shall also apply to the Employees covered by this agreement.***

3. In the event Southwest Airlines Co., after the effective date of this Agreement, utilizes its equipment or facilities in establishing a new Part 121 carrier, it is agreed that all work heretofore recognized as work coming within the jurisdiction of the Union and covered by the Collective Bargaining Agreement between Southwest Airlines Co. and the International Brotherhood of Teamsters, shall continue to come within the jurisdiction of the Union, and a contract shall be negotiated between the Union and such new Part 121 carrier.
4. In the case of a transaction covered by this Article, representatives of both the Union and the successor, merged or consolidated Company will meet without delay and negotiate for the protection of employee seniority and other employment rights affected by the transaction.
5. The Company agrees to arbitrate any grievance filed by the Union alleging a violation of this Article 3 on an expedited basis directly before the System Board of Adjustment sitting : with a neutral arbitrator mutually acceptable to both parties. If a mutually agreed upon arbitrator cannot be selected within three (3) days of the filing, an arbitrator shall be selected pursuant to Article 22 of this Agreement. The dispute shall be heard no later than thirty (30) days following submission to the system board (subject to availability of the arbitrator) and shall be decided no later than thirty (30) days following submission, unless the parties agree otherwise in writing.

## ARTICLE 4 – CLASSIFICATIONS

### 1. LEAD MATERIAL SPECIALIST STOCK CLERK

~~A Lead *Material Specialist* Stock Clerk must meet all of the requirements of a Stock Clerk *Material Specialist* herein, and in addition, must be able to lead and direct the work of all Stock Clerks *Material Specialist* on his shift. A Lead *Material Specialist* Stock Clerk is a working leader and no Lead *Material Specialist* Stock Clerk will be required to lead and direct the work of a group totaling more than eleven (11) other on duty *Material Specialist* Stock Clerk. There will be a Lead *Material Specialist* Stock Clerk on all shifts (but not necessarily at all bid locations).~~

- a. *A Lead Material Specialist is a working member of the group who must meet all of the requirements of a Material Specialist. In addition, a Lead Material Specialist must be able to lead and direct the work of all Material Specialists Stock Clerks on his shift. Whenever possible, a Lead Material Specialist shall communicate the status of assigned work to the Supervisor. The Lead Material Specialist shall also assist Supervisors with the assignment and coordination of on the job training.*
- b. No Lead Material Specialist will be required to lead and direct the work of a group totaling more than eleven (11) other on duty Material Specialist. There will be a Lead Material Specialist on all shifts (but not necessarily at all bid locations).

### 2. MATERIAL SPECIALIST STOCK CLERK

A *Material Specialist* ~~Stock Clerk~~ employee will do all work generally recognized as the routine duties of a *Material Specialist* ~~Stock Clerk~~ and/or stockroom employee in and about the Company storerooms and stockrooms, including but not limited to receiving, shipping, checking, classifying, issuing, inventorying (on a nonexclusive basis), storing and warehousing of supplies, tools, materials and the operation of stores equipment and the preparation and maintenance of records and reports in connection therewith. *Subject to the provisions of Article 2 paragraph 6 5 a and b*, the duties of a *Material Specialist* ~~Stock Clerk~~ shall include the *pickup and delivery of all parts and all materials on premises and in stock within their own station* to the maintenance department and ground equipment maintenance department. The duties of *Material Specialist* ~~Stock Clerk~~ employees may also include, the erection and/or assembly of stocking bins, shelves, decks, *the repair of shipping containers*, employing the use of required power tools when necessary and the driving of motor vehicles in the pickup and delivery of parts, equipment, materials and tools where *Material Specialist* ~~Stock Clerk~~ are assigned. This paragraph does not preclude the Company from utilizing Employees other than *Material Specialists* ~~Stock Clerks~~ to perform inventorying functions *and on the job training*. *This paragraph does not preclude the Company from utilizing the vendors to perform offsite delivery and pick up of GSE parts, equipment, materials, and tools. On duty Material Specialists at Line locations can be utilized on a nonexclusive basis to perform hotshot offsite delivery and pick up of aircraft parts and materials. When the Company has a need to deliver parts between its MCO and TPA Maintenance Stations, the Company will contact an on duty Material Specialist at the location of the stocked part and offer the Material Specialist the opportunity to deliver the parts before utilizing a courier to make the delivery. When no Material Specialist is on duty at MCO and/or TPA, the Company may utilize a courier service without contacting a Material Specialist.*



3. The word "employee" as used herein shall mean all employees of the Company in the classification covered by this Agreement as described herein.

ARTICLE 5 – HOURS OF SERVICE

1. Five Day Week

- a. Eight (8) consecutive hours, exclusive of a meal period of not to exceed thirty (30) minutes shall constitute a standard work day.  
~~a. *Eight (8) consecutive hours, inclusive of a meal period of not to exceed thirty (30) minutes for the graveyard shift, and exclusive of a meal period not to exceed thirty (30) minutes for all other shifts, shall constitute a standard work day.*~~
- b. Forty (40) hours, consisting of five (5) consecutive eight (8)-hour days, worked within seven (7) days, will constitute a standard work week.

2. Four Day Week

- a. Ten (10) consecutive hours, exclusive of a meal period of not to exceed thirty (30) minutes, shall constitute a standard work day.  
~~a. *Ten (10) consecutive hours, inclusive of a meal period of not to exceed thirty (30) minutes for the graveyard shift, and exclusive of a meal period not to exceed thirty (30) minutes for all other shifts, shall constitute a standard work day.*~~
- b. Forty (40) hours, consisting of four (4) consecutive ten (10)-hour days, worked within seven (7) days, will constitute a standard work week.
- c. When manpower permits and when the Company agrees that the time has come to institute the ten (10) hour day for ~~Stock Clerk~~ **Material Specialist** all references to the ten (10) hour day, four (4) day week will prevail.

3. The work week shall commence at 00:01 hours Monday of each week and end at 12:00 Midnight Sunday of each week.

4. All employees will be granted a rest period during the first half of their shift and a rest period during the second half of their shift without loss of time, for the purpose of relaxation, smoking, etc. The rest periods for an eight (8) hour shift shall be of ten (10) minutes' duration. For a ten (10) hour shift, they shall be of fifteen (15) minutes' duration.

5. The regular starting and stopping time for work shifts will be scheduled and posted and shall not be changed without one week's notice. When the Company temporarily changes an employee from his regularly assigned shift to a shift being established on a temporary basis, forty eight (48) hours notice will be given. If an employee is given less than forty-eight (48) hours notice, he shall be paid time and one-half (1-1/2) his regular straight time hourly rate for the first four (4) hours of his new assignment.

- a. The starting time for regular shift, will be as follows:
  1. The day shift will start no earlier than 0530 hours and no later than 0900 hours.
  2. The afternoon shift shall start no earlier than 1300 hours and no later than 1600 hours.

3. The graveyard shift will start no earlier than 2000 hours and no later than 12:00 Midnight
6. No employee will be called to work or required to report to work for a regular work shift of less than eight (8) hours work. Any employee called to work when there is temporarily no work due to an Act of God or circumstances over which the Company has no control shall receive a minimum of four (4) hours pay at the regular hourly rate.
7. All employees will have no less than a thirty (30) minute meal period regularly scheduled within the fourth (4th) and fifth (5th) hour of an eight (8) hour shift and within the fifth (5th) and sixth (6th) hour for a ten (10) hour shift. Employees who because of the requirement of the service are required to start their lunch period more than thirty (30) minutes in advance of or thirty (30) minutes after the starting time of their regular scheduled lunch period shall be allowed a reasonable time to eat as close to their regular lunch period as possible and paid for the same at the straight time or applicable overtime rate in addition to their regular compensation.
8. When an employee has returned to his regular hours of shifts and days off after serving on a temporary assignment, he will not be required to be reassigned to another temporary shift for the duration of the bid period. This temporary assignment can be filled by a volunteer until the requirement is met.
  - a. In the event an employee must be reassigned to a shift or working hours other than those he bid, he shall not be required to serve that position for more than thirty (30) days unless it is a volunteer assignment.
9. No employee shall be required to work in lower classifications unless employees in the lower classification have been asked to perform the work in question, but are unable to do so in a timely manner or the work necessary to be performed is required to maintain the schedule. No employee shall have his rate of pay reduced while working in the lower classification.
10. *a.* The working hours at each bid location shall be established by the Company and shall be posted ~~on a bulletin board~~ online at all times. The working hours for any shift will not be changed indiscriminately.
  - b.* The hours of service ~~of~~ *and* days off of vacant shifts or new shifts shall be bid locally by a ~~station~~ online bulletin for a period of ~~five (5)~~ *seven (7)* calendar days ~~or until all bids are in, whichever is less,~~ in the job classification involved. ***Vacancies will be awarded first within the local station in the classification involved. Any remaining vacancies will be filled in accordance to the provisions of Article 10.***
  - c.* Employees ~~who desire to bid on such~~ *may bid on a* vacant/new shift and any other work shift that might become available as a result of the awarding of ~~such a~~ vacant/(new) shift (*trickle-down*). ***The Employee*** shall indicate on their original bid, in order of preferences, ~~the~~ *any* other shifts ~~to which they desire assignment if they become available.~~ Therefore, when the Company awards the successful bidders on the original vacancy, it will simultaneously award successful bidders on any *subsequent* ~~secondary~~ vacancies that ***occur*** ~~result from such award on the original (new) shift.~~
11. Employees whose permanent shifts are changed by greater than two (2) hours due to work schedule changes will be permitted to exercise their seniority for shift selection within their classification.

12. ~~Each January 1, and each July 1, employees covered by this Agreement, will rebid for shifts and days off within their classification according to their category seniority to any bid location at their station.~~
- a. ~~At least six (6) three (3) weeks prior to the annual and semi-annual rebid, the Company will prepare a list of all shifts and days off available in each classification which will be posted on the bulletin board for a period of fourteen (14) days.~~
  - b. ~~Within the fourteen (14) days following posting, each employee will submit on a form provided by the Company his preference of shifts and/or days off. Employees failing to submit their preference of shifts and/or days off will be assigned to the shift and/or days off available.~~
  - c. ~~No overtime will be paid as a result of an employee changing his days off or shift by rebidding. However, any arbitrary assignment made by the Company in his shift and/or days off, the applicable overtime rule will apply.~~
12. *Effective each January 1 and July 1, employees covered by this Agreement will assume newly bid shifts and days off within their classification according to their category seniority to any bid location at their station. The Company has the right to realign maintenance stations during the annual rebid with no change in station headcount or change in individual classifications headcount.*
- a. *On or before October 15 and April 15 of each year, the Company will provide a complete list of Shifts/Days Off within each Classification and Station. This list will be posted ~~in each primary work area~~ online for at least fourteen (14) days before the semi-annual re-bid begins.*
  - b. *At the same time the above described list is posted, a Station Seniority List will be posted. The list will have a date and time adjacent to each name indicating when each person will bid.*
  - c. *During the first seven (7) days after the list of Shifts/Days Off is posted for the semi-annual bid, a Lead Material Specialist, desiring to return to his basic classification for the semi-annual bid must submit notice that he will do so. Provisions of Article 10, Paragraph 10 must be completed before the semi-annual rebid procedure begins in order for those persons to exercise their Seniority in their new Classification.*
  - d. *Each person will be allotted a fifteen (15) minute period in which to bid for available Shifts/Days Off within their Classification and Station; the bid may be completed either in person or by telephone. Anyone who cannot appear in person or make the telephone call can submit their bid on a form provided by the Company and turn it in no later than 07:00 a.m. on the day ~~prior to the day on~~ which they are required to bid. (Example: The person is due to bid at 3:00 p.m. Wednesday; the bid form may be turned in no later than 7:00 a.m. Wednesday ~~Tuesday~~, or the person may appear in person or call in at 3:00 p.m. on Wednesday.) Phone numbers will be published per location at the time of the bid. This portion of the bid process will be administered by the IBT locally with no loss of base pay.*

- e. *Anyone failing to complete the procedure as described will be bypassed. Anyone who has been bypassed, but later appears in person or calls to bid, may bid only after the person in whose authorized time period they appear or call. Semi-annual re-bid shall be completed and posted by November 30 and May 31, unless an extension of time is mutually agreed to by the Company and the Union.*
- 13. *No overtime will be paid as a result of an employee changing his days off or shift by rebidding. However, if any arbitrary assignment is made by the Company in his shifts and/or days off, the applicable overtime rule will apply.*
- 14. *If the bid process is automated, Employees shall follow reasonable procedures, which shall be established by mutual agreement between the Company and the Union.*
- 15. The following shall be recognized as bid locations for the purpose of this Agreement.
  - 1. Stores (By City)
  - 2. Flight Line (at Maintenance Bases)
  - 3. Tool Room
  - 4. Shop/Stores
  - 5. GSE Shop
  - 6. *Tool Room Relief and/or Flight Line Relief*

*At the direction of the local management with consultation from the Lead Material Specialist, the Lead Material Specialists on duty will assign “work areas assignments” at all Maintenance bases. Any bid location that is not “bid” at a Maintenance base may be assigned as a “work area assignments”. The Company may direct the Lead Material Specialist to utilize employees from the Stores bid location to cover vacancies or additional operational needs.*

Any newly created bid locations other than those listed above will be adhered to under the terms of this Agreement.

*Each maintenance base will have stores, flight line, tool room, GSE Shop and Shop/Stores bid locations. The Company is not required to bid or fill these bid locations on all three shifts. Any other station or shift may have any or all of the listed bid locations.*

**\*In regards to the GSE bid location the responsibility of the Material Specialist will be to support the GSE functions in to how it relates to on site vendor owned inventory requirements along with all other duties outlined in Article 4.**

## ARTICLE 6 - OVERTIME AND HOLIDAYS

1. For pay purposes, the twenty four (24) hours period starts with the beginning of an employee's regular posted shift. **Employees which have worked sixteen (16) consecutive hours or more prior to the start of their regular shift will have their clock reset for pay purposes at the beginning of their regular shift. Employees which have worked less than sixteen (16) consecutive hours will not have their clock reset for pay purposes and will be paid in accordance with either Article 6 paragraph 4.c. (overtime for eight (8) hour shift) or paragraph 5.c. (overtime for ten (10) hour shift) if applicable (reference Note of Negotiation).** Overtime rates shall be computed on an actual minute basis adjusted to the nearest tenth (1/10) of an hour, with a minimum of one-half (1/2) hour overtime.
2. Employees on an eight (8) hour day shall be paid an hourly rate of time and one-half (1-1/2) for:
  - a. All work performed either prior to or after regularly scheduled hours.
  - b. The first eight (8) hours worked on one of the two (2) regularly scheduled days off.
3. Employees on a ten (10) hour day shall be paid an hourly rate of time and one-half (1-1/2) for:
  - a. All work performed either prior to or after regularly scheduled hours.
  - b. The first ten (10) hours worked on any one of the three (3) regularly scheduled days off.
4. Employees on an eight (8) hour day shall be paid an hourly rate of double time for:
  - a. All hours in excess of the first eight (8) hours worked on one (1) of the two (2) regularly scheduled days off each work week.
  - b. For all time worked on the second regularly scheduled day off in a work week, if a portion of the first day off was also worked.
  - c. For all time worked in excess of twelve (12) consecutive hours, regardless of the starting time of such work.
5. Employees on a ten (10) hour day shall be paid an hourly rate of double time for:
  - a. All hours in excess of ten (10) hours worked during the first one of the three (3) regularly scheduled days off each work week.
  - b. For all time worked on the second regularly scheduled day off in a work week, if any portion of the first day off was also worked and for all hours worked on the third regularly scheduled work day off if any portion of the first or second day off was also worked.
  - c. For all time worked in excess of twelve (12) consecutive hours, regardless of the starting time of such work.

6. Any employee recalled to work on a regularly scheduled work day or required to report to work on his regularly scheduled day off will be paid a minimum of four (4) hours pay at the applicable rate, except that an employee called in early in conjunction with his regular shift for the purpose of traveling to another station to perform work will be paid at the applicable overtime rate for all time spent at his station in preparation for travel with a minimum of one (1) hour.
- ~~7. Whenever possible, employees on a shift will be given a minimum of one-half (1/2) hour notice of overtime. If given less than one-half (1/2) hour notice, no charge will be made against an employee on the overtime list for refusing overtime. It is specifically understood that no notice will be necessary whenever an emergency condition exists. The following procedures will be used in administering the overtime list:~~
7. *Whenever possible, Employees on a shift will be given a minimum of two (2) hours notice and Employees not on shift will be given a minimum of eight (8) hours notice of overtime. If given less than two (2) hours notice for Employees on shift or eight (8) hours notice for Employees not on shift, no charge will be made against an Employee on the overtime list for refusing the overtime. The following procedure will be followed in administering the overtime list:*
- a. On each anniversary date of the Contract, all employees will be reduced to zero overtime hours and category seniority list will prevail in establishing a new overtime call sheet.
  - b. For the purpose of distribution of overtime, there shall be one (1) general employee classification: ~~Stock Clerks~~ *Material Specialist*.
  - c. An overtime hour for purposes of this Agreement: shall be defined as an hour of overtime times the applicable rate of pay for the work performed (i.e., an hour worked at time and a half shall be 1:30 and an hour worked at double time shall be 2:00)
  - d. Overtime offered and refused shall be charged at the applicable overtime rate. *If an employee accepts and fails to work the overtime shift or fails to contact the Company to cancel accepted overtime at least two (2) hours prior to the beginning of the overtime shift without an approved excuse by the Company such Employee will be charged the accepted overtime hours at the double time rate for the first occurrence and at the triple time rate for any succeeding occurrences within a twelve (12) month period, only if the Company successfully fills the no call no show overtime shift. Employees not given proper notice as outlined in Article 6 paragraph 7 will not be subject to this provision unless such employee no call/no shows for the accepted overtime shift.*
  - e. *Employees completing probation or Employees transferring to a new or existing station shall be given the highest overtime hours on the overtime list.* ~~New employees completing probation shall be averaged into the overtime list. Total number overtime hours of all employees in each classification divided by total number of employees within each classification.~~
  - f. An overtime call sheet shall be initialed by the person calling for the overtime. A copy will be retained by the Company and a copy will be made available to the Union for employee review.
  - g. Overtime needed to complete a job may be performed by those employees on the shift and on the clock provided such overtime is not to exceed two (2) hours. Those employees performing the work will be paid a minimum of one (1) hour pay at the applicable rate. When overtime as

described in this paragraph is needed, the lowest overtime employee on duty will be asked (not subjected to ~~callbook~~ ***overtime call-out system (OTCS)*** procedures), except that when it is anticipated that completion of a job is not expected to exceed one (1) hour, the Employee or Employees performing the job may be asked to complete the job.

- h. There will be no requirement by the Company or Union to balance the overtime hours between employees provided employees are asked for overtime per the overtime list.
  - i. Overtime hours worked or refused will be computed each day as of the start of the day, shift, and the updated list will be posted ***in the overtime callout system (OTCS)*** ~~on the bulletin board.~~
  - j. When an Employee goes on paid rest, overtime hours worked up to that time may be added to his accumulated hours. (To be implemented uniformly when the Company can administratively support it.)***
  - k. Employees temporarily assigned to another station will be averaged into that station's overtime list. When such employee returns to his permanent station, the overtime hours worked on temporary assignment will be added to the overtime list at his permanent station.***
  - l. An Employee may volunteer to work overtime (other than his regular shift) on a vacation day, floating holiday, or the day of a shift/day trade (but not on a sick day), and will be paid at regular overtime rates (not holiday rates). In such a situation, vacation or floating holiday hours paid shall not count as hours worked for purposes of the applicable overtime rate calculation.***
  - m. Probationary employees will not be eligible to work overtime unless the overtime call-out list has been exhausted and after exhausting Article 6 paragraph 8. d.***
8. No overtime shall be worked except by direction of the proper supervisory personnel for the Company, except in the case of an emergency when prior authority cannot be obtained. The Company and the Union recognize that in certain circumstances it is necessary that overtime be worked.
- ~~a. It is hereby agreed that when it becomes necessary for an overtime callout an overtime callbook shall be utilized for the purpose of applying this overtime article. To be eligible for an overtime callout an employee must sign the overtime callbook in ink and initial any subsequent changing of preference(s) in ink. A standard overtime call sheet will be used at all facilities. When an employee signs the overtime callbook, this constitutes his agreement to work overtime on the day for which he signed. If the overtime callbook is automated, Employees shall sign up for overtime in accordance with reasonable procedures, which will be established by the Company, with prior notice to the Union.~~
  - ~~b. In making an overtime callout, the Company or its designee will contact the employee in the overtime callbook with the least amount of overtime first, next least, second, etc. If sufficient amount of overtime is not obtained by the use of the overtime callbook, the Company may solicit volunteers or start in reverse order of category seniority and require the employee to work the overtime. No employee will be forced to work scheduled overtime for more than twelve (12) hours for an eight (8) hour shift or fourteen (14) hours for a ten (10) hour shift in a twenty four (24) hour period.~~
  - a. It is hereby agreed that when it becomes necessary for an overtime callout the overtime call-***



*out system (OTCS) shall be utilized for the purpose of applying this overtime article. When an Employee signs up in the overtime call-out system (OTCS), this constitutes his agreement to work overtime on the day for which he signed. The deadline for Employees to sign up for overtime shall be 3:00 p.m. local time at each station, each day, for overtime to be worked the following day. Employees who desire to cancel requested overtime after the 3:00 p.m. closing of the overtime call-out list must contact their Supervisor to cancel their request.*

- b. The overtime call-out system will have an “auto accept” feature that expires at 9:00 p.m. local time the day prior to the overtime to be worked. All overtime requirements arising after 9:00p.m. local time shall be treated as same day call-outs.*
  - c. Employees who sign-up for overtime utilizing the OTCS website may select their shift preferences by indicating: “Any”, to sign-up for all three (3) shifts; “No more than 2”, which shall indicate two (2) shifts; or “No more than 1”, which shall indicate one (1) shift.*
  - d. In making an overtime callout, the Company or its designee will contact the Employee in the overtime call-out system (OTCS) that can cover the full shift and that has the least amount of overtime first, next least, second, etc. If there is no one in the overtime call-out system (OTCS) that can cover the full shift then the assignment will be made to the Employee in the overtime call-out system (OTCS) who has the least overtime first, next least, second, etc., provided such Employee can cover at least half the shift. If sufficient amount of overtime is not obtained by the use of the overtime call-out system (OTCS), the Company may solicit volunteers or start in reverse order of category seniority within the general classification and require the Employee to work the overtime. In making an overtime call-out, the Company shall start at the top of the call-out list for each new overtime requirement on any given day.*
  - e. In paragraph d. above, in determining whether an Employee can cover a full shift only an overlap of two (2) hours or less will be ignored.*
  - f. No Employee will be forced to work scheduled overtime for more than twelve (12) hours for an eight (8) hour shift or fourteen (14) hours for a ten (10) hour shift in a twenty four (24) hour period.*
  - g. The overtime call-out system (OTCS) shall make available to all Employees covered by the Agreement both the complete and condensed versions of the overtime reports, including, but not limited to, the Employee sign-up, the Employee’s personal total overtime record, the call-out list, the call history log, the overtime acceptance list, the overtime hours report and the requested overtime report*
  - h. Any future change or modification to the overtime call-out system (OTCS) procedures will be established by mutual agreement in writing between the Company and the Union.*
9. When an employee, as a result of bidding, changes his days off, no overtime will be paid as a result of such change.
10. The following holidays will be observed: New Years Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, Employees Birthday, and the day after the Employee's birthday.
- a. Two additional floating holidays shall be recognized

- b. All recognized holidays, except for an employee's birthday, and the day after the employee's birthday, shall be that day generally recognized as the holiday.
  - c. The holidays celebrating the employee's birthday and day following said birthday must be consecutive. The days for the employee's birthday shall include the day of his birthday, if it is two (2) regularly scheduled work days, or the first two scheduled work days following his birthday, if such birthday is on a regular day off. ***If an Employee's birthday holiday falls on a scheduled day off, including vacation, day trades off, or floating holidays, (excluding sick time) the Employee's birthday holiday and the day following said birthday will be moved to the first two (2) consecutive scheduled work days following his/her birthday. For pay purposes, the Employee's birthday holiday will start at the beginning of his/her regular posted shift and end after forty eight (48) consecutive hours. Working an overtime shift on a day off or working day trades on will not start the birthday holiday pay.***
  - d. Upon at least five (5) days prior written application, and with the approval of the Company, an employee may be allowed to take the two consecutive birthday holidays within the month in which the birthday occurs.
  - e. All Employees shall receive a Holiday Bonus in an amount equal to their regular compensation rate, including premiums and differentials, if applicable.
  - f. An employee will not work on a holiday unless required to do so by the Company. If the Company requires an employee to work on a holiday, he shall be paid time and one-half (1 1/2) according to his regular compensation rate, including premiums and differentials if applicable, in addition to his Holiday Bonus; however, if the Employee chooses to trade his holiday for a floating holiday the Holiday Bonus will apply on the floating holiday.
  - g. For all overtime hours worked on a holiday in excess of the employee's regular straight time shift, the employee shall be paid triple time according to his regular compensation rate, including premiums and differentials, if applicable. If a holiday falls during an employee's vacation, he shall have his vacation extended by one (1) day. The employee may elect to take such holiday on the last work day preceding or the first work day following such vacation.
  - h. Should any of the foregoing holidays fall on the employee's first day off, the preceding day shall be observed as a holiday and should any of the foregoing holidays fall on the employees second or third day off as applicable, the following day shall be observed as the holiday.
  - i. An employee scheduled and required to work on a holiday, who does not report for work shall not receive any Holiday Bonus or pay for that day.
11. The floating holidays listed in 10 (a) will be credited to each employee's account on January 1st of each year and must be taken during that calendar year.
- a. Requests for floating holidays to be taken during the following year may be submitted no later than December 20 of the preceding year. Such requests will be granted in seniority order. Requests for floating holidays requested after December 20 require adequate notice and will be granted on a first come, first served basis among employees on the shift of that bid location unless there is more than one request for the same day, in which case the award will be made on the basis of seniority at the end of the shift on the day of the request. At least one such employee per shift in each bid location will be allowed a floating holiday on each day of the year.

- b. Floating holidays may be taken as vacation time provided they are bid as vacation days at the time the employee bids his vacation. Floating holidays not taken as vacation time will be taken as provided in 11(a).
12. The Company will make every reasonable effort to avoid requiring employees to work on a holiday to the extent that such holiday does not interfere with the service which the Company believes is required.
- a. In the bid location where reduced man power is acceptable to the Company operations, volunteers to work will be solicited from the affected shift at that bid location.
  - b. If a sufficient number of volunteers is not obtained the Company will require workers to work by reverse order of seniority from the affected shift at that bid location.
  - c. If there is an excess of volunteers, low hours of overtime will be used to determine which volunteers will work from the affected shift at that bid location.
13. a. No later than December 7 of the preceding year, an employee may elect to designate any or all of the fixed holidays set forth above as additional floating holidays, in lieu of such fixed holidays. If an employee designates additional floating holidays in lieu of fixed holidays, the selection of such floating holidays shall be made as provided in subsection 11. A floating holiday may ~~not~~ be used on a fixed holiday which has been traded for a floating holiday by the employee. ***If an employee is allowed to use a floating holiday on a fixed holiday, such holiday will be moved to the employee's first regularly scheduled day back to work.***
- b. If an employee has traded a fixed holiday for a floating holiday and such employee's bid location is not required to work on the fixed holiday, such employee will be given the day off without pay.
14. For continuous service before regular working hours employees will not be required to work more than three (3) hours without being allowed a thirty (30) minute meal period. For continuous service after regular working hours employees will not be required to work more than two (2) hours without being allowed a thirty (30) minute meal period. Employees required to work through such meals shall receive an additional thirty (30) minutes pay.
15. a. Employees required to work sixteen (16) consecutive hours ~~(excluding any shift/day trades)~~ or more must be given a rest period of at least eight (8) hours before being required to report to work again ~~if requested by the Employee~~. In the event that this rest period extends into a regular work shift, ~~(excluding any overtime or shift/day trade work shift)~~ the employee will be paid for such time lost at his regular straight time rate.
- b. In the event an employee's paid rest period would result in his returning for two (2) hours or less of his regular work shift, the employee may elect not to return, and to take off the remainder of the regular work shift without pay as an approved absence.
  - c. If an employee is entitled to a paid rest ~~period~~ under a. above, and ***it is mandatory by*** the Company ~~that such requests and the Employee agrees to~~ forego the paid rest ~~period~~, such employee will ***remain be*** at the ***applicable double time*** overtime rate until ***such time that the assignment concludes or the Employee starts their regularly scheduled shift or*** is relieved for at least eight (8) hours rest.

~~d. An Employee whose shift ends after working twenty (20) consecutive hours but not greater than twenty-four (24) consecutive hours (including any shift/day trades) will be given a mandatory rest period of at least eight (8) hours before being allowed to report to work again. In the event that this rest period extends into a regularly scheduled or overtime work shift after at least twenty (20) consecutive hours the Employee will be paid for such time lost at his regular straight time rate.~~

~~e. Employees which have been on shift and on the clock for twenty four (24) consecutive hours or more will not be subject to any mandatory overtime selection process.~~

~~f. When an Employee receives at least an eight hour rest period, such Employee's twenty four (24) hour clock will be reset for pay purposes in determining applicable rate of pay.~~

16. Temporary supervisors shall not work overtime on work covered by this Agreement until they return under the Agreement at straight time, at which time they go back on the overtime list in the same position before the temporary supervision assignment.

17. Notice of time off for holiday observance will be posted at least seven (7) days prior to the scheduled holiday.

## ARTICLE 7 – TRAINING

1. Time spent by an employee covered by this agreement attending training classes scheduled by the Company before, during or after his regular shift shall be deemed as time spent at his regular work for all purposes and shall be compensated for at regular straight time rates, or at the applicable overtime rate if conducted other than during an employee's straight time shift.
2. The Company will make every reasonable effort to schedule employees to attend the training classes during regular work hours. ***Once an employee is scheduled for training it is his responsibility to attend his training session. Any exception must be approved by a Supervisor.***
3. An employee required by the Company to attend training classes on the employee's day or days off will be paid for the day or days at the overtime rate. It is expressly understood and agreed, however, that an employee's shift and/or days off may be temporarily rescheduled to allow attendance at training classes of several days duration provided the temporarily rescheduled shift and days off meet the requirements of Article 5, and provided the employee is given seven (7) days notice of such shift and days off change.
4. When the Company provides training on new systems or procedures, employees regularly performing the type of work involved will normally be assigned to such training, on their shift to the extent of the number required.
5. When an employee covered by this Agreement receives a special assignment to attend training classes pertaining to this work, or to fulfill other special assignments, he shall receive compensation for all time spent in traveling or waiting, at the applicable rate not to exceed time and one-half (1-1/2) .
- ~~6. Cross training for current stockroom employees will be conducted by the Company, for the purpose of having coverage when overtime, vacation, sick leave and day trades exist.~~
6. ***In addition to regulatory training, the Company agrees to make available to employees eight (8) hours of annual recurrent or cross training (for the purpose of having coverage when overtime, vacation, sick leave and day trades exist) which could include classroom, self-study, computer based and on the job training.***

## ARTICLE 8 - FIELD SERVICE

1. When employees covered by this Agreement engage in ~~emergency~~ field services away from their base station, they shall be paid for such work on the same basis as at their base station, with a minimum of eight (8) or ten (10) hours, whichever is applicable, at straight time rate for each twenty-four (24) hour period. For pay purposes the twenty-four (24) hour period starts with the beginning of the employee's last regular shift.
2.
  - a. All time in excess of eight (8) or ten (10) hours, whichever is applicable, in any one day spent in working, traveling or waiting will be paid at the applicable overtime rate of pay.
  - b. If such field service is interrupted for any reason and the employee is released by an agent of the Company for a period of **eight (8)** ~~seven (7)~~ consecutive hours or more, he shall not be paid for the time released but in no event shall any employee receive less than eight (8) or ten (10) hours, whichever is applicable pay at straight time rate for any twenty-four (24) hour period while away from his base station.
  - c. It is understood the Company may schedule an employee to take his regular days off without compensation except for the reasonable and necessary expenses provided for in this Article.
3. Employees required to work after traveling in connection with ~~emergency~~ field service shall be paid at the overtime rate applicable for all hours worked in excess of eight (8) or ten (10) hours, whichever is applicable, including travel, waiting and working time for the day in question.
4. Upon completion of such ~~emergency~~ field work, an employee shall return to his home station in accordance with the orders received at the time he left his home station or in accordance with the orders he receives from the person to whom he was ordered to report in the field and shall be compensated for the return trip in accordance with the provisions of Paragraphs 2 and 3 above.
5. Where transportation, laundry, meals and lodging are not provided by the Company, necessary and reasonable expenses will be allowed. Upon application an employee will be given an advance by the Company to cover his expenses while away from his base station. Within five (5) days after returning to his home station or at the close of each week in the event the employee is away for a period longer than one (1) week, the employee shall submit an expense account in accordance with the Company regulations and if the employee has returned to his home station it shall be accompanied by the balance of any expense money advanced but not accounted for on the expense account.
  - a. All expenses incurred by the employee of \$20.00 or more while on a field trip on behalf of the Company, shall be reimbursed by the Company as soon as possible but no later than three working days of the general office following the Company receipt of the expense form.
6. Employees who are temporarily transferred from their home station to fill temporary vacancies shall be paid in accordance with Paragraphs 2 and 3 of this Article for the time necessary to travel in connection with such temporary transfer and they shall receive necessary and reasonable expenses for transportation, laundry, meals and lodging in accordance with Paragraph 5 of this Article.

7. When ~~emergency~~ field work cannot be performed by only one employee, due to heavy lifting requirements, safety or other factors which require more than one employee to accomplish the work, then the Company shall dispatch the employees necessary to accomplish the field service. It is further understood that no employee shall be dispatched for field services to a station where no other person is available to render assistance in the event of an emergency. On any over-the-road trip of 500 *total* miles or more, ~~according to the most direct AAA~~ *using an internet mapping applications for calculating the* highway mileage, (i.e. *Google, Yahoo, or MapQuest*), two ~~Stock Clerks~~ *Material Specialists* will be sent.
8. *Field service records will be maintained separately for each Stores Location separate and apart from overtime records. Selection will be made from the shift with the least economic impact on the Company. If the assignment is refused, the next employee in line will be contacted until the required personnel are attained in accordance with subsection c. below.*
  - a. *Any and all overtime hours obtained from the field trips will be transferred from the applicable employee's time card upon his return by the appropriate supervisor and added to his accrued overtime hours as defined in Article 6, Paragraph 7c.*
  - b. *Employees declining a specific field trip will not be eligible for a different field trip until all other normal offers have been completed.*
  - c. *If the desired number of qualified personnel are not obtained from the selected shift and city location, the responsible supervisor will then go through the oncoming shift list to get the required personnel, until either completed, an alternate city location is selected or the trip is cancelled.*
  - d. *The Supervisor responsible for the selected Stores Location will:*
    - i) *Select the personnel on the selected shift in accordance with the field trip list; (including the personnel working a shift / day trade or working overtime);*
    - ii) *If there are insufficient volunteers, and time permitting, an alternate Stores location/city may be chosen;*
    - iii) *If there are insufficient volunteers, Employees will be selected in reverse order of seniority from the originally selected city location of the employees who are on the field trip list (including those on a shift/day trade and overtime).*
  - e. *One field trip list will be maintained in the Supervisor's office.*

*Names will be entered on the list by seniority along with any special job requirements, such as current hazmat qualifications. Such qualifications may be required by the Company at any time to determine the selection of any and/or all field service trips.*

*An Employee may have his/her name removed from the eligible field trip list, except on the day of field trip callout. If an Employee adds his / her name to the field trip list it will be inserted at the bottom of the list.*

*As personnel are sent or refuse a field trip, their names go to the bottom of their list to start over again. Personnel not having specific qualifications for certain field trips will be bypassed and remain in their position on the list.*

## ARTICLE 9 – SENIORITY

1. Company seniority shall be defined as an employee's continuous length of service with the Company and shall govern vacation preference where applicable and length of vacation, if any.
2. For all other purposes, seniority shall be defined as the length of service for which an employee receives credit in the ~~Stock Clerk~~ **Material Specialist** category (Lead **Material Specialist** ~~Stock Clerk~~, ~~Stock Clerk~~ **Material Specialist**) and shall accrue from the date of entering such category.
3. Except as provided in Article 10, category seniority and reasonable qualifications shall govern bidding for vacancies or new jobs, force reduction, restoration of force, promotions, demotions, transfers and realignment of shifts.
4. In a reduction of force, employees having the least seniority in the classification, and bid location directly affected by reduction will be given at least (2) weeks' notice of any reduction in force except when such notice is prevented by an Act of God, a strike by another group of employees within the Company, or other circumstances over which the Company has no control. Such affected employees will be privileged to exercise their seniority in the ~~Stock Clerk~~ **Material Specialist** category as provided in the following paragraph.

The employee directly affected by reduction of force may exercise the following options, in the following order, provided his seniority is greater than that of the employee he is displacing.

- a. To displace any employee with less seniority in his own facility in his own classification whom he is qualified to displace.
- b. To displace any employee with less seniority in any other facility in his classification whom he is qualified to displace.
- c. To displace any employee with less seniority in his own facility in any other classification in his category whom he is qualified to displace.
- d. To displace any employee with less seniority in any other facility in any other classification in his category whom he is qualified to displace.
- e. An employee may request and be granted a furlough instead of exercising any of the above options.
- f. ***Employee (s) displaced by a reduction of force will have the first right of refusal to return to the affected station for a twenty four (24) month period beginning from date of displacement. In the event a permanent bid vacancy becomes available within such twenty four (24) month period, Employee (s) will be offered and may accept a returned to the affected station by order of seniority within their category.***

An employee entitled to exercise option (b) under this paragraph may instead choose to exercise option (c). If an employee is able to displace an employee within his category in his facility but instead elects to displace an employee in another facility, the employee's move will be treated as a voluntary transfer and the Company will not pay moving expenses.

5. In the restoration of force, employees will be reemployed in the order of seniority within their category.



6. Employees shall continue to accrue seniority while on furlough.
- ~~7. Except as otherwise provided in the Agreement, new employees hired after the effective date of this Agreement shall be regarded as temporary employees for the first ninety (90) calendar days of their employment and there shall be no responsibility on the part of the Company for the re-employment of temporary employees if they are discharged or laid off during this period. If retained in the service after the probationary period, the names of such employees shall be placed on the seniority list in order of the date of their original hiring. On the last day of each month the Company will furnish the Union with a list of new hires, including date of hire, classification and assignment along with a list of employees terminated (other than probationary employees) giving date of termination, classification, assignment and reason for termination.~~
7. *Except as otherwise provided in the Agreement, new employees hired after the ratification date of this Agreement shall be regarded as probationary employees for the first one hundred eighty (180) days of their employment and there shall be no responsibility on the part of the Company for the reemployment of probationary employees if they are discharged or laid off during this period. If retained in the service after the probationary period, the names of such employees shall then be placed on the seniority list for their category in order of the date of their original hiring. On the last day of each month the Company will furnish the Teamsters - Airline Division with a list of new hires, including date of hire, classification and assignment and a list of employees terminated (other than probationary employees), giving date of termination, classification, assignment and reason for termination.*
8. Seniority lists showing the names, classifications, system seniority date, date of hire, station and department name shall be prepared by the Company with respect to those groups of employees covered by this Agreement. Seniority lists shall be furnished the Union and shall be posted *electronically on SWAlife.com.* ~~in each stockroom facility during January or each year and shall be revised each six (6) months.~~ Such lists will be subject to correction upon protest for a period of thirty (30) days. If no complaint is made within thirty (30) days after being posted, the list as published shall be assumed to be correct and no changes will be made except under extraordinary circumstances. In preparing the seniority list, when it is impossible to determine the proper order by date of entering classification or by length of service with the Company, then the names shall be listed in alphabetical order by surnames.
9. Employees will lose their seniority status and their names will be removed from the seniority lists under the following conditions.
  - a. He quits or resigns.
  - b. He is discharged for just cause.
  - c. He is absent from work without giving the Company a satisfactory reason therefore.
  - d. He does not inform the Company in writing ~~or by telegram~~ of his intention to return to service within nine (9) days of sending of notice offering to re-employ him.
  - e. He does not return to the service on or before a date specified in the notice from the Company after a layoff which date should not be prior to nine (9) days after sending such notice; provided such notice was sent by certified mail (return receipt requested) ~~or telegram~~ to the employee at the last address filed by him with the Company.

- f. An employee who is furloughed and who is not recalled to service with the Company within five (5) years from date of furlough.
  - g. He does not return to service after being on any leave of absence for sickness or injury after three (3) years.
10. When it becomes necessary to reduce the working force, a list of those to be laid off will be furnished the Union.
- ~~11. Employees promoted to a permanent supervisory or IBT position shall stop accruing seniority in the categories from which they have advanced. Thereafter, they shall retain accrued seniority for so long as they hold a supervisory position or are employed by the IBT. If an employee thereafter voluntarily returns to the category from which he advanced, no other employee covered by this Agreement shall be furloughed. A supervisor or an IBT official furloughed from his position may not use his category seniority to displace any other employee at the time of furlough. The furloughed supervisor's or IBT official's name will be placed on the recall list for any category in which he holds seniority. If an employee is terminated while in a supervisory position, such supervisor shall have no rights under this Agreement. The Company must notify the Union ten (10) days in advance if a person in a supervisory position will be returning to the category from which he advanced. The Union must notify the Company ten (10) days in advance if an IBT official will be returning to the category from which he advanced.~~
- 11. Employees promoted to a permanent supervisory position shall stop accruing seniority in the categories from which they have advanced. Thereafter, they shall retain accrued seniority for so long as they hold a supervisory position. If an employee thereafter voluntarily returns to the category from which he advanced, no other employee covered by this Agreement shall be furloughed. A supervisor furloughed from his position may not use his seniority to displace any other employee at the time of furlough. The furloughed supervisor's name will be placed on the bottom of the recall list. If an employee is terminated while in a supervisory position, such supervisor shall have no rights under this Agreement. The Company must notify the Union ten (10) days in advance if a person in a supervisory position will be returning to the category from which he advanced.**
- ~~12. Any employee accepting temporary transfer or promotion to a supervisor for a period of not to exceed a total of sixty (60) calendar days in any one (1) calendar year, shall maintain and accrue seniority.~~
- 12. Employees shall continue to accrue all seniority while serving as a Union Representative.**
- 13. Any employee accepting temporary transfer or promotion to a supervisor or nonbargaining Maintenance position for a period of not to exceed a total of sixty (60) work days in any twelve (12) month period, shall maintain and accrue seniority. Such assignment need not be bulletined as required in Article 10 but the Union will be notified in writing of such assignment and duration. For the purpose of temporary assignments, calculated time shall include all days from the start of the temporary assignment until the conclusion of the temporary shift worked on that day.**

14. *In a station to station headcount realignment, employees having the least seniority in the classification, facility and bid location directly affected by the realignment will be given at least two (2) weeks' notice of any realignment of headcount except when such notice is prevented by an Act of God, a strike by another group of employees within the Company, or other circumstances over which the Company has no control. An employee affected by a realignment of headcount may exercise his seniority as provided in the following paragraph to displace another employee in the same category provided his seniority is sufficient. The employee directly affected by a realignment of headcount may exercise the following options, in the following order, provided his seniority is greater than that of the displaced employee:*
- a. *To displace any employee with less seniority in his own facility in his own classification, whom he is qualified to displace.*
  - b. *To displace any employee with less seniority in his own facility in any other classification in his category, whom he is qualified to displace.*
  - c. *To displace any employee with less seniority in any other facility in his classification, whom he is qualified to displace.*
  - d. *To displace any employee with less seniority in any other facility in any other classification in his category, whom he is qualified to displace.*
  - e. *Employee (s) displaced by a station headcount realignment will have the first right of refusal to return to the affected station for a twenty four (24) month period beginning from date of displacement. In the event a permanent bid vacancy becomes available within such twenty four (24) month period, Employee (s) will be returned to the affected station by order of seniority within their category, of employees displaced.*
15. *Employees displaced from a vendor location shall have first bid rights to remain in the same city location if a position is created. If no position is created such employee shall follow the procedures as outlined in paragraph 14 above.*

## ARTICLE 10 - FILLING OF VACANCIES

1. ***Permanent vacancies are new positions or vacancies created as a result of an employee transferring or leaving the bargaining unit. Any employee who has completed his probationary period will be entitled to bid on any vacancy.***
2. Vacancies subject to bid shall be posted on the bulletin board. ***If a permanent vacancy in a classification occurs and the company does not abolish the position within fourteen (14) days the vacancy will be bulletined online in all Stores locations within fourteen (14) days after the permanent vacancy occurs.*** Such bulletins shall describe the vacancy or vacancies and shall set a deadline date by which bids must be received and such vacancies filled. Such bulletins shall state the classification of the job, qualifications necessary and shifts and days off. A vacancy or vacancies shall be open for bid for a period of not less than seven (7) days after date of posting at each station. The most senior qualified employee bidding shall be awarded the vacancy except as otherwise provided herein. ***The awarded bid will be posted seven (7) days before start date of such bid. All vacant positions (no successful bids) will be posted at least once a month, or any time an additional vacancy occurs.*** If an employee on vacation or absent has seniority over the person accepted for the bid, he shall have the right to bid upon his return ***(Excluding the Annual Bid). Vacant positions can only be filled under the provisions of Articles 5 and then 10.***
  - a. ***An employee who is awarded a bid location in a different city will fill the vacancy at the beginning of the next pay period, after being badged for the other city, and no more than 60 (sixty) days from the award date, unless the employee and the company mutually agree to an extension. An employee who is awarded a bid location within the same city will fill the vacancy within no less than seven (7) days and no more than thirty (30) days from the award date. Where 2 or more employees enter a new bid location at the same time, category seniority shall prevail as to which of the vacant shifts such Employees are entitled, provided that if neither Employee has seniority in the category involved, seniority with the company shall prevail.***
  - a. ***The temporary vacancy anticipated to last six (6) months or less shall be designated as a primary vacancy at the expiration of six (6) months, except that whenever such temporary job is expected to exceed six (6) months limit the Company and the Union may mutually agree to extend such temporary job.***
  - b. ***For bidding purposes, a successful bidder of a bulletined vacancy covered by this Agreement shall be considered to hold the classification from the award date of the bid, not the effective date of the bid.***
  - b. ***Temporary vacancies need not be bulletined as outlined in (2) above, but notice of a temporary vacancy will be posted for informational purposes and may be filled just by volunteers or the Company may assign, by using reverse order of seniority.***
  - c. ***A non-probationary Employee may bid on any bulletined vacancy, created as a result of a new or vacant position. The probationary employee may bid on any bulletined vacancy created as a result of a new or vacant position in his/her station/base.***
  - e. ***An employee who is assigned to fill a temporary vacancy will, upon discontinuance of such temporary duty, be returned to his former assignment.***

- d. *An employee bidding for more than one vacancy shall indicate the order of preference on each bid.*
3. *All other vacancies other than those described in paragraph one (1) above will be considered as temporary vacancies, including but not limited to, vacancies occurring as a result of an employee*
- (i) Accepting a volunteer position,*
  - (ii) Taking a leave of absence,*
  - (iii) Being out sick or injured on the job;*
- a. *Temporary vacancies which are anticipated to extend beyond sixty (60) days will be filled under Article 5, paragraph 10 for local Station only. When the employee whose absence created the temporary vacancy returns to work, all affected Employees will return to their former position, shift and days off no earlier than seven (7) days unless mutually agreed upon by all affected Employees.*
- b. *Temporary vacancies of less than sixty (60) days need not be filled. If the company chooses to fill a temporary vacancy of less than sixty (60) days such vacancy will be bulletined for five (5) days at the affected station and will be awarded to the senior qualified bidder, or if there is no qualified bidder the company may assign using reverse order of seniority. When the employee whose absence created the temporary vacancy returns to work, all affected Employees will return to their former position, shift and days off no earlier than seven (7) days unless mutually agreed upon by all affected Employees.*
- c. *The Company will not be required to fill a temporary vacancy from outside that Station. In the event the Company chooses to fill any such vacancy, it will be bulletined at a Maintenance Base selected by the Company and awarded to the senior qualified bidder.*
4. An employee who has been assigned to a supervisory position or other duties within the Company may not bid on a vacancy. Said employee may be appointed to a vacancy only after all bidding and recall procedures have been exhausted.
5. Any person bidding within the ~~Stock Clerk~~ **Material Specialist** category shall hold the job to which he bid for a period of time not to exceed ninety (90) working days on a trial basis in order to demonstrate his ability to perform the work required for the job as outlined in Article 4 of this Agreement. During such period, if the employee is unable to demonstrate his ability to perform the work required for the job, he shall be returned to his previous assignment.
6. If it is found that the job bid for is not as represented in the bulletin, the employee may return to his previous assignment anytime within the qualification period.
7. He shall not, in the case of failure to demonstrate ability, be permitted to bid a vacancy in the same or higher classification in the same type of work he was unable to demonstrate ability for a period of six (6) months after such failure.
8. a. If an existing stockroom is relocated, the employees displaced would have the right to follow their work and fill the available jobs at the location before any vacancies are bulletined under the bidding procedure. The employees displaced shall receive as much advance notice as possible of such relocation and/or consolidation. If there are not sufficient jobs at the new location to provide employment for all displaced employees, surplus employees may exercise their seniority rights.

- b. At the time any existing stockroom is closed, the Company shall notify the Union in writing whether such closure constitutes a relocation for purposes of this section, and, if so, the location or locations to which such work is being relocated.
- 9. In the event the Company determines that there is an additional requirement for ~~Stock Clerks~~ **Material Specialist** at outlying stations, the Company agrees to give existing ~~Stock Clerks~~ **Material Specialist** the right to bid such vacancies before hiring new personnel.
- 10. If a lead desires to return to his basic classification within his station, without a permanent vacancy occurring, such employee will be allowed to do so provided the vacancy created by his return is filled through the bid process within his station. If the lead vacancy is not filled through the bid process, the lead shall not be permitted to return to his basic classification. A contingent vacancy bid will be held to determine if any qualified employee in the same station bids the position. The remaining leads in that station will re-bid shifts and days off and the replacement lead will assume whatever shifts and days off remain. A re-bid of shifts and days off will be held within the employee's basic classification and station and the employee returning to his basic classification will be assigned to the shift and days off remaining open following the re-bid. The effective date of the replacement and the return to the basic classification will be on the same date as the newly bid shifts take effect.

ARTICLE 11 - VACATIONS

1. All employees who have been with the Company for less than one (1) year as of January 1, will be entitled to a vacation in accordance with the following schedule:

Months of service as of January 1:

1 month	1 day
2 months	2 days
3 months	3 days
4 months	4 days
5 months	4 days
6 months	5 days
7 months	6 days
8 months	7 days
9 months	8 days
10 months	9 days
11 months	9 days
12 months	10 days

2. All employees shall receive two (2) weeks' vacation beginning in the year following their first anniversary with the Company. All employees shall receive three (3) weeks' vacation beginning in the year following their fifth (5th) anniversary with the Company. All employees shall receive four (4) weeks' vacation beginning in the year following their tenth (10th) anniversary with the Company and five (5) weeks' vacation beginning in the year following their eighteenth (18th) anniversary with the Company.
3. Once vacation schedules are established, they will not be changed except by two (2) weeks written request to the Company and not then if it is in conflict with the vacation policy. Prior to the beginning of each month, if an available vacation slot of one week or more in that month becomes vacant, employees in that bid location will be allowed to request to change their vacation date to the vacant slot. Award of the vacant vacation slot will be on the basis of seniority among those employees with sufficient vacation time remaining.
4. Vacations are not cumulative but must be taken during the calendar year. If not taken by the end of that year due to a Company request that the employee defer his vacation and the employee agrees, the employee shall be entitled to said deferred vacation during the succeeding calendar year or to pay in lieu of same at the option of the employee. If taken during the succeeding calendar year, the vacation period will be bid after all current year bids have been assigned.
5. Employees leaving the service of the Company for any reason will be paid for any unused vacation accrued if the employee has one (1) year of continuous service with the Company. If an employee is being laid off because of a reduction in force and he had not had the one (1) year of service required to qualify under to provision of this paragraph, he shall be paid for all vacation time accrued. Employees going on a scheduled vacation will not be denied their earned vacation pay if they do not return to the service of the Company. Proper vacation allowance shall be paid to any employee leaving the service of the Company because of reduction in force, resignation, or for military service. An employee who resigns must give two (2) weeks' notice in writing before he is entitled to accrued vacation. In the case of a death of

an employee, the amount of vacation due shall be paid to his beneficiaries or his estate. Employees who are discharged for just cause shall not receive pay for accrued vacation.

6. Vacation schedules shall be arranged by the Company to provide vacations for employees. At least one employee may be permitted to take a vacation at any given time in any shift in any bid location; however, the Company will allow as many employees as possible to take a vacation at any given time to assure that all accrued vacation time can be taken.
7. An employee may, at his option, split his vacation periods. Any or all vacation weeks may be taken in increments of no less than one (1) day provided he makes request with adequate notice prior to starting vacation. Except in cases of emergency, vacation days should be requested at least 24 hours in advance. The selection of increments less than one (1) work week does not count as a choice. The employee after making a choice of his first period, shall not make a second choice until all first choices in his bid location have been completed and then in accordance in seniority. Third choices of vacation period will not be allowed until all first and second choices have been made. Selections in increments of less than one (1) work week may be made after all choices have been made. Employees shall have the right to obtain their vacation pay in advance, provided the employee makes application to his immediate supervisor at least two (2) weeks prior to starting his vacation. Employees transferring at his own request to another station shall not disrupt assigned vacation periods. Where no conflict exists, an employee will be allowed his previously assigned vacation period. Where there is a conflict, the employee will select another vacation period.
8. ***The Company will notify the Union in writing if the annual vacation bids are automated. If the Union feels the Company is violating work rules covered under this Agreement through automation, the Company and the Union shall proceed to resolve the issue through the grievance procedures outlined in Article 21.***
9. ***In case of an ~~emergency situation~~ unusual circumstance, by mutual agreement between the Company and the Employee, an Employee may borrow up to 80 hours of vacation which would be taken in the following calendar year. In the event such Employee leaves the service of the company before he becomes entitled to receive such vacation, the amount of such vacation pay shall be deducted from his last paycheck (or offset against the amount he would otherwise receive under Paragraph 5, above, as appropriate).***



## ARTICLE 12 - LEAVES OF ABSENCE

1. Where a justifiable reason exists and when the requirements of the service will permit, any employee hereunder shall, upon proper written application and approval of the Company, be granted a Leave of Absence in writing for a period not to exceed ninety (90) days, unless for sickness or injury. Under such leaves, the employee shall retain and continue to accrue seniority and the Union shall be notified of all leaves granted. Such leave or leaves may be extended for additional periods not to exceed ninety (90) days each when approved by the Company, in writing, and seniority will accrue during such extension. ***It is the responsibility of each Employee on an approved Leave of Absence to notify the Company of any contact information changes. (e.g., phone number, mailing address, email address)***
  - a. When the Leave of Absence has been granted because of sickness or injury, seniority shall accrue during the entire Leave of Absence, except that in no case shall a Leave of Absence for sickness for injury exceed a total continuous period of three (3) years.
2. Any employee hereunder on Leave of Absence engaging in gainful employment without prior written permission from the Company shall forfeit his position on his seniority list.
3. Employees hereunder shall, upon returning from an authorized Leave of Absence be returned to the job assignment held at the station when leave was granted. If the job no longer exists, the employee may exercise his seniority.
4. An employee who accepts a ~~temporary~~ full time position with the Union shall continue to accrue seniority ~~for a period of six (6) months, and if required to leave that position within six (6) months after acceptance shall be permitted to return to his original position. An Employee accepting a permanent, IBT position shall stop accruing seniority, but shall retain accrued seniority for so long as they are employed by the IBT.~~ For Union positions, the Union must notify the Company whether the position is a temporary or a full time position, prior to the filling of such position. ***The Union will notify the company when the employee is requested for Union duty and at completion of that duty.***
5. An employee who accepts a temporary position with the Union (less than ***90 working days*** ~~three (3) months~~) will be permitted to return to his original position upon release from such temporary assignment. Time for a temporary leave under this paragraph will be extended if requested by the Union and agreed to by the Company up to a maximum of ***180 working days*** ~~six (6) months~~ within any twelve (12) month period.

### ARTICLE 13 - SICK LEAVE AND ON-THE-JOB INJURIES

1. Employees will not be eligible for sick leave benefits during the first six (6) months of continuous service; however, sick leave credit will accrue during that period.
2. Sick leave allowance will accrue at the rate of eight (8) hours of each month of continuous service and may accumulate to a maximum at anyone time of ~~one thousand six hundred fifty (1650)~~ **two thousand (2000) hours**. Upon termination of employment, accrued sick leave will not be paid. However, upon retirement at age sixty-one and one-half (61-1/2) and after minimum of ten (10) years of service with the Company, sick leave may be traded for continued medical coverage as provided in Article 20, at the rate of one (1) month's coverage for each twelve (12) hours of sick leave accrued or until age sixty-five (65), whichever occurs first. An Employee who retires at age sixty (60) with a minimum of twelve (12) years of service with the Company, may trade accrued sick leave for continued medical : coverage to the age of sixty-five (65) at the rate of one month's (1) coverage for each twelve (12) hours of sick leave accrued. If such employee dies before age sixty five (65), his spouse and/or dependent may continue coverage for up to five (5) years, or the date the normal coverage would have ceased, whichever is shorter, provided there are sufficient hours remaining in the sick accrual.
3. Sick leave pay shall be at the employee's current straight time rate.
4. When it is necessary for an employee who has completed six (6) months of continuous service to be absent from work because of a non-occupational illness or injury, he ~~may~~ **will** be granted sick leave with pay for such absence to the extent that he has sick leave allowance accrued provided such illness or injury is not self-inflicted.
5. If an employee reports to work and becomes ill to the extent that he is unable to finish his day's work, the employee will report to the supervisor on duty before leaving. The employee may request sick leave allowance for the remaining portion of pay for that day.
6. After a sickness, the number of days paid will be charged against the allowance, and eight (8) hours for each month of continuous service shall accrue to the employee until such time as the accumulation again reaches ~~one thousand six hundred fifty (1650)~~ **two thousand (2000) hours**.
7. The Company and the Union recognize that accrued sick leave is available for absences due to legitimate personal injury or personal illness. Sick leave is not to be used for any reason other than legitimate personal injury or personal illness. Using sick leave, sick pay, OJI leave or OJI pay for a purpose other than that intended constitutes abuse **and could lead to discipline**. If the Company records indicate an employee is abusing his sick leave, the Company reserves the right to require a physician's certificate or an examination by a Company designated physician to confirm any claim for sick leave pay. Any Company requested examination shall be paid for by the Company.
8. It is the responsibility of any employee absent from work because of sickness to report immediately such absence and the reason therefore to his immediate supervisor, and to notify the Company promptly of any change which affects his return to work in order to qualify for sick leave benefits.

9. Sick leave allowance will accrue during each calendar month for which an employee is paid for at least 90 hours during the month.
10. Sick leave ordinarily will not be charged to the employee injured on the job, except as outlined in Paragraph ~~14~~ **15** below.
11. The Company will make up the difference between that which is paid the employee by Workmen's Compensation and what the employee would have made if he had worked his regular shift. Until the definite rate is established, and is being paid, the Company will pay the injured employee his normal earnings on each regular pay day.
12. The Company may require the injured employee to submit to physical examination by a doctor of the Company's choosing at any time. Payments by the Company under this policy may be terminated if the employee refuses to submit to a physical examination as outlined above or if the employee is found fit to return to work. If a dispute should arise between the Company's physician and the employee's physician concerning the physical capability of an employee to return to work after an On-The-Job Injury Leave or sick leave, a third physician, which the employee's physician and Company's physician shall agree on, will be consulted and his decision will be determinative. The expense of the third physician shall be paid for by the Company.
13. **Transitional Duty for Occupational Injury – The Company will offer Transitional Duty to employees who experience an occupational injury and are released to restricted duty. An employee's refusal of Transitional Duty will result in the loss of salary continuation and, to the extent permitted by law, loss of his/her indemnity benefits. Transitional Duty will last a maximum of eight (8) weeks. Employees on Transitional Duty will be allowed to work partial days in four (4) hour increments or greater up to their scheduled shift, subject to their restrictions. Employees on Transitional Duty will not be eligible for overtime or shift/day trades. The Company will consult with the treating physician in regard to transition work available for occupational injuries to assure that the work will not aggravate the injury further or put the employee at an undue safety risk.**
- ~~13.~~ **14.** Upon return from an On-The-Job Injury Leave, an employee, when able, will return to his former position, if still available and if not, may exercise his seniority. ***It is the responsibility of each Employee on an approved Leave of Absence to notify the Company of any contact information changes. (e.g., phone number, mailing address, email address)***
- ~~14.~~ **15.** In any event, payments for On-The-Job Injury Leave shall be terminated at the end of fifteen (15) calendar weeks. If the employee is still unfit for work at the end of such fifteen (15) calendar weeks, he may use any accumulated sick leave ***and/or vacation time***. Employees will continue to receive health care benefits (***medical, dental, prescriptions, etc.***) during the period of such salary continuation, ***plus the continuation period equivalent to any accumulated sick leave and vacation (whether taken or not), plus one hundred and twenty (120) calendar days.*** and while remaining on paid status thereafter (including sick leave and vacation). Upon exhaustion of sick leave, ***At the end of such period of coverage, health care*** benefits may be continued under COBRA.

ARTICLE 14 - WAGE RULES - SHIFT PREMIUMS – LONGEVITY

1. The hourly rates set forth in Article 15 shall prevail, except that the Company may recognize prior experience when hiring and place an employee in the progression scale at a rate above the minimum, but not to exceed the most recently hired employee in the affected classification.
2. Employees will be paid on the fifth (5th) and twentieth (20th) of each month for the preceding pay period. There shall be two pay periods each month: (1) 1st - 15th and (2) 16th - final day of each month.
3. Should the regular payday fall on Saturday or a Holiday; employees will be paid on the preceding day except when a Holiday falls on Monday. In that instance the employees will be paid on the following Tuesday. Should the regular payday fall on Sunday employees will be paid on the following Monday. Employees shall be paid during their regular working hours.
4. Where there is a shortage equal to one -half (1/2) day's pay or more in the pay of an employee, the employee will be reimbursed for such shortage as soon as possible or no later than three (3) working days (*for direct deposit or five (5) working days for a physical check*) for the general office. *The employee and the company may mutually agree to pay the shortage in the next pay check.*
5. Pay checks will include an itemized statement of all hours, wages, adjustments and deductions for the pay period, year to date wages, FICA and withholding taxes.
6. Employees leaving the service of the Company will be paid for all the time due at the earliest possible time after separation and in compliance with State Law.
7. Automatic changes in pay rates will be effective on the nearest date commencing a regular pay period.
8. An employee absent during his normal working day for the purpose of serving as a juror shall be entitled to his regular pay for the number of authorized days off. Employees will not be required to work beyond 12:00 midnight, but will receive pay for the balance of their scheduled shift, if the employee is required to report for jury duty the next morning. Whenever the employee is released from jury service, he shall be allowed eight (8) hours rest as provided for in Article 6, Paragraph 13, before reporting back for work. An employee receiving summons shall notify his supervisor immediately and shall provide his supervisor with written proof of time spent on jury duty, with actual dates and hours of service.
9. When employees are temporarily transferred from their regular work to work of a higher classification, they shall be paid for the higher classification for a minimum of four (4) hours. If such employee is required to work in the higher classification for more than four (4) hours, such employee should be paid for eight (8) hours.
10. Employees shall be paid *fifty-six (56)* ~~fifty-one (51)~~ cents per hour shift premium as additional compensation over their basic rate for all hours worked in which the shift commences work outside the hours of between 5:30 a.m. and 9:00 a.m., except for those employees who commence work between the hours of 8:30 p.m. and 12 midnight, who will be paid *sixty-three (63)* ~~fifty-eight (58)~~ cents per hour shift premium as additional compensation. The relief ~~Stock Clerk~~ *Material Specialist* that rotates between day and night shifts during a work week will be

paid ~~sixty-three (63)~~ fifty-eight (58) cents shift premium for all hours worked.

- ~~11. At the conclusion of each year of category seniority an Employee accrues, his pay shall be increased by \$0.10/hour up to twenty (20) years. Employees completing twenty (20) years and thereafter will receive \$2.00/hour. For purposes of this section only, service shall be defined as service within a group covered by a collective bargaining agreement between Southwest Airlines and the International Brotherhood of Teamsters. This shall not affect the wage rates as set forth in Article 15 or any other provisions relating to seniority in this Agreement.~~

Note: Grandfather Clause:

Material Specialists that are Employees of the Company as of the date of ratification (DOR), shall be grandfathered into #11 above for purposes of longevity (OLD #11 WILL NOT BE PRINTED IN NEW CBA).

11. *At the conclusion of nine (9) years of category seniority an Employee accrues, his pay shall be increased by \$0.10/hour up to nineteen (19) years. . At the conclusion of the employee's twentieth (20) year, the rate will increase to \$.20/hour up to twenty-four (24) years. Employees completing twenty-four (24) years and thereafter will receive \$2.00/hour. For purposes of this section only, service shall be defined as service within a group covered by a collective bargaining agreement between Southwest Airlines and the International Brotherhood of Teamsters. This shall not affect the wage rates as set forth in Article 15 or any other provisions relating to seniority in this Agreement.*
12. Overtime, holidays, jury duty, funeral leave, sick leave, on-the-job injury leave, and vacation time shall be computed on the basis or regular rate of pay plus shift differential and longevity.
13. Automatic changes in pay rates will be computed as follows: changes occurring from the 24th of the month to the 8th of the following month shall be effective beginning on the 1st of the following month. Changes occurring from the 9th to the 23<sup>rd</sup> of any month shall become effective beginning on the 16th of the month.

SENIORITY DATE

SENIORITY DATE

24		9	
25		10	
26		11	
27		12	
28		13	
29		14	
30		15	
31	Changes effective 1 <sup>st</sup>	16	Changes effective 16 <sup>th</sup>
1	of the month	17	of the month
2		18	
3		19	
4		20	
5		21	
6		22	
7		23	
8			

ARTICLE 15 - WAGE RATES

1.

Base Rates of Pay Per Hour								
	August 16,							
	2000	2001	2002	2003	2004	2005	2006	2007
<b>Stock Clerks <i>Material Specialist</i></b>								
1st 6 Months	\$12.46	\$12.46	\$12.46	\$12.46	\$12.46	\$12.83	\$13.21	\$13.61
2nd 6 Months	13.06	13.06	13.06	13.06	13.06	13.45	13.85	14.27
2rd Year	13.72	13.72	13.72	13.72	13.72	14.13	14.55	14.99
3th Year	15.02	15.02	15.02	15.02	15.02	15.47	15.93	16.41
4th Year	16.33	16.33	16.33	16.33	16.33	16.82	17.32	17.84
5th Year	17.71	17.71	17.71	17.71	17.71	18.24	18.79	19.35
Thereafter	19.12	19.12	19.12	19.12	19.12	19.69	20.28	20.89
<b>Lead Stock Clerks</b>	\$19.93	\$19.93	\$19.93	\$19.93	\$19.93	\$20.53	\$21.15	\$21.78

*Rates of Pay Effective on Date of Ratification through amendable date August 16, 2013*

<del>Base Rates of Pay Per Hour</del>					
		<del>August 16</del>			
	<del>Current</del>	<del>2009</del>	<del>2010</del>	<del>2011</del>	<del>2012*</del>
<del><b>Materials Specialists</b></del>					
<del>1st 6 Months</del>	<del>\$13.61</del>	<del>\$11.00</del>	<del>\$11.00</del>	<del>\$11.00</del>	<del>\$11.11</del>
<del>2nd 6 Months</del>	<del>\$14.27</del>	<del>\$12.00</del>	<del>\$12.00</del>	<del>\$12.00</del>	<del>\$12.12</del>
<del>2rd Year</del>	<del>\$14.99</del>	<del>\$13.09</del>	<del>\$13.09</del>	<del>\$13.09</del>	<del>\$13.22</del>
<del>3th Year</del>	<del>\$16.41</del>	<del>\$14.27</del>	<del>\$14.27</del>	<del>\$14.27</del>	<del>\$14.41</del>
<del>4th Year</del>	<del>\$17.84</del>	<del>\$15.56</del>	<del>\$15.56</del>	<del>\$15.56</del>	<del>\$15.72</del>
<del>5th Year</del>	<del>\$19.35</del>	<del>\$16.97</del>	<del>\$16.97</del>	<del>\$16.97</del>	<del>\$17.14</del>
<del>6th Year</del>	<del>\$20.89</del>	<del>\$18.51</del>	<del>\$18.51</del>	<del>\$18.51</del>	<del>\$18.70</del>
<del>7th Year (2009 Thereafter)</del>	<del>=</del>	<del>\$20.18</del>	<del>\$20.18</del>	<del>\$20.18</del>	<del>\$20.38</del>
<del>8th Year (2010 Thereafter)</del>			<del>\$22.01</del>	<del>\$22.01</del>	<del>\$22.23</del>
<del>9th Year (2011 Thereafter)</del>	<del>=</del>	<del>=</del>	<del>=</del>	<del>\$24.00</del>	<del>\$24.24</del>
<del><b>Lead Materials Specialists</b></del>	<del>\$21.78</del>	<del>\$21.05</del>	<del>\$22.96</del>	<del>\$25.03</del>	<del>\$25.28</del>

<i>Base Rates of Pay Per Hour</i>				
<i>August 16,</i>				
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012*</i>
<i>Materials Specialists</i>				
<i>1st 6 Months</i>	<i>\$11.00</i>	<i>\$11.00</i>	<i>\$11.00</i>	<i>\$11.11</i>
<i>2nd 6 Months</i>	<i>\$12.04</i>	<i>\$12.04</i>	<i>\$12.04</i>	<i>\$12.16</i>
<i>2rd Year</i>	<i>\$13.18</i>	<i>\$13.18</i>	<i>\$13.18</i>	<i>\$13.31</i>
<i>3th Year</i>	<i>\$14.43</i>	<i>\$14.43</i>	<i>\$14.43</i>	<i>\$14.57</i>
<i>4th Year</i>	<i>\$15.79</i>	<i>\$15.79</i>	<i>\$15.79</i>	<i>\$15.95</i>
<i>5th Year</i>	<i>\$17.28</i>	<i>\$17.28</i>	<i>\$17.28</i>	<i>\$17.45</i>
<i>6th Year</i>	<i>\$18.91</i>	<i>\$18.91</i>	<i>\$18.91</i>	<i>\$19.10</i>
<i>7th Year (2009 Thereafter)</i>	<i>\$20.70</i>	<i>\$20.70</i>	<i>\$20.70</i>	<i>\$20.91</i>
<i>8th Year (2010 Thereafter)</i>		<i>\$22.66</i>	<i>\$22.66</i>	<i>\$22.89</i>
<i>9th Year (2011 Thereafter)</i>			<i>\$24.80</i>	<b><i>\$25.30</i></b>
<i>Lead Materials Specialists</i>	<i>\$21.59</i>	<i>\$23.63</i>	<i>\$25.87</i>	<b><i>\$26.39</i></b>

2. Profitability Bonus. A profitability bonus will be awarded as of the date of ratification of this Agreement, and as of August 16 of each of 2001, 2002, 2003 and 2004, of up to three percent (3%), should the adjusted operating margin for the Company during the applicable preceding calendar year exceed nine percent (9%). As the adjusted operating margin for the applicable calendar year increases from nine percent (9%) up to fifteen percent (15%), the profitability bonus for the following August 16 will increase on a straight line basis from zero percent (0%) up to three percent (3%), rounded to the nearest one hundredth of a percent.

For purposes of the foregoing calculations, the adjusted operating margin will be defined by the following formula:

$$\frac{\text{Operating Revenues (a) minus Adjusted Operating Expenses (b)}}{\text{Operating Revenues (a)}}$$

(a) Operating Revenues will be as set forth in the consolidated statement of income in the annual report to shareholders.

(b) Adjusted Operating Expenses will be operating expenses as set forth in the consolidated statement of income in the annual report to shareholders adjusted for the following reasons:

(i) If the Company finances aircraft through long term operating leases, Operating Expenses will be adjusted with respect to such aircraft as follows:

$$\begin{array}{r} \text{Operating Expenses} \text{---} \$\text{XXX} \\ \text{Less: Aircraft Rental Expense (x) } \text{---} \$\text{XXX} \\ \text{Add: Pro Forma Aircraft} \\ \quad \text{Depreciation Expense (y) } \text{---} \$\text{XXX} \\ \text{Adjusted Operating Expense } \text{---} \$\text{YYY} \end{array}$$

(x) Aircraft Rental Expense as set forth in the consolidated statement of income in the annual report to

shareholders.

(y) Depreciation Expense will be computed for those aircraft covered by using the Company's original cost of the respective aircraft and the Company's then current method for computing depreciation for comparable aircraft.

(ii) If the Company engages in the sale/leaseback of aircraft, the operating expenses will be restated as in (i) above.

(iii) If aircraft are acquired on short term operating leases, no adjustment will be made.

The applicable calendar year for calculating the Company's adjusted operating margin shall be the calendar year preceding the date of ratification of the Agreement or the applicable August 16, as appropriate.

The profitability bonus related to the ratification date of the agreement will be three percent (3%), and will be paid no later than the first paycheck after 45 days after the date of ratification. The subsequent profitability bonuses will be paid on the September 20 paycheck of each respective year. All payments are based on the Stock Clerk's compensation for the previous twelve (12) month period of August 16– August 15.

A Stock Clerk's compensation is based on 401 (k) eligible wages (including, for example, vacation pay, sick pay, and overtime, before deductions for 401(k) contribution and voluntary salary reductions for Benefits Plus coverage; but excluding, for example, Company match of 401(k) contributions, Profitsharing payments, exercise of non-qualified stock options, and moving expenses).

## 2. 2009 – 2011 Added Rate Steps and Productivity Bonus

*Effective on the Date of Ratification (DOR), the 2009, 7<sup>th</sup> Year Step will be added to the rate scale. The 7<sup>th</sup> Year Step shall be paid at ~~\$20.18~~ \$20.70.*

*On August 16<sup>th</sup> 2010, a 8<sup>th</sup> Year Step will be added to the rate scale. The 8<sup>th</sup> Year Step shall be paid at ~~\$22.01~~ \$22.66.*

*On August 16<sup>th</sup> 2011, a 9<sup>th</sup> Year Step will be added to the rate scale. The 9<sup>th</sup> Year Step shall be paid at ~~\$24.00~~ \$24.80.*

### ~~**Productivity Bonus Plan:**~~

~~*Through the duration of this agreement, the Company will offer a Productivity Performance Bonus plan for Materials Specialists at Thereafter and above, based upon the following:*~~

~~*Individual Goals—Reward Employees for their Personal Productivity Performance as measured in Total Hours Worked (Regular & Premium) for calendar years 2010, 2011, 2012 and 2013. If an Employee achieves 1750 hour actually worked (Regular & Premium time) in a fiscal annual year beginning August 16—August 15, they will receive a 1 percent bonus.*~~

~~*The Productivity Performance Bonus will be paid with October 20 paycheck each respective year and is based upon on a Materials Specialists compensation (401K eligible wages) for the prior year in which they have attained 1750 hours actually worked.*~~



3. Stock Options. Effective upon ratification of this Agreement, the Company will adopt the 2000 Stock Clerks Non-Qualified Stock Option Plan, as set forth in Exhibit A to this Agreement.

3. 2012 Rate Increases

**Rate Increase:** 2012 Pay Increases will increase by an additional 1 or 2 percent upon the Company meeting the following Operating Margin target for the preceding calendar year:

<del>9.0% but less than 10.0%</del>	<del>1.0% pay increase</del>
<u>10.0% or greater</u>	<u>1.0% pay increase</u>

The pay rates in the August 16, 2012 column in the above wage rate table will be adjusted to reflect any pay increases resulting from the from the variable pay formula below.

For the purpose of pay increase calculation under this section only, the Operating Margin will be defined by the following formula:

1) Operating Revenues (a) minus Operating Expenses (b) = Operating Income (c)

2) Operating Income (c) ÷ Operating Revenues (a) = Operating Margin (d)

- (a) Operating Revenues as set forth in the consolidated statement of income in the annual report to shareholders.
- (b) Operating Expenses will be operating expenses as set forth in the consolidated statement of income in the annual report to shareholders.
- (c) Operating Income will be the operating income as set forth in the consolidated statement of income in the annual report to shareholders.
- (d) Operating margin will be the operating margin as set forth in the consolidated statement of income in the annual report to shareholders.

All Operating Revenues, Operating Expenses, Operating Income figures used in the calculation of Operating Margin shall be those produced in accordance with the generally accepted accounting principles (GAAP).

~~4. Ratification Bonus Plan:~~

~~Those persons, who are Materials Specialists of the Company as of the date of ratification (DOR), shall receive a 4% Bonus. This ratification bonus will be paid on the first scheduled pay period 60 days after (DOR) if the (DOR) takes place by March 1, 2010. If the (DOR) takes place after March 1, 2010, the ratification bonus payments will be paid on the first scheduled pay period after 120 days of (DOR). Ratification bonus payments are based on the Materials Specialists compensation (401K eligible wages) for the (12) month period from August 16, 2008 to August 15, 2009~~

4. **Grandfather Clause:**

*Those persons, who are Material Specialists of the Company as of the date of ratification (DOR), shall be grandfathered at their August 16, ~~2009~~ 2010 base rates and receive one raise annually (below) on August 16<sup>th</sup> of each respective year.*

Grandfathered Scale	Year 1	Year 2	Year 3	Year 4	Year 5	
	Current	8/16/2008	8/16/2009	8/16/2010	8/16/2011	8/16/2012
1st 6 mo	\$13.61	\$13.61	\$13.61	\$13.61	\$13.61	\$13.75
2nd 6 mo	\$14.27	\$14.27	\$14.27	\$14.27	\$14.27	\$14.41
2nd year	\$14.99	\$14.99	\$14.99	\$14.99	\$14.99	\$15.14
3rd year	\$16.41	\$16.41	\$16.41	\$16.41	\$16.41	\$16.57
4th year	\$17.84	\$17.84	\$17.84	\$17.84	\$17.84	\$18.02
5th year	\$19.35	\$19.35	\$19.35	\$19.35	\$19.35	\$19.54
6th year	\$20.89	\$21.83	\$21.83	\$21.83	\$21.83	\$22.05
7th year			\$22.81	\$22.81	\$22.81	\$23.04
8th year				\$23.84	\$23.84	\$24.08
9th year					\$24.80	<b>\$25.30</b>
Leads	\$21.78	\$22.77	\$23.79	\$24.86	\$25.87	<b>\$26.39</b>

5. **Retro Pay:**

Those persons, who are Material Specialists, paid at the thereafter rate anytime from the amendable date of August 16, 2008 to Date of Ratification and are still employees at the Date of Ratification, shall receive the retroactive wage payment. They will be paid on the first scheduled pay period after 120 days of Date of Ratification. Retroactive wage payments are based on the Materials Specialists compensation (401K eligible wages) for the period from August 16, 2008 to the DOR. Retroactive wage payments are based on the Materials Specialists compensation (401K eligible wages) for the period from August 16, 2008 to the DOR. Employees with less than 6 years of seniority and who are not leads shall receive a ratification bonus of 2% based on the Materials Specialists compensation (401K eligible wages) for the 12 month period from August 16, 2009 to August 15, 2010. Both the retroactive wage payment and the ratification bonus will be paid on the first scheduled pay period 120 days after DOR.

ARTICLE 16 - PROFIT SHARING

1. The employees covered hereunder shall be included in the Southwest Airlines Company Profit Sharing Plan which became effective as of January 1, 1973, as amended.
2. All covered employees will be eligible for matching Company contributions to 401(k) accounts.

Vesting in General. A Member shall have a vested and nonforfeitable interest in that vested percentage portion of the balance credited to the Member's Matching Contributions Account at any time determined by reference to his completed years of Vesting Service in accordance with the following schedule:

<u>Completed Years Of Vesting Service</u>	<u>Vested Percentage</u>
Less than 1 year	0%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 or more years	100%

Accelerated Vesting. A Member shall be fully vested and have a nonforfeitable interest in the balance credited to his Matching Contributions Account if:

- a. The employee becomes medically disabled; or
- b. The employee retires at or after age 60 (or at such other age as may be mutually agreed between the Company and the employee).

*Effective January 1, ~~2010~~ 2011\**, Employee contributions will be matched dollar for dollar up to a level of ~~8.3%~~ 9.3% of the employee's compensation, with a maximum matching contribution equal to the ERISA limits allowed by the Internal Revenue Service.

*Effective January 1, 2011\**, Employee contributions will be matched dollar for dollar up to a level of 9.3% of the employee's compensation, with a maximum matching contribution equal to the ERISA limits allowed by the Internal Revenue Service.

\* The year of these increases is contingent on the agreement being ratified prior to December 31, 2010. If the agreement is ratified after December 31, 2010 then the effective dates will change to January 1, 2011 for the 8.3% and January 1, 2012 for the 9.3%.

*If the Company offers a program to any other work group to allow the other group's members to tax defer any excess amounts that may not be contributed to the 401(k) or Profit Sharing Plans due to legal limitations, then employees covered hereunder will be allowed to participate in such program."*

3. The qualifying age for accelerated vesting under the Profit-sharing Plan shall be no higher than 59 1/2.

ARTICLE 17 - SAFETY AND HEALTH

1. The Company shall continue to maintain safe, sanitary and healthful working conditions and agrees to maintain at all times a first aid kit. The Union and employees recognize their duty and responsibility to assist in the maintenance of these standards.
2. No employee will be required to work under unsafe and, unsanitary conditions and in order to eliminate as far as, possible accidents and illness, a joint safety committee composed of an equal number of Union representatives and Company representatives will continue to be maintained at each Stores location. It shall be the duty of the Company to see that all applicable state, municipal and federal safety and sanitary regulations are complied with. The Safety Committee shall receive and investigate complaints regarding unsafe and unsanitary working conditions and make recommendations, concerning such complaints.
3. The Company will furnish without cost all safety equipment for the employee such as ear protectors, headsets, etc. and all employees will use or wear such devices in performing their work.
4. Employees injured while at work shall be given medical attention at the earliest possible moment without loss of pay and shall be permitted to return to work upon presenting a medical release from the doctor. Such injured employees who are able to work thereafter will be allowed a reasonable amount of time to receive necessary medical treatment or examination without loss of pay. It is the responsibility of the injured employee when physically able, to report an injury to his immediate supervisor during the work period in which the injury occurred.
5. When an employee participates in a bomb scare investigation at the request of the Company *or is the victim of a terrorist act while on the job or while traveling on company business* and is killed or suffers loss of a member, as described below, the Company will provide the following death and disability ~~insurance~~ *benefit* for such employee, ~~applicable if such occurs as a result of a bomb explosion in or about Southwest Airlines aircraft on the ground.~~ *over and above any workers compensation benefits which may be payable:*

Death	\$250,000	————	\$400,000
Total Loss of Two Members	\$250,000	————	\$400,000
Total Loss of Sight			
Total Loss of One Member	\$125,000	————	\$200,000
Total Loss of Sight, One Eye			

Members as used herein shall be defined as arm, leg or eye. Bomb scare insurance will be handled by blanket coverage and employees covered thereby will not have to sign individual application forms, except for designation of a beneficiary.

6. The Company and stockroom management in particular shall review fire procedures with all personnel and provide training in the operation of fire extinguishers and other related equipment at each stockroom facility. Fire evacuation plans shall be conspicuously displayed and reviewed with every employee. Assistance from local fire departments may be utilized in

developing evacuation plans.

7. The Company shall establish a locally administered first aid training course to provide first aid service to facility employees to be trained shall be at least one (1) per crew or shift, but in no case less than one per stockroom facility.

ARTICLE 18 - SEVERANCE PAY

1. An employee who has completed one (1) year of compensated service with the Company prior to being laid off, through no fault or action of his own, shall receive severance pay, as provided in Paragraph 2 of this Article, but he shall receive no severance pay if anyone (1) or more of the following conditions exist:
  - a. He exercises his seniority in order to remain in the employ of the Company.
  - b. He accepts any other employment with the Company or refuses to accept a job in his own category at his base station (See Article 9).
  - c. The layoff is caused by an act of God, a war emergency, revocation of the Company's Operating Certificate or Certificates, or grounding of a substantial number of Company aircraft.
  - d. The layoff is caused by a strike or picketing of the Company's premises or any work stoppage or other action which would interrupt or interfere with any operations of the Company.
  - e. He is dismissed for cause, resigns or retires.
  
2. The amount of severance pay due under this Article shall be based on the length of actual straight time compensated service with the Company under this Agreement, and shall be computed on the basis of the employee's regular straight time basic hourly rate at time of layoff as follows:

If Employee Has Completed	Severance Allowance
1 year but less than 5 years of service	2 weeks
5 years but less than 6 years of service	5 weeks
6 years but less than 7 years of service	6 weeks
7 years but less than 8 years of service	7 weeks
8 years but less than 9 years of service	8 weeks
9 years but less than 10 years of service	9 weeks
10 years but less than 11 years of service	10 weeks
11 years but less than 12 years of service	11 weeks
<del>12 or more years of service</del>	<del>12 weeks</del>
<b><i>12 years but less than 15 years of service</i></b>	<b><i>12 weeks</i></b>
<b><i>15 or more years of service</i></b>	<b><i>15 weeks</i></b>

3. An employee shall receive his severance pay at the time of layoff.

ARTICLE 19 - MOVING EXPENSES

1. Employees transferred as a result of the closing of an existing Stores Location or reduction in force at a Stores Location shall be considered as being transferred at the Company's request. Employees transferring to a new Stores Location/Maintenance Base in another city, within 90 days of the beginning of operations at such new Stores Location or Maintenance Base, shall be considered as being transferred at the Company's request, provided such employee has not received a paid move within the previous twelve (12) months for the opening of a new Stores Location.
2. An employee transferred from one station to another station as a result of a voluntary bid or request for a vacancy shall be considered as having transferred at his own request. Employees so transferred from one station to another station at his own request shall bear his own expenses. Such employee will be allowed one (1) day of paid leave, plus one (1) additional day for each 500 miles ~~by the most direct AAA~~ **using an internet mapping applications for calculating the** highway mileage, *(i.e. Google, Yahoo, or MapQuest)* between the two cities, provided the employee has not received paid leave for a voluntary move within the previous twelve (12) months. For example, employees would receive paid days off for moves as follows:

Less than 500 miles	One Day
500 -999 miles	Two Days
1000 -1499 miles	Three Days
1500 -1999 miles	Four Days

The Company shall make space available transportation available to the employee and members of his immediate family.

3. Employees transferred at Company request from one station to another station shall be allowed actual moving expenses for household effects including packing charges up to a maximum of 14,000 pounds. Not included are the transportation of: pets/animals, boats, automobiles, motorcycles, and heavy shop or hobby equipment.
4. The Company reserves the right to select the Company designated to move the household effects of the employee.
5. Employees shall be allowed reasonable expenses for himself and members of his immediate family when properly substantiated by receipts during the period of enroute travel. The period of enroute travel shall continue after arrival until the day the household effects arrive or until the end of the fifth (5th) day, whichever comes first.
6. In addition to the said weight limitation in paragraph 3 above, up to two automobiles per family may be driven between the stations and the employee shall be reimbursed at the rate of ~~twenty-four (24) cents per mile~~ **or the current IRS rate**, by ~~the most direct AAA~~ **using an internet mapping applications for calculating the** highway mileage, *(i.e. Google, Yahoo, or MapQuest)* but no expenses shall be permitted for additional automobiles.
7. The employee and spouse will be entitled to round trip space available transportation to locate living accommodations.

8. *The Company will make available, upon an Employee's request, a list of any moving companies with Company contracts who also offer Southwest Airlines Employee discount for unpaid or personal moves.*
  
9. *When the Company elects to add a new Material Specialist position to a new Stores location, new Line or new Vendor location, (excluding existing locations) the company will pay for the moves of a minimum of the first six bid positions (does not include transfers into existing bid positions) for Material Specialists, with no time as to when such moves are required, if the location is opened with less than six Material Specialists. If an existing Line location is transitioned to a Stores Maintenance base the Company will pay for any additional moves to bring the station up to a total headcount of six (6) for that station.*



ARTICLE 20 - INSURANCE BENEFITS

~~1. The Company shall continue the benefits of the existing group insurance plans. Alternative, personal option plans may also be made available to employees covered by this Agreement upon the same terms and conditions as such plans are made available to any other group of Company employees. Any future increase in cost borne by the Company for employees not covered by this Agreement shall be borne by the Company for employees covered hereunder.~~

**1. During the term of this Agreement the Company shall continue the benefits of the following insurance plans on the same terms presently offered, with no premium charged to the Employee:**

***Regular Plan Medical  
Regular Plan Dental  
Regular Plan Basic Life***

***Alternative personal option plans (such as the flexible benefit plans presently offered as part of the Benefits Plus program) may also be made available to Employees covered by this Agreement upon the same terms and conditions as such plans are made available to any other group of Company Employees. If any future increase in cost is paid by the Company for Employees not covered by this Agreement, such cost shall also be paid by the Company for Employees covered hereunder.***

2. a. The current long term disability insurance plan in effect shall continue during the life of this agreement.
- b. An employee may participate within sixty (60) days after passing his probationary period at a cost borne by the employee.
3. The maximum dental coverage shall be at least \$1,000 per person per calendar year.
4. The lifetime maximum benefit for orthodontia for employees covered by this Agreement and their dependents shall be at least \$1,000. The lifetime maximum benefit for orthodontia for Employees covered by this Agreement and their dependants under the flexible benefits plan offered by the Company shall be at least \$1,150 as of January 1, 2001, and at least \$1,500 no later than January 1, 2003.
5. The Company will offer, at a cost borne by the employee, an additional dental plan as an option under the flexible benefits plan, which will include the following benefits:
  - a. Eighty percent (80%) copayment on basic/major/orthodontia coverage;
  - b. One thousand seven hundred fifty dollars (\$1,750) annual benefit maximum as of January 1, 2001, which shall increase to at least \$2,000, no later than January 1, 2003;
  - c. One thousand seven hundred fifty dollars (\$1,750) orthodontia lifetime maximum as of January 1, 2001, which shall increase to at least \$2,000, no later than January 1, 2003; and
  - d. Dental sealants will be covered.

6. Employees covered under this Agreement who retire after attaining age sixty-one and one-half (61-1/2) with ten (10) years of service with the Company, or at age sixty (60) with twelve (12) years of service with the Company, may continue to receive benefits under the Southwest Airlines Health Benefits Trust from the date they retire until age sixty-five (65) by the payment of premiums which would not exceed the pure actuarial cost of providing such coverage as determined by the Administrator of the Health Benefits Trust in effect at the time of such employee's retirement. Such retired employee's benefits will be subject to all limitations and conditions applicable to employees covered by this Agreement. ***If the retired Employee covered under this paragraph dies before age 65, his spouse and/or eligible dependant may continue coverage up to the date the retired Employee would have reached age 65.*** Employees other than those described in this paragraph will, at the time of any termination of employment, be subject to the provisions of COBRA in effect at the time of such termination.
7. ***Effective January 1, 1997, the Company will offer, as an option under the Flexible Benefits Plan, a long-term disability option for which Employees may pay full premiums (thus offering benefits free of income tax obligations under present tax laws).***
8. ***Employees covered under this Agreement who voluntarily retire as early as Age 55 with 15 years of credited service in a classification covered by this Agreement, or under another Agreement between the Company and the IBT, and who has at least one thousand two hundred (1200) credited hours of sick leave available may purchase coverage as outlined below from their retirement to Age 60. At Age 60, such Employee may purchase coverage to Age 65 by trading sick leave as provided under Article 13, Paragraph 2. The Employee must agree to forego COBRA coverage during this period.***
  - a. ***from the age of retirement to Age 60, Employees covered by this provision shall pay a premium amount which will not exceed the age-banded (Age 55-59) actuarial rated full cost of providing such coverage.***
  - b. ***The retired Employee must continue at the same coverage option and coverage level as the Employee was receiving on the day prior to retirement until the next Health Plan enrollment period. Each year thereafter, during the Health Plan enrollment period, the retired Employee shall only be eligible to elect a coverage option under the Flexible Benefits Plan portion of the Health Plan. Coverage under this paragraph shall extend to persons covered under the Health Plan as Eligible Family Members at the time of the Employee's retirement unless they cease to be an Eligible Family Member during the period of coverage for the retired Employee. If the retired Employee covered under this paragraph dies before age 65, his spouse and/or dependant(s) may continue coverage up to the date the retired Employee would have reached age 65.***
9. ***Upon reaching Age 65, a Retired Material Specialist who is purchasing health care coverage under Article 13, §2, or under Article 20, §8, with remaining credited sick leave may elect to trade unused credited sick leave for continued coverage under Medical Plan C and Basic Dental for a spouse under Age 65 at the rate prescribed in Article 13, §2. If the Retired Material Specialist who retired at Age 60, or after age 61-1/2 with ten years' service, or after Age 55 with at least 15 years of service, has used all sick leave, coverage may be purchased for the younger spouse at the age-banded actuarial cost of coverage for Medical Plan C and Basic Dental. Coverage will end on the Employee's 65<sup>th</sup> birthday or, if earlier, if the spouse reaches age 65. A Material Specialist or spouse choosing to purchase Medical Plan C may choose to take, or not take, Basic Dental.***

- ~~7. 10.~~ Any future increases in the dental or orthodontia benefit amounts described in sections 4 and 5 above which are granted to any other group of Employees of the Company will also be granted to the Employees covered by this Agreement.
- 11. *The Company will offer optional Employee-paid vision coverage under the Regular Plan (group insurance coverage) to Employees covered by this Agreement on the same basis as other covered Employee groups. Beginning with the benefits enrollment period in October 2001 (covering 2002) this option will be described in the Benefits Enrollment Guide sent to all Employees. For 2001, Material Specialist who have enrolled in the Regular Plan will be notified as soon as reasonably possible after ratification of this Agreement and given the opportunity to elect vision coverage for the year 2001, or any balance thereof after such election.***

## ARTICLE 21 - GRIEVANCE PROCEDURES

1. In the event of a grievance arising over the interpretation or application of this Agreement or in the event of disciplinary action, not involving loss of pay, the following procedure shall be followed.
  - a. The aggrieved employee will first present the complaint to his supervisor or **Manager in writing or verbally** for discussion and possible solution. During this discussion, the employee may be represented by his shop steward or Local Business Representative. It is understood and agreed that decisions made at the first step of the grievance procedure by the supervisor **or Manager**, employee and/or his representative shall not constitute a precedent of any kind unless otherwise agreed to by the Union and the Company.

If the complaint cannot be resolved through a discussion, the grievance shall be reduced to writing **on an official Union grievance form** by the employee or his representative, signed by the employee or his representative, and presented to his supervisor **or Manager** within seven (7) calendar days after the employee or his representative reasonably would have knowledge of the incident upon which the grievance is based.

The grievance will be answered in writing by the supervisor **or Manager of the Employee**, who will send a copy to the grievant, the shop steward and the Union Representative, within seven (7) calendar days after he receives the written grievance.

- ~~b. If the decision of the supervisor is not satisfactory, the employee or his Union Representative may appeal the grievance to the Company designee, provided such appeal is presented in writing within seven (7) calendar days after the written decision of the supervisor has been presented to the grievant, the shop steward, and the Union Representative.~~

~~The grievance(s) will be answered in writing to the Local Business Representative by the Company designee with seven (7) calendar days following the receipt of the written appeal.~~

- ~~b.~~ Within ~~fourteen (14)~~ **twenty one (21)** days after the receipt of the written decision of the Company designee **Supervisor or Manager of the Employee**, the Union may appeal such grievance to System Board of Adjustment by serving a written notice upon the Company directed to the Vice President of Maintenance and Engineering or his - designee at the Company's office, of its intention to do so. **The Union and the Company will review and discuss any such grievance during the twenty one (21) day period. If the grievance cannot be resolved through discussion during this time period the grievance will be heard at the System Board Of Adjustment.** If the System Board deadlocks, the case may be appealed to arbitration, as provided in Article 22, within thirty (30) days after the decision of the System Board is rendered.

### 2. Discharge and Disciplinary Procedure

- a. In the event an employee is suspended pending investigation and is subsequently found innocent of the charges. He will be paid for such lost time from work.
- ~~b. In those instances where the Company discharges or disciplines a non probationary employee to the extent of loss of pay, such disciplinary action will not be imposed until a fact finding meeting is held between the employee's supervisor, the employee, and his steward. Such meeting will be held within three (3) work days of the date of the Company's written notice of~~

~~its intent to take disciplinary action.~~ ***An Employee who has completed his probationary period will not be disciplined to the extent of loss of pay or discharge without first having the benefit of a fact finding with the right to have Union representative present. The Employee will be advised of the nature of the charge(s) no later than fourteen (14) calendar days from the time the Company has full knowledge of the incidents(s) upon which the charge(s) is based. It is understood that an internal Company investigation may be necessary before the Company has full knowledge of an incident. The factfinding will be held within fourteen (14) calendar days from the date of written notice of the nature of the charge(s) unless the factfinding date is otherwise by mutual agreement between the Company and the Union.*** However, nothing shall preclude the Company's right to suspend an employee pending such meeting. The purpose of such meeting is to interview all pertinent witnesses, establish all pertinent facts and determine any possible solution, it being understood and agreed that decisions at such level shall not constitute a precedent. The Company representative involved will, within five (5) calendar days after such meeting, render a decision in writing to the employee giving his reasons therefore.

- c. Employees of the Company who are on duty and are called as witnesses will suffer no loss of pay. If the decision of the Company representative is not acceptable to the Union, the decision may be appealed by the Union to the System Board of Adjustment within fourteen (14) days after receipt by serving written notice to the vice President of Maintenance and Engineering ***or his designee*** at the Company's Administrative Office of its intention to do so.
  - d. The System Board of Adjustment shall be composed of one member designated by the Company and one member designated by the Union. In the case of a discharge, the Board of Adjustment shall convene at the city where the discharge took place, unless another location is mutually agreed to by the Company and the Union, within twenty-one (21) days of the date the discharge is appealed to the System Board of Adjustment.

The System Board shall only be empowered to make a finding or decision with respect to any employee covered by this Agreement who is terminated or disciplined to the extent of loss of pay by the Company, and such finding or decision shall be final and binding upon the Teamsters - Airline Division, the Company and the individual employee or employees to such dispute. If the Board deadlocks, the case may be appealed to arbitration, within thirty (30) days after the decision of the System Board is rendered.
  - e. In the event the Union appeals the disciplinary action to arbitration in accordance with Section 2(d), above, the Company and the Union shall attempt to agree on a mutually acceptable impartial arbitrator. If the parties are unable to agree on such arbitrator the parties shall select such arbitrator as provided in Article 22.
3. Failure on the part of the Company to issue its decision within the time limits stipulated or failure on the part of the employee or the Union to process an appeal within the time limits stipulated shall constitute a waiver of the failing party's position unless an extension of time has been mutually agreed to in writing.
  4. The Company recognizes the right of the Union to file a group grievance when the issue is common and identical to those employees in the group.
  5. In the event of permanent change of the parties responsible for answering grievances at any step of this grievance procedure, the Company will notify the Union as soon as possible.

6. *If an Employee makes himself unavailable (other than on his regularly scheduled days off) to work his full shift on his last scheduled workday within the time frames under this article, the Company may issue the notice to the Employee upon his first full day returned to work.*
7. *Electronic communication will be acceptable by both parties.*

## ARTICLE 22 – ARBITRATION

1. After the receipt of the notice of the intent to submit the unsettled grievance to arbitration, the parties shall attempt to mutually select an impartial arbitrator. If the parties are unable to agree on an arbitrator, they shall request the **National Mediation Board (NMB)** ~~Federal Mediation and Conciliation Service~~ to submit a list of seven (7) persons qualified to act as the impartial arbitrator. If either the Company or the union deems the list to be unacceptable, either party may unilaterally request a second list. Such party shall assume the cost, if any, of obtaining the second list. A representative of the Company and a representative of the Union shall make every effort to meet within five (5) days of the receipt of the list and shall alternately strike three (3) names from the list. The party to strike first will be determined on an alternate basis. The seventh (7th) remaining person shall thereupon be selected as the impartial arbitrator.
2. The parties shall enter into a submission agreement which shall clearly state the arbitrable issue or issues to be decided. If the parties are unable to agree on a joint statement of the arbitrable issue or issues to be decided by the arbitrator, the submission shall contain the written grievance and the Company's disposition of the same with notation that parties could not agree upon a submission agreement. Either party may also submit its proposed version of the arbitrable issue or issues to be decided by the arbitrator.
3. During the hearing, each Party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator may render his findings and award in writing no later than ninety (90) calendar days after the conclusions of the hearing. The decision of the impartial arbitrator shall be final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to or subtract from any of the terms or conditions of this Agreement.
4. All arbitration hearings will be held at the city where the grievance arose unless another place is mutually agreed to by the Company and the Union.
5.
  - a. Each of the parties hereto shall assume the compensation, traveling expenses and other expenses of its witnesses called or summoned by it and each of the parties shall assume one-half (1/2) of the expenses of the arbitration, except that the employees of the Company who are necessarily summoned to serve as witnesses and the grievant shall suffer no loss in pay as a result of participation in the arbitration proceeding.
  - b. Witnesses who are employees of the Company and the grievant shall receive positive space transportation, if necessary, over the lines of the Company from point of duty or assignment to point at which they must appear as witnesses before the Board and return.
  - c. It is understood and agreed that each and every witness summoned by the Board who is an employee of the Company shall be free to discharge his duties in an independent manner without fear that his individual relations with the Company or the Union may be affected by an action or by testimony given by his in good faith in his capacity as a witness..
  - d. If a stenographic transcript is made of the arbitration proceeding, the party making the request shall bear its expense, unless the request is made by the arbitrator, in which case the cost of the transcript will be shared equally by the Company and the Union. In the event the party not requesting the transcript decides at the hearing or later to obtain a copy, the entire cost of the reporting and transcribing of the transcript shall be shared equally by the Company and the Union.

ARTICLE 23 - GENERAL AND MISCELLANEOUS

1. Any employee leaving the service of the Company will, upon request, be furnished with a letter setting forth the Company's record of his job classifications, stating his length of service and rate of pay at the time of leaving the Company.
2. Suitable rain suits shall be provided as required and maintained by the company. The company will furnish uniform jackets for employees and will have uniform parkas and coveralls available in stock for employees to check out when needed.
3. The Company agrees to provide the Union with bulletin board space marked "Teamsters Airline Division" where Union notices of interest to the employees may be posted. No political, inflammatory, controversial, or derogatory material will be permitted thereon.
4. The Company shall cause to be printed and distributed to each employee a copy of this Agreement and shall provide the Teamsters -Airline Division with fifty (50) copies of the Labor Agreement.
5. Airline trip passes will be issued to qualified employees in accordance with existing Company policy.
6. Any deviation from this Agreement may be made by mutual agreement between the Company and the Teamsters - Airline Division. Such mutual agreement must be in writing and signed by the parties thereto.
7. The Company shall continue to allow employees *fifteen (15) minutes a reasonable amount of time* to "wash-up" prior to punching out.
8. Supervisors and higher ranking officials not covered by this Agreement shall not be permitted to perform work of any hourly rate job except, instructing, training **or in the case** of emergencies, **in which prior Union representative notification cannot occur**, ~~instructing, or training, or to help cover a shift until an hourly replacement employee is available (except as provided in Articles 2 and 4)~~
9. Where employees have become physically unable to perform their regular work, the Union and the Company shall cooperate in attempting to place such employees in a position, ~~within their classification~~ for which they are qualified and able to perform.
10. The employee will be allowed four (4) work days leave with pay at the employee's regular rate of pay for the purpose of attending the funeral of a member of his or her immediate family. Such days shall be taken within the days immediately, preceding and/or following the funeral. Members of the immediate family shall consist of the employee's mother, father, or legal guardian in lieu thereof, **step-parents, step-children**, spouse, children, brother, sister, grandparents, mother-in-law and father-in-law. If additional days are required, such days may be taken without pay or deducted from the employee's vacation allowance.
11. If an employee's regularly scheduled work shift begins on one (1) calendar day and extends into the following calendar day, the "day" worked (for determining pay and holidays, etc.) shall be considered to be the day on which his shift started.



12. All orders or notices to an employee covered by the Agreement involving a transfer, promotion, demotion, layoff, discipline, or leave of absence shall be given in writing with a copy to the Union. No letter of notice for violation of Company rules will be used in the determining of discipline if such notice has been in the employee's file for twelve (12) months and there has been no recurrence of the same offense within the twelve (12) month period. All letters of reprimands or warnings will be removed from an employee's file after twelve (12) months from date letter is placed in the file.
13. When an employee passes his probationary period he will be issued a set of five (5) uniforms. ~~One year after being issued a set of uniforms, the employee should have his set of uniforms evaluated by his supervisor to determine the need for replacements.~~ ***Each Employee will utilize the automated uniform ordering process made available to all covered Employees by the Company to order new or additional uniforms. Each Employee will be given an expense account with a minimum dollar amount equal to five complete uniform sets per year. Should any uniforms require replacement, an authorized requisition should be issued with the department purchasing the uniforms for replacement. The employee and supervisor will evaluate his requirements each year thereafter.*** Should an employee's uniform show exceptional wear and tear during this interim, the employee should consult with his supervisor. All employees wearing Company furnished uniforms will abide by the general appearance code for maintenance employees.
14. The Company will provide a file drawer for the use of the Union. Said file drawer shall be capable of being locked.
15. If there is any change during the life of this Agreement in the licenses employees covered by this Agreement are required to have, all employees affected shall be given at least six (6) months from the date of such change to obtain each license, and there shall be no change in their status to pay during said six (6) month period.

~~16. Day Trades~~ ***moved to article 27***

- a. ~~All shift/day trade agreements must be in writing, signed by both parties involved and approved by Management.~~
- b. ~~No Probationary Employee may shift/day trade~~
- c. ~~Every person who commits to a shift/day trade will be required to show up on time and work the entire shift or make arrangement for someone who is qualified to cover the shift.~~
- d. ~~In the event an employee is tardy on a shift/day trade, he will be subject to the discipline as outlined in the Company's current tardiness policy.~~
- e. ~~Failure to show up or cover the shift/day trade will result in severe disciplinary action i.e., for the first offense, a thirty (30) day shift/day trade suspension accompanied by a warning letter in the employee's personnel file. For additional offenses, progressive disciplinary action will be taken.~~
- f. ~~The Company reserves the right to restrict an employee's shift/day trade privileges in the event it hinders the employees quality or quantity of work, or causes an employee to be on paid status less than 90 hours in a month.~~

- ~~g. A shift/day trade may be effective with adequate notice and prior approval of the Company.~~
- ~~h. In the event a shift/day trade causes an employee to work two shifts in a row, provisions of this agreement regarding mandatory off duty rest periods shall not apply.~~
- ~~i. No additional premium pay or overtime will be involved because of any shift/day trade.~~
- ~~j. No sick pay will be allowed in any shift/day trade~~
- ~~k. Partial shift/day trades 2 hours or more will be allowed. Notwithstanding Article 14, paragraph 9, Employees temporarily transferred to a higher classification as a result of a partial shift/day trade shall receive the higher classification pay only for the hours actually worked in that higher classification.~~
- ~~16. 17. All hourly paid employees shall be responsible for their own time card. No employee, other than one whose name appears on the time card, shall make any markings or punch such card with the exception of authorized Company personnel and at that only to record or make corrections as necessary provided the employee is informed of any corrective. ***Each Employee shall be responsible for clocking themselves in and out. The employee will be responsible for entering their hours of service or premiums other than his regular scheduled shift on the exception log. Authorized company personnel will create and manage a log of work hour exceptions.***~~
- ~~17. 18. The Company shall offer all employees covered by this Agreement the option to payroll deduct contributions to the IBT Credit Union, on the same basis as provided for the Southwest Airlines Employees' Federal Credit Union as of the effective date of this Agreement.~~
- ~~19. The Company shall offer all employees covered by this Agreement the option to purchase U.S. Savings Bonds through payroll deductions if at least ten (10) employees covered by this Agreement or the Agreement between the Company and the Union covering mechanics and related employees sign up for such deduction before January 1, 1991.~~

## ARTICLE 24 - UNION REPRESENTATION

1. The Company agrees to admit to its bases the officially designated representatives of the Union to transact business as is necessary for the administration of the Contract. Such business shall be transacted in as short a time as possible and shall not interfere with the operations of the Company.
2. The Union shall select business representatives and shall notify the Vice President of Maintenance and Engineering or his designee, from time to time of their appointment or removal. The Vice President of Maintenance and Engineering or his designee shall notify the Union of the appropriate Company representative hereunder.
3. The Union shall elect or appoint a primary shop steward(s) and alternative(s) as required to conduct Union business and shall notify the Company in writing of their election, appointment or removal.
4.
  - a. A primary or an alternate steward shall be permitted reasonable time to investigate, present and process grievances within the scope of said steward's station and shift on the Company property without loss of pay during his regular working hours. If a steward is reasonably requested by management to delay an investigation of a grievance because of immediate work requirements, such steward, if practical, shall cooperate with the request.
  - b. Time spent in handling grievances during the steward's regular working hour shall be considered hours worked for all purposes. It is understood that if a steward voluntarily chooses to handle a grievance on other than Company time, he may not claim overtime pay for the non-Company time spent handling such grievance. This provision, however, shall not be construed as affecting an employee's overtime pay for time spent handling grievances while at work on an authorized overtime opportunity.
5. Upon twenty-four (24) hours notification by the Union Business Representative the Company will, based upon operational requirements, grant to any employee(s) unpaid time off to perform Union business off the Company property. In the event the Union business shall require an absence from work in excess of one (1) week, a Union leave of absence will be applied for in accordance with Article 12. The Union will cooperate with the Company to avoid any negative impact on operation as a result of this action.
6. Local Management will notify the Union in writing of the names and hire dates of all newly hired employees and transfers. Such notification will be transmitted during the employee's, first week on the payroll. Upon notification from the Business Representative, the appropriate Manager will provide thirty (:30) minutes of paid time for purposes of Union orientation. Such time will be verbally agreed upon by the Business Representative and the Local Manager to occur on a scheduled work day of the employee(s) initial new hire training period.

## ARTICLE 25 - UNION SECURITY

1. Every employee in a classification within the craft or class covered by this Agreement is covered by this Agreement. He or she shall become a member of the Union within sixty (60) days after the effective date hereof, and shall be required as a condition of continued employment by the Company to maintain his/her membership in the Union so long as this Agreement remains in effect, to the extent of paying an initiation (or reinitiation) fee, monthly membership dues and assessments, which are uniformly required of employees covered by this Agreement. Such employee may have his/her monthly membership dues deducted from his/her earnings by payroll deduction.
2. Any new employee hired into a classification covered by this Agreement on or after the effective date of this Agreement shall become a member of the Union within sixty (60) days after employment in a classification covered by this Agreement, and shall be required as a condition of continued employment by the Company to maintain his/her membership in the Union so long as this Agreement remains in effect, to the extent of paying the uniformly required initiation (or reinitiation) fee, monthly membership dues and assessments.
3. Any employee maintaining or accruing seniority in a classification covered by this Agreement (except as provided in Paragraph 6) but not employed in such classification, or any other classification covered by this Agreement, shall not be required to maintain Union membership during such employment but may do so at his/her option.

Should such employee return to a classification covered by this Agreement, he/she shall be required to become a member of the Union within fifteen (15) days after the date he/she returns to such classifications, and shall, as a condition of employment in classification covered by this Agreement, become a member of the Union and maintain membership in the Union so long as this Agreement remains in effect to the extent of paying an initiation (or reinitiation) fee, monthly membership dues and assessments.

4. The provisions of this Agreement shall not apply to any employee covered by this Agreement to whom membership in the Union is not available by payment of initiation (or reinitiation) fees, if applicable, monthly dues and assessments under the same terms and conditions as are uniformly applicable to any other employee, or to any employee to whom membership in the Union is denied or terminated for any reason other than the failure of the employee to pay uniformly levied initiation (or reinitiation) fees, if applicable, monthly dues and assessments.

Nothing in this agreement shall require the payment of any initiation (or reinitiation) fee, by an employee if an authorized or permissible transfer according to the Bylaws or Constitution of the Union is involved.

5. If an employee covered by this Agreement has resigned from the Company and is reemployed, he/she shall be governed by Paragraph 2 of this Article.
  - a. If an employee is laid off and is recalled from layoff, he/she shall be governed by Paragraph 3 of this Article.
  - b. The seniority status and rights of employees granted leaves of absence to serve in the armed forces shall not be terminated by reason of any of the provisions of this Agreement but such employee shall upon resumption of employment in a classification covered by this Agreement be governed by the provisions of Paragraph 2 of this Article.

6. The payment of dues by a member shall not be required as a condition of employment during leave of absence without pay or during periods of transfer or promotions to a classification not covered by this Agreement.
7. When an employee does not become a member of the Union by payment of an initiation (or reinitiation) fee as provided in this Article, or who is a member of the Union and becomes delinquent in the payment of monthly dues or assessments, as provided in this paragraph, the following procedure shall apply:

- a. 1. If a new employee has not become a member of the Union within sixty (60) days after employment with the Company, the Union shall notify such employee in writing, certified mail, return receipt requested, copy to the Company Vice President, that such employee must become a member of the Union within the time limits specified in Paragraph 2 of this Article or be subject to discharge as an employee of the Company. If, upon expiration of the period of time specified in Paragraph 2 of this Article, such new employee has not become a member of the Union, the Union shall certify in writing to the Company vice President, copy to the employee, that the employee has failed to become a member of the Union as provided in this Article, and is, therefore, to be discharged.

The Company shall then promptly notify the employee involved that he/she is to be discharged from the services of the Company and shall promptly take proper steps to so discharge the employee.

2. If an employee, other than a new employee, who is required to become a member of the Union as provided in this Article does not become a member of the Union within the time limits specified in this Article for employees in his/her category covered by this Agreement, the Union shall notify the Company Vice President with a copy to the employee, that such employee has failed to become a member of the Union as required by this Article and is, therefore, to be discharged. The Company shall then promptly notify the employee involved that he/she is to be discharged from the service of the Company and shall promptly take proper steps to discharge said employee.
- b. If an employee covered by this Agreement becomes delinquent by more than two (2) calendar months in the payment of monthly dues including assessments, the Union shall notify the employee in writing, certified mail, return receipt requested, copy to the Company Vice President that said employee is delinquent in the payment of monthly membership dues as specified herein and, accordingly, will be subject to discharge as an employee of the Company. Such letter shall notify the employee that he/she must remit the required payment to the Secretary-Treasurer of his/her local Union by the twenty-second (22) day of the month in which notice from the Union was received or be subject to discharge. If such employee still remains delinquent in the payment of dues on the twenty-second (22) day of the month in which his/her notice from the Union was received, the Union shall notify in writing the Company Vice President, with a copy to the employee, that the employee has failed to remit payment of dues within the grace period allowed herein and is, therefore, to be discharged. The Company shall then promptly notify the employee involved that he/she is to be discharged from the service of the Company, and shall promptly take the proper steps to so discharge the employee.
- c. An employee discharged by the Company under the provisions of this paragraph shall be deemed to have been discharged for cause.

8. Any discharge under the terms of this Article shall be based solely upon failure of the employee to payor tender initiation (or reinitiation) fee, membership dues and assessments upon the same terms and conditions as are generally applicable to any other member of the Union, within the time limits specified herein, and not because of denial or termination of membership in the Union for any other reason.
9. A grievance by an employee who is to be discharged as the result of an interpretation or application of the provisions of this Article shall be subject to the following procedures:
  - a. Such employee who believes that the provisions of this Article pertaining to him/her have not been properly interpreted or applied, and who desires a review must submit his/her request for review in writing within five (5) days from the date of his/her notification by the Company as provided in Paragraph 7, subparagraph a. 1 and 2, of this Article. The request will be submitted to the Company Vice President, with a copy to the Union. The Union may be present at the review of the grievance to represent the Union's interest in the case, the Company vice President or his designee will review the grievance, and render a decision in writing with a copy to the Union not later than ten (10) days following the receipt of the grievance.
  - b. If the decision is not satisfactory to either the employee or the Union, then either may appeal the grievance directly to the System Board of Adjustment, within fifteen (15) days from the date of the decision. The Adjustment Board procedure shall be applicable, except as otherwise specified herein.
  - c. During the period a grievance is filed under the provisions of this paragraph and until after decision by the Company Vice President or his designee or after final decision by the System Board of Adjustment, if appeal is made to that Board, the employee shall not be discharged from the Company because of noncompliance with the terms and provisions of this Article.
10. No employee or employees covered by this Agreement or an employee whose employment is terminated pursuant to the provisions of this Article or the Union shall have any claim for loss of time, wages or any other damages against the Company because of agreeing to this Article or because of any alleged violation, misapplications, compliance or non-compliance with any provision of this Article, provided however, the Union agrees to hold the Company harmless and to indemnify the Company for any liability of any nature resulting from the discharge of an employee hereunder at the request of the Union.
11. The Company agrees that upon receipt of a properly executed Authorization of Payroll Deduction, voluntarily executed by an employee, it will make a single monthly deduction from the employee's earnings, after other deductions authorized by the employee or required by law have been made, to cover his/her current standard monthly Union dues, assessments and/or initiation fees uniformly levied in accordance with the Constitution and Bylaws of the Union, and as set forth in the Railway Labor Act.
12. The Company will deduct said employee's dues in the month in which the employee is recalled from furlough or returns from a leave of absence. In the event the employee is recalled from a furlough or returns from a leave of absence after the dues have been deducted for a month, the Company will make a double deduction in the following month. The Company will pay over to the designated official or affiliates of the Union the wages withheld for such initiation fees and dues. The amount withheld shall be reported and paid to the Union prior to the end of the month in which the deductions were made.

13. Any authorization for payroll deductions under this Article shall be effective two (2) weeks following its receipt by the Company Payroll Department and shall apply to the next paycheck from which dues deduction is made.
14. The Company will remit to the designated Union Office a check prior to the end of each month in payment of all dues and service charges collected. The Company remittance to the Union will be accompanied by lists of names, social security numbers and employee numbers of the employees for whom deductions have been made in that particular period and the individual amounts deducted.
15. Collection of dues not deducted because of insufficient current earnings, dues missed because of clerical error, or inadvertent error in the accounting procedure, dues missed due to delay in receipt of the Authorization for Payroll Deductions shall be the responsibility of the Union and shall not be the subject of payroll deductions from subsequent paychecks, and the Company shall not be responsible in any way for such missed collections. It shall be the Union's responsibility to verify apparent errors with the individual Union member or employee prior to contacting the Company Payroll Department. The total or balance of unpaid dues, assessments and/or initiation fees due and owing the Union at the time an employee terminates his/her employment shall be deducted from the final paycheck.
16. In the event the amount of the standard dues or fees uniformly levied are changed, it shall be the sole responsibility of the Union to notify the Company and to make any necessary adjustments as to the amounts to be deducted from the employee's earnings. So far as the Company is concerned, any such changes shall be made in accordance with the time limits set forth in Paragraph 13 of this Article.
17. An Authorization for Payroll Deduction under this Article, once voluntarily executed and delivered to the Payroll Department of the Company, shall be irrevocable during the effectiveness of this Agreement, or as long as the Union is the certified representative of employees covered by this Agreement, or for a period of one (1) year, whichever is the lesser, and shall renew itself for successive yearly or applicable periods thereafter unless the employee serves written notice by registered mail on the Payroll Department of the Company and the Union to revoke such Authorization for Payroll Deduction during the ten (10) days preceding any periodic renewal date. Subject to Paragraph 15 above, an Authorization for Payroll Deduction shall automatically be revoked if:
  - a. The employee transfers to a position with the Company not covered by this Agreement;
  - b. The employee's services with the Company are terminated; or
  - c. The employee is furloughed.

18. The Authorization for Payroll Deduction to be voluntarily executed shall be signed by the employee. It shall stipulate the following authorizing language:  
"I, (name of employee) hereby authorize and direct my employer, Southwest Airlines Co., (SWA) to deduct from my wages for remittance to the authorized official or affiliate of the International Brotherhood of Teamsters periodic dues, initiation fees and/or assessments uniformly required as a condition of acquiring or maintaining membership in accordance with the provisions of the Union Shop Agreement between my employer and the Union. I further authorize and direct my employer to deduct from my wages for remittance, as set forth above, the total or balance of unpaid dues, assessments and/or initiation fees due and owing the Union at the time my employment with the above named employer ends."  
"This authorization shall not include fines and penalties. I agree that this authorization shall be irrevocable for one (1) year from the date hereof or until termination of the Union Shop Agreement between my employer and the Union, whichever occurs sooner. If the Union Shop Agreement is terminated, this authorization may be revoked effective as of any anniversary date of the signing hereof, by written notice given by me to my employer and the Union by registered mail during the ten (10) days preceding any such anniversary. All amounts to be deducted from my wages will commence with the first regular dues deduction paycheck following receipt by my employer of this notice."
19. Southwest Airlines 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 regular 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 payroll deduction plan.



ARTICLE 26 - SAVING CLAUSE

1. Should any part hereof or any provisions herein declared invalid by reason of any existing or enacted legislation or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereto, and they shall remain in full force and effect.
2. In the event that any of the provisions of this Agreement are in conflict with or are rendered inoperative or unlawful by virtue of- any duly enacted law or regulation or any government agency or commission having jurisdiction over the Company, the Union and the Company will meet and negotiate changes necessary, pertaining only to those provisions so affected or directly related thereto.
3. *In the event that any of the terms of this Agreement, including those set forth in and protections than the rights and protections afforded by any applicable law and regulation, then, at all locations where applicable and with respect to such rights and protections, the terms of this Article shall govern. Except where collective bargaining agreements are specifically exempted by applicable law or regulation and to the extent required by law, if applicable law or regulation provides greater rights and protections than any rights and protections set forth in this Article, then, at all locations where applicable and with respect to such rights and protections, the terms and provisions of such other applicable law or regulation shall govern.*

## ARTICLE 27 - SHIFT / DAY TRADES

1. a. All shift/day trade agreements must be in writing, signed by both parties involved and approved by Management.
2. b. ~~No~~ Probationary Employee may shift/day trade.—***after 90 days. The Company reserves the right to deny an Employee an Employee's day trade request if the request involves a Probationary Employee that has failed to demonstrate proficiency in the job duties that the trade partner is typically assigned by the Lead Material Specialist on the traded shift.***
3. e. Every person who commits to a shift/day trade will be required to show up on time and work the entire ***trade*** shift or make arrangement for someone who is qualified to cover the ***trade*** shift.
4. d. In the event an employee is tardy on a shift/day trade, he will be subject to the discipline as outlined in the Company's current tardiness policy.
5. e. Failure to show up or cover the shift/day trade will result in ~~severe~~ disciplinary action -i.e., for the first offense, a thirty (30) day shift/day trade suspension accompanied by a warning letter in the employee's personnel file. For additional offenses, progressive disciplinary action will be taken.
6. f The Company reserves the right to restrict an employee's shift/day trade privileges in the event it hinders the employees quality or quantity of work, ~~schedules Employee for more than 24 consecutive hours (excluding lunch periods)~~ or causes an employee to be on paid status less than 90 hours in a month.
7. g. A shift/day trade may be effective with adequate notice and prior approval of the Company.
8. h. In the event a shift/day trade causes an employee to work two shifts in a row, provisions of this agreement regarding mandatory off-duty rest periods shall not apply.
9. i. No additional premium pay or overtime will be involved because of any shift/day trade.
10. j. No sick pay will be allowed in any shift/day trade. ***Vacation and floating holidays will be allowed on shift/day trade as long as provisions of article 11 are followed.***
11. k. Partial shift/day trades 2 hours or more will be allowed. Notwithstanding Article 14, paragraph 9, Employees temporarily transferred to a higher classification as a result of a partial shift/day trade shall receive the higher classification pay only for the hours actually worked in that higher classification.
12. ***If the shift/day trade process becomes automated, employees shall sign trades in accordance with reasonable procedures, prior to implementation the Company will meet with the Union and communicate to the Employee group prior to becoming effective.***

**ARTICLE 28 – DURATION OF AGREEMENT**

This Agreement shall become effective on the receipt by the Company of official notice of ratification of the Agreement, except as otherwise provided herein. This Agreement shall thereafter continue in full force and effect through ~~August 16, 2008~~ **August 16, 2013**, and shall renew itself without change until each succeeding August 16, thereafter, unless written notice of intended change is served in accordance with Section 6, Title 1, of the Railway Labor Act, as amended, by either ~~party hereto~~ **the IBT or the Company**, ~~at least the ninety (90) days immediately prior to August 16, 2008,~~ **upon request will be granted the right to open up Section 6 negotiations 180 days prior to the amendable date of August 16, 2013**, or any August 16, thereafter, except that the wage rates shown in Article 15 shall be effective in accordance with dates shown.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this (TBD) day of (TBD), at Dallas, Texas.

FOR THE INTERNATIONAL  
BROTHERHOOD OF TEAMSTERS

FOR SOUTHWEST AIRLINES CO.

\_\_\_\_\_  
Robert Rasch

\_\_\_\_\_  
Jim Sokol

\_\_\_\_\_  
Dan Smith

\_\_\_\_\_  
Mike Ryan

\_\_\_\_\_  
Gregg Vandagriff

\_\_\_\_\_  
A.J. Jackson

\_\_\_\_\_  
Terry DeVault

\_\_\_\_\_  
George Tompkins

\_\_\_\_\_  
Kevin Morris

\_\_\_\_\_  
Mark Lyon

\_\_\_\_\_  
Roger Baur

\_\_\_\_\_  
Keith McCormick

\_\_\_\_\_  
Kevin Givens

\_\_\_\_\_  
Sam Moser

LETTER OF AGREEMENT NO.1

~~For the period between August 16, 2000, and the date the Company receives official notification of ratification, employees on active status shall receive full retroactive pay, based on the difference between each month 1 s old pay scale and the rates in Article 15, calculated for all hours worked at the applicable rate which would include vacation or paid sick time.. Employees shall also receive a three percent (3%) Profitability Bonus, based on the Company's profitability in 1999, in addition to their retro pay.~~

~~The Company agrees to retroactivity pay not later than fortyfive (45) days after ratification.~~

~~Ratification Bonus inserted into article 15~~

**(NEW) LETTER OF AGREEMENT NO.1**

***This will confirm the understanding reached during negotiations leading up to the agreement between the Company and the IBT regarding the application of Article 21, section 2.***

***In all cases involving allegations of matters involving harassment, intimidations, threats, or criminal activity, it is understood that an internal investigation may be required before the Company gains knowledge of the incident concerning which the factfinding shall be concerned. If such an investigation is required, it will be conducted in an expeditious manner.***

***For International Brotherhood of Teamsters – Airline Division:***

\_\_\_\_\_

***For Southwest Airlines Co.:***

\_\_\_\_\_

## LETTER OF AGREEMENT NO.2

All employees covered by this Agreement who currently hold a valid license for operating company vehicles must maintain such license and any employee hired subsequent to the date of this Agreement must possess the appropriate valid license and keep any such license current.

### LETTER OF AGREEMENT NO.3

Employees in classifications covered by Agreements between the Company and the IBT as of the date of this Agreement (" Covered Employees") will be given priority consideration for vacancies in the Aircraft Mechanic Apprentice Program (the "Program"). Such Covered Employees who apply for the Program, and meet the requirements of the Program, will be accepted in seniority order for vacancies in the Program. Covered Employees selected for participation in the Program will retain and accrue seniority in the category from which they advanced while in the Program.

Covered Employees who do not successfully complete the Program may return at that time to the category in which they were employed at the time of selection for the Program.

LETTER OF AGREEMENT NO.4

This will confirm our agreement that for any Employee on a leave of absence for sickness or injury as of the date of ratification of this Agreement, the three (3) year period described in Article 9, Section 9(g), and in Article 12, Section 1, shall begin to run as of such date of ratification.

**This is to confirm that the Company and the Union recognize the retrieval of Aircraft Records Bags as Material Specialist work. The Union agrees and understands that when the Aircraft Records are automated there will no longer be a requirement for Material Specialist to retrieve Aircraft Records Bags. The Company will notify the Union in writing when the Aircraft Records are automated at which time the retrieval of Aircraft Records Bags by Material Specialist will cease.**

*For International Brotherhood of Teamsters – Airline Division:*

---

*For Southwest Airlines Co.:*

---

~~LETTER OF AGREEMENT NO.5~~

~~This is to confirm our agreement that the Company will offer vision coverage under the Regular Plan (group insurance coverage) to Employees in the classification of Stock Clerks Material Specialist on the same basis as other covered Employee groups. Beginning with the benefits enrollment period in October 2001 (covering 2002) this option will be described in the Benefits Enrollment Guide sent to all Employees. For 2001, Stock Clerks Material Specialist who have enrolled in the Regular Plan will be notified as soon as reasonably possible after ratification of this Agreement and given the opportunity to elect vision coverage for the year 2001, or any balance thereof after such election.~~

*Inserted into Article 20*



~~LETTER OF AGREEMENT NO.6~~

~~This is to confirm our agreement that the first sentence of Article 20, Section 1, under this Agreement, shall obligate the Company to continue the benefits of the following insurance plans during the term of this Agreement:~~

~~Regular Plan Medical Regular plan Dental Regular Plan Basic Life~~

~~Any other plans offered by the Company may be made available to Employees covered by this Agreement upon the same terms and conditions as such plans are made available to any other group of Company Employees. Any future increase in cost borne by the Company for Employees not covered by this Agreement shall be borne by the Company for Employees covered hereunder.~~

*Inserted into Article 20*

~~LETTER OF AGREEMENT NO.7~~

~~This is to confirm our agreement that the exercise price for the initial grant of stock options under the Stock Clerks Material Specialist Non-Qualified Stock Option Plan shall be at the fair market value of Southwest Airlines Co. Common Stock on the ratification date of this Agreement, plus five percent (5%), except that if the fair market value of such stock on the date of ratification is greater than \$25.00 per share, the initial grant shall be made at the fair market value of the stock on the date of ratification, and the Company will waive the five percent (5%) premium on the grant price for the initial grants; provided further, that if the fair market value of such stock on the date of ratification is between \$23.80 and \$25.00 per share, the initial exercise price shall be \$25.00 per share. All future grants will be made at an exercise price which reflects the fair market value of the stock, plus five percent (5%), on the grant date.~~

**LETTER OF INTENT – MAINTENANCE BASE CITY AIRPORT RETRIEVALS**

*This letter of intent will support the discussion held in negotiations between Southwest Airlines and IBT with respect to same city retrieval of parts utilizing Material Specialists from Stores. It is the parties intent to maintain the current practice of using Material Specialists for same city pick up of aircraft parts when on property Material Specialist are available. It is understood that the current operating practices include AOG parts retrievals, and aircraft and tooling loans/borrows from the local airports within the same city in which a Maintenance Base Station is located. Currently, based on discussions between Management and Lead Material Specialist, if a Material Specialist is unable to meet the operational needs (availability of staffing or within time constraints) for retrieving the part, a vendor/carrier service is engaged to provide such service. This determination is typically made by the AOG Controller through discussions with Lead Material Specialist and/or Stores Supervisor.*

*In addition to the procedure above, the current operating practice utilized to pick up and deliver the reworking of aircraft parts and/or aircraft tools as well as the pickup and delivery of parts by UPS, Fed Ex, etc., and the on property aircraft production vendor visits will continue under current practice.*

*For International Brotherhood of Teamsters – Airline Division:*

\_\_\_\_\_

*For Southwest Airlines Co.:*

\_\_\_\_\_

**Letter of Intent – Employees at Maintenance Repair Vendor**

**This letter of intent will support the discussion held in negotiations between Southwest Airlines and IBT in regards to the current practice of using Material Specialists at Maintenance Repair Vendors. Those Material Specialist Employees currently located at a Maintenance Repair Vendor will remain in that location until they either voluntarily bid out or the Company ceases all operations with that Vendor at that location. In the event that SWA discontinues its contract at ATS/AAR or that those Companies relocate their MRO operations from PAE or IND to another location; the Material Specialists at the existing locations would be allowed to move to the new vendor, or existing vendor new location, or exercise their seniority. At the sole discretion of the Company, the Company may choose to continue or discontinue utilizing covered Employees at the Maintenance Repair Vendor when a vacancy becomes available as outlined in Article 2 paragraph 3 d.**

**For International Brotherhood of Teamsters – Airline Division:**

---

**For Southwest Airlines Co.:**

---

**Note of Negotiation – Article 5 and Article 10**

**This note of negotiation will support the discussion held in negotiations between Southwest Airlines and IBT in regards to the language added to Article 5 and Article 10 that references online bid postings. All Material Specialist Employees will be responsible for checking for new bids and awards posted online. The Company will attempt to notify all affected Employees of any new bid postings utilizing the wnco.com Company email account issued to each Employee.**

**For International Brotherhood of Teamsters – Airline Division:**

---

**Robert Rasch**

**For Southwest Airlines Co.:**

---

**George Tompkins**

**Dated:           October 20, 2010**

Note of Negotiation – Article 6 Paragraph 1

This note of negotiation will support the discussion held in negotiations between Southwest Airlines and IBT in regards to the language added to Article 6 paragraph 1 that references the resetting of an Employee's clock for pay purposes. Those Material Specialist Employees that work sixteen (16) consecutive hours or more prior to the start of their regular shift will be entitled to choose to work their regular shift at their regular straight time rate of pay, or such Employee may choose to take an eight (8) hour paid rest period at their regular straight time rate of pay. If an Employee works less than sixteen (16) consecutive hours prior to their regular shift, all of those hours will continue to be counted toward the Employee's clock for pay purposes.

Example 1: Employee's regular shift is 0600 – 1430, If Employee works 1400 – 0600 prior to his regular shift, such Employee may choose to work their regular shift at their regular straight time rate of pay or take a paid rest period of eight hours at the regular straight time rate.

Example 2: Employee's regular shift is 0600 – 1430, If Employee works 2200 – 0600 prior to his regular shift, such hours will continue to count towards an Employee's twelve (12) hour clock for pay purposes.

For International Brotherhood of Teamsters – Airline Division:

---

For Southwest Airlines Co.:

---

Dated: October 8, 2010

**LETTER OF AGREEMENT — GRANDFATHER CLAUSE WAGE PROGRESSION**

~~(REF ARTICLE 15.5)~~

~~Those persons, who are Material Specialists of the Company as of the date of ratification (DOR), shall be grandfathered at their August 16, 2009 base rates and receive one raise annually (below) on August 16<sup>th</sup> of each respective year.~~

~~The following wages were agreed to during negotiations:~~

<b><del>Current — Grandfathered Employees</del></b>				
<del>(Progression from left to right only based on "Current" Pay— Not Printed in CBA )</del>				
<del>If Currently at:</del>	<del>8/16/2009</del>	<del>8/16/2010</del>	<del>8/16/2011</del>	<del>8/16/2012</del>
<del>1st 6 mo</del>	<del>\$13.64</del> →	<del>\$14.23</del> →	<del>\$14.88</del> →	<del>\$15.56</del>
<del>2nd 6 mo</del>	<del>\$14.27</del>	<del>\$14.69</del>	<del>\$15.12</del>	<del>\$15.56</del>
<del>2nd year</del>	<del>\$14.09</del>	<del>\$15.62</del>	<del>\$16.28</del>	<del>\$16.07</del>
<del>3rd year</del>	<del>\$16.41</del>	<del>\$17.08</del>	<del>\$17.78</del>	<del>\$18.51</del>
<del>4th year</del>	<del>\$17.84</del>	<del>\$18.59</del>	<del>\$19.37</del>	<del>\$20.18</del>
<del>5th year</del>	<del>\$19.35</del>	<del>\$20.20</del>	<del>\$21.00</del>	<del>\$22.01</del>
<del>Thereafter</del>	<del>\$20.89</del> →	<del>\$21.88</del> →	<del>\$22.92</del> →	<del>\$24.00</del>
<del>Leads</del>	<del>\$21.78</del>	<del>\$22.82</del>	<del>\$23.91</del>	<del>\$25.03</del>

~~For International Brotherhood of Teamsters — Airline Division:~~

=====

~~For Southwest Airlines Co.:~~

=====