

AGREEMENT
BY AND BETWEEN
SOUTHWEST AIRLINES CO.
AND
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, AFL-CIO



December 3, 2014
through
December 2, 2018

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PREAMBLE

This Agreement is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between Southwest Airlines (hereinafter referred to as the "Company") and Airline District 142 of the International Association of Machinists and Aerospace Workers, AFL-CIO (hereinafter referred to as the "Union") representing the class and craft of employees recognized by the Railway Labor Act as being Customer Service employees.

ARTICLE ONE

PURPOSE OF AGREEMENT

A. The purpose of this Agreement is, in the mutual interest of the Company and employees, to provide for the operation of the service of the Company under methods which will further, to the fullest extent possible, the well-being of Southwest passengers, the efficiency of operation, and the continuation of employment under safe and reasonable working conditions. It is recognized to be the duty of the Company, the employees, and the Union to cooperate fully for the attainment of these purposes.

B. 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; nor shall either the Company, its officers or agents or the Union, its officers or agents unlawfully discriminate against any employee because of race, color, creed, national origin, sex, sexual orientation, religion, handicap, age, disability (including the Americans with Disabilities Act) or veteran status.

C. The Company agrees to abide by the Family and Medical Leave Act, as it may be amended from time to time, for all eligible employees in the bargaining unit.

ARTICLE TWO

SCOPE OF AGREEMENT

A. The Union is recognized by the Company as the sole and exclusive bargaining agent for the employees of the Company based in the United States, its territories and possessions, who comprise the class and craft of Customer Service employees, as certified by the National Mediation Board on June 28, 1982 in Case No. R-5302.

B. All work performed by the Company, as described in the classification and work requirements in Article Five of this Agreement, is recognized as coming within the jurisdiction of the Union and is covered by this Agreement.

C. Any new job classification coming within the scope of the class and craft described above in paragraph A. of this Article is recognized as coming under the jurisdiction of the Union and is covered by this Agreement. Such new job classification and the rates of pay for such new job classification will be negotiated between the Company and the Union. Any disagreement between the Company and the Union as to whether a new job classification comes within the scope of the class and craft shall be subject to arbitration in accordance with Article Twenty.

D. Supervisors are not covered by this Agreement but may assist during irregular operations and peak travel periods, with the understanding that the intent is for a supervisor to direct, train, evaluate agent/representative performance, and support the operation by managing and directing the workforce. A supervisor may not replace any covered employee or cover a scheduled line/shift. A Supervisor's schedule may not be altered to prevent payment of overtime to a covered employee. And a Supervisor may not accept an overtime assignment, except as a last resort, an agent may give away a mandatory overtime assignment to a supervisor. At management's discretion and approval, an agent may give away their shift to a supervisor and the following will apply:

1. The agent should, when time permits, make the shift trade available to other covered employees prior to offering it to a supervisor.

2. Supervisors that enter into a shift trade will be required to perform the work of that covered employee for the entire shift.

3. When a supervisor is working for an agent they will be the first employee to be involuntarily extended, if the need arises, on that shift.

E. Employees covered by this Agreement shall be governed by all reasonable Company rules, regulations and orders previously or hereafter issued by proper authority 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 as soon as practical prior to becoming effective; with a copy of such rules, regulations and orders to District 142 as soon as practicable.

F. The right to manage and direct the working forces, subject to the provisions of this Agreement, is vested in and retained by the Company.

ARTICLE THREE

STATUS OF AGREEMENT

A. It is expressly understood and agreed that when this Agreement is accepted by the parties and signed by their authorized representatives, it will supersede any and all Agreements existing or previously executed between the Company and the Union affecting the employees covered hereunder.

B. It is further understood and agreed that all provisions of this Agreement shall be binding upon the successors or assigns of the Company. In case of consolidation or merger, representatives of the Company and the Union will meet without delay and negotiate for proper provisions for the protection of employee seniority and other property rights.

ARTICLE FOUR

DEFINITIONS

A. Employee as used in this Agreement shall mean the employees in the units described to designate any employee referred to herein, whether male or female.

B. A week shall consist of seven (7) consecutive day periods commencing at 0001 Sunday morning.

1) An eight (8) hour day work week consists of a seven (7) day period with five (5) consecutive eight (8) hour days of work, exclusive of a meal period, and two (2) consecutive days off;

2) A ten (10) hour day work week consists of a seven (7) day period with four (4) ten (10) hour days of work, exclusive of a meal period, and three (3) consecutive days off.

C. A day shall be a twenty-four (24) hour period beginning at midnight.

1) An eight (8) hour work shift, except as otherwise provided herein, shall consist of eight (8) hours exclusive of a meal period.

2) A ten (10) hour work shift, except as otherwise provided herein, shall consist of ten (10) hours exclusive of a meal period.

D. Month as used herein means the period from the first day to and including the last day of each calendar month of the year.

E. "TOWOP" Time shall mean staffing time off without pay taken by agreement between the Company and the employee as operational needs permit. The Company will determine which shifts, if any, will be offered TOWOP, and may take into account extenuating circumstances and/or emergency circumstances in offering TOWOP. However, to the extent practical, seniority by shift will be considered in offering TOWOP.

F. It is understood wherever in this Agreement employees or jobs are referred to in either gender, it should be recognized as referring to both male and female employees.

G. "DAT" as used in this agreement shall mean day at a time vacation.

H. "FTO" as used in this agreement shall mean Flexible Time Off.

I. "HAT" – On an Employee's scheduled work day, employees will be allowed to request hour-at-a time vacation, subject to the approval of their supervisors, on a first come, first served basis.

J. International Seals - United States Customs and Border Protection-issued documents are required to work international flights (see Letter of Understanding Number 8).

ARTICLE FIVE

CLASSIFICATIONS

1. CUSTOMER REPRESENTATIVE

A. Such duties shall include, but not be limited to: receive inquiries concerning air travel and furnish information regarding fares, schedules, routings, flights, and other facilities; determine and recommend the service which meets the customers' needs; verify availability of space and confirm reservations; record customer information for office records and make appropriate changes upon receipt of ticketing, cancellation, and other pertinent information; answer inquiries regarding flight arrivals, cancellations, and delays; handle customer re-accommodation needs when directed; basic booking or releasing of space for maximum usage and the maintenance of general records of space utilization and availability; perform the duties necessary to support reservations sales and special services, and perform such other duties as may be assigned relative to the operation of an airline; assist as an informational support to customer service and airport operations; assist with customer sales and service initiatives to support the Company when directed and/or deemed necessary. A Customer Representative will maintain a workable knowledge of and keep current of information that is pertinent to the job. It shall be a responsibility of the Customer Representative to keep his assigned position in a clean, neat and orderly fashion at all times while on duty.

B. Employees within the Customer Representative classification may be designated as Service Coordinators. Service Coordinators shall be responsible for performing certain "help desk" duties as assigned by the Company which support Customer Representatives in their duties as well as the operation of Customer Support & Services Centers. It is specifically understood that Service Coordinators will not perform duties which are exclusively the rights of management. In the selection of Service Coordinators, where employees' qualifications are deemed equal, classification seniority shall be considered.

C. Separate bids can be established within the Customer Representative classification for the purpose of accommodating additional customer service channels. This may require Employees to meet skill standards or other criteria as determined by the Company. Where employees' qualifications are deemed equal, classification seniority shall be considered (please refer to Letter of Understanding Number 13).

D. It is understood and agreed that it is not the intention of the Company to transfer any of the functions which have historically been performed for external Customers by Customer Representatives to Source of Support or Customer Relations Rapid Rewards. Nor is it the intention of the Company to transfer any of the functions which have historically been performed for external Customers by Customer Representatives, such as booking of groups of ten or more passengers,

booking international flights, electronic communications regarding reservations or re-accommodating bookings.

E. Southwest Airlines management and the International Association of Machinists District 142 share in the commitment to meet and discuss future CS&S technology initiatives and how these may impact the daily functions of CS&S Representatives. Furthermore, it is the intent of the Company to utilize our CS&S Representatives, when feasible, to continue to focus on and support our Customer Service commitment.

2. CUSTOMER SERVICE AGENT

A. The work of a Customer Service Agent includes the functions which have been historically performed by Customer Service Agents at Southwest Airlines' stations and includes, but is not limited to, any or all of the following:

- 1) Provides total customer service to all people desiring to use customer or cargo service by being attentive to their needs and politely handling their inquiries promptly, completing required transactions.
- 2) Operates mechanical and electronic devices to handle ticketing and reservation transactions including restocking ticket stocks at gates, kiosks and ticket counters.
- 3) Charges and collects the proper fares, completes invoices, receipts and other documents needed to record ticketing and air cargo sales.
- 4) Books reservations, makes cancellations and changes to reservations, as required.
- 5) Maintains positive control over cash drawer and funds assigned and prevents overages/shortages by careful attention to duties so that accuracy is maintained.
- 6) Properly completes daily ticket report and cash drawer closeout.
- 7) Completes forms and reports as required by Company rules and procedures.
- 8) Properly maintains and wears the uniform and all its components as required by Company regulations and presents a neat, attractive appearance at all times while on duty.

9) Deals with mishandled customers as a result of oversales; delayed or canceled flights; lost, delayed or damaged luggage to resolve such problems quickly and in keeping with Company policy.

10) Has a good working knowledge of the currently effective Company tariffs and customer/cargo procedures.

11) Professionally handles the ticketing, check-in and boarding of all Southwest Airlines' domestic and international customers quickly and accurately while maintaining a pleasant manner and providing friendly and efficient service.

12) Provides current and accurate fare, schedule, reservations, flight arrival/departure information and answers to all other general inquiries from customers and other visitors to the airport terminal.

13) Provides assistance as required to customers at kiosks and other checkin locations.

14) Customer Service Agents will have oversight for Unaccompanied Minors/youth supervision to the extent that the Customer experience allows and recognizing that other Southwest Employees may need to assist on occasion.

15) Where Skycap service is provided at airports with sixty (60) or more Southwest flight departures per day and in those other stations that are serviced by Southwest Airlines skycaps, Customer Service Agents will be responsible for curbside Customer checkin.

3. CUSTOMER CONTRACT SERVICE LEAD

A. In stations within the United States, its territories and possessions, where flight activity does not exceed 6 departures per day, and where the Company elects to contract with third parties for the performance of covered work, a Customer Contract Service Lead (CCSL) will be utilized. The Company shall notify the Union of its intent to utilize a Customer Contract Service Lead. This paragraph does not apply to existing stations that do not have the Customer Contract Service Lead as of date of ratification (December 3, 2014) and may fall to six (6) departures per day or below.

B. The work of a Customer Contract Service Lead includes functions which have been historically performed by Customer Service Agents at Southwest Airlines' stations and includes, but is not limited to, any or all of the following:

- 1) Oversight of operational performance.
- 2) Preparation and filing of documents.
- 3) May represent Southwest Airlines in required meetings with Airport, Vendor, Partner and business meetings.

C. The Customer Contract Service Lead will not be responsible for Southwest Airlines employment decisions and/or the administration of discipline.

D. The selection process shall consider the bidder's qualifications and seniority in classification or with the Company, the selection and de-selection of candidates for the duties and responsibilities described herein will be solely at the discretion of the Company.

E. Customer Contract Service Leads will be compensated at \$4.25/hour differential. The Customer Contract Service Lead differential will be paid above the base classification (CSA) and will become part of the Contract Service Lead's base pay for sick leave, vacation, overtime, etc. If the operation of flights are increased above six (6) departures per day at a location, the CCSL position will be eliminated and the Agent will then become a part of the CSA complement. The \$4.25 premium will end and the Agent will be compensated as a CSA.

4. GENERAL PROVISIONS FOR BOTH CLASSIFICATIONS

A. Employees within a classification may be designated as Training Coordinators. A Training Coordinator shall be responsible for assisting with on-the-job and classroom training programs, as assigned by the Company. The Company shall have the right to create all training materials, methods and programs and to select qualified employees to fill the position when necessary. In the selection of Training Coordinators, where employees' qualifications are deemed equal, classification seniority shall be considered.

B. It is mutually understood and agreed that under normal working conditions, Customer Representatives will perform the reservation service function and Customer Service Agents will perform the customer service function. However, cross utilization will be allowed when sufficient personnel of a specific job title are not available, or during an emergency situation.

C. As new equipment and technology are introduced into the system, employees affected will be given training (classroom, online, electronic and/or on-the-job) concerning such equipment to gain proficiency in their work.

D. When support for projects is needed by the Ground Operations and/or Customer Support & Services groups, the Company may assign employees as temporary support for the duration of a project, not to exceed six months in a twelve month period. The Company shall have the right to select qualified employees to fill such positions. In the selection of employees, where qualifications are deemed equal, classification seniority shall be considered. Prior to the selection process taking place, the Company shall notify the employees of the targeted location(s) and the Union regarding the specifics of the scope of work and the expected duration of the project.

E. It is further understood and agreed that the Company has always recognized that the best customer service is provided at the point of initial contact. Therefore, it is the Company's intent to provide Customer Representatives and Customer Service Agents with the necessary training and tools to provide quality customer service to our external customers.

ARTICLE SIX

HOURS OF SERVICE

1. CUSTOMER REPRESENTATIVE

A. Time worked in any tour of duty including holidays and overtime shall be considered as work performed on the day during which the employee's regular shift began.

B. Except as herein provided an eight (8) hour work day exclusive of a meal period, shall constitute a day's work and five (5) days of work within a week shall constitute a week's work for the employees covered by this Agreement. A ten (10) hour work day, except as herein provided shall consist of ten (10) hours exclusive of a meal period and four (4) days of work within a week shall constitute a week's work for employees covered by this Agreement. One-half (½) hour meal periods shall be scheduled to begin no earlier than one hour before or no later than one hour after the middle of the shift. Paid breaks below are fifteen (15) minutes in duration.

FULL-TIME BREAK START TIME EXAMPLES						
SHIFT TYPE	SHIFT	MIDDLE OF THE SHIFT	1 ST PAID BREAK	UNPAID LUNCH	2 ND PAID BREAK	3 RD PAID BREAK
8 Hour	0900-1730	1315	1000-1200	1215-1415	1415-1615	None
10 Hour	0900-1930	1415	1000-1200	1315-1515	1515-1715	1715-1830

All part-time Employees should refer to Article 10 Paragraph P.

A Customer Representative required to take an early or late lunch will be paid an additional one-half hour at the straight time rate. A Customer Representative required to forego their lunch period will be paid an additional one-half hour at the rate of time and one-half. Where one-hour lunch periods are scheduled, the Customer Representative will be paid at the applicable straight time or time and one-half rate.

C. Meal periods shall be paid for employees whose work shifts begin at 6:00 P.M. up to and including 4:00 A.M. start times.

D. Employees will be scheduled for at least two (2) consecutive days off in each of their work weeks. Saturday and Sunday will be considered as consecutive days off for this purpose. Part-time Employees should refer to Article 10, Paragraph D.

E. Work schedules will be bid as often as required but shall be bid at least five (5) times per year. Each bid shall be for a minimum period of twenty-eight (28) days and will, where

possible, become effective at 0001 Sunday morning. Each bid shall indicate the starting and tentative ending dates of the work schedule. The ending date may be changed due to an unexpected change in flight activity or because of employee(s) returning from approved leave(s) of absence. A minimum of seven (7) calendar days' notice will be given on shift bids, and there shall be no rebid on less than seventy-two (72) hours' notice. When shifts are posted for bid, a bid closing date will be so indicated on the bid sheet. Nothing in this Agreement shall prevent the Company from assigning shifts and days off to new hire probationary employees; however, sixty (60) calendar days after the employee returns from initial training, probationary employees shall bid shifts per their seniority. An employee who returns from an approved leave of absence will be allowed to exercise his seniority for shifts and days off.

An employee will file a permanent shift and day off bid in triplicate or electronically. If filed in triplicate, the copies will be distributed to the Company and shop steward, and the employee will retain one copy. Once on file with the Company, the bid will stand as the employee's official bid. If an employee wants to change his bid he may do so at any time, and will do so if shifts are changed. All bids on file one day before the bid closing date will be considered. Any employee who does not have a bid on file will be assigned to a shift and days off after bids are awarded. If more than one employee is to be assigned, the remaining available shifts and days off will be offered in order of seniority.

F. A full-time employee (except those on unpaid leave of absence) who is excused from work on a designated holiday will receive a bonus as outlined in Article 22 of eight (8) hours at his/her regular rate of pay. A full-time ten (10) hour employee (except for those on unpaid leave of absence) will receive a bonus as outlined in Article 22 at his or her regular rate of pay if the holiday falls on his or her regularly scheduled work day; but if the holiday falls on his/her regularly scheduled day off, the employee will receive eight (8) hours at his/her regular rate of pay. Part-time Employees should refer to Article 22, Paragraph C.

G. The Company agrees that if it establishes a work shift with starting hours between 1:00 A.M. and 5:00 A.M. that for those hours falling within 1:00 A.M. and 5:00 A.M. the employee shall be paid time and one-half his regular base rate of pay.

H. The regular shift assignments will be prepared and posted at each location as early as possible but at least five (5) calendar days in advance of becoming effective.

I. An employee absent during his normal work day for the purpose of serving as a juror or as a witness on behalf of the Company shall be entitled to his regular pay for the number of authorized days off, or previously approved shift trades. Employees will not be required to work beyond 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 ten (10) hours rest before reporting back to work. An employee receiving a 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. When jury duty extends two full weeks or more, the employee will be given the option to have his work schedule adjusted during the second and following weeks so that the employee receives two days off per week. If the employee takes this option, he will not be eligible for overtime on the adjusted days off.

J. Customer Representatives will be allowed a five (5) minute work readiness allowance (included in their schedule metrics) during the regular shift.

K. The trading of a work shift or day off between employees within the same classification will be permitted if requested in writing or electronically and signed by the employees involved and will be approved and acknowledged in writing or electronically by the Company. Once a training shift and/or Leadership-assigned meeting has been assigned to an employee, the employee is responsible to work that portion of their shift. Eligible employees shall be entitled to an unlimited number of trades and pickups each month. Eligible employees may giveaway their full shift a maximum of thirty (30) times per calendar quarter. The Company will not approve more than thirty (30) full shift giveaways per calendar quarter. Additionally, the Company shall confirm that the employees involved are capable of performing the job function traded. Trades must be submitted for approval by at least 20:00 hours the day prior to the day of the first intended trade. Trades submitted after that time may be approved if time permits. Employees who trade become responsible to work the shift so agreed to as if it were part of their shift assignment. Employees who have agreed to work for other employees under this Article must work the day or shift as agreed. Partial shift trades will be permitted in fifteen (15) minute increments with a minimum of thirty (30) minutes traded.

1) The giving away of a work shift may be permitted when agreed to by employees subject to the approval of the Company. It should be expressly understood that the Company in each case (paragraphs L. and L. 1) will pay the employee who performed the work straight time for the hours actually worked.

2) Employees shall be responsible for collecting days off or performing work due per the Agreement.

3) Shift trades or a giveaway of a work shift will not be restricted within the same work week. All trade agreements and shift giveaways must be in writing or entered electronically and signed by all parties involved to be considered valid. Thirty (30) calendar days after a Customer Representative completes initial training, he/she may give away or trade a shift. Every person who commits himself to work another shift other than his own will be required to show up on

time and cover the entire shift. In the event an employee is tardy for a shift trade he will be subject to the attendance guidelines.

4) The employee who covers a shift will be paid at the rate of straight time for such time worked.

Example 1: Employee A works for Employee B during the first pay period of the month and Employee B in turn works for Employee A during the same pay period RESULT - no one's paycheck will be adjusted.

Example 2: Employee A works for Employee B during the first pay period of the month and Employee B does not repay the shift trade during the same pay period - RESULT - Employee A will receive eight (8) hours additional straight time pay on the check that he receives on the 20th of the month, and Employee B will receive eight (8) hours less. Employee B can only recover the eight (8) hours straight time pay when he actually works for Employee A at some future date.

Example 3: Employee A, whose regular shift is eight (8) hours per day, works for Employee B whose regular shift is ten (10) hours per day during the first pay period of the month and Employee B in turn works for Employee A during the same pay period RESULT- Employee A will receive two (2) hours additional straight time pay and Employee B will receive two hour less straight time pay.

Example 4: Employee A, whose regular shift is eight (8) per day, works for Employee B whose regular shift is 10 (10) hours per day during the first pay period of the month and Employee B does not repay the shift trade during the same pay period - RESULT - Employee A will receive ten (10) hours additional straight time pay on the check that he receives on the 20th of the month, and Employee B will receive ten (10) hours less. Employee B can only recover eight (8) hours straight time pay when he actually works for Employee A at some future date.

5) Employees required to work twelve (12) days in a row as a result of mandatory overtime (excluding shift trades or pickups) will be given the choice to not work on the 13th day, if scheduled to do so. If the Employee chooses to work on the 13th day, the Company agrees to not issue mandatory overtime on the Employee's next scheduled day off. The employee off because of a shift trade (including partial shift trade) or the giving away of a shift will not be eligible during those hours for overtime under Article Seven of this Agreement. Overtime caused by the trading or giving away of a shift or a portion of a shift shall be waived.

6) It is understood that the shift/day trade provisions of this Article may not be used to circumvent seniority as described in Article Eight of this Agreement.

L. Employees selected as Training Coordinators shall bid regular shifts and days off as a part of the regular bid. However, such employees' shifts and days off may be adjusted by the Company, as needed, for training requirements.

2. CUSTOMER SERVICE AGENT

A. Time worked in any tour of duty including holidays and overtime shall be considered as work performed on the day during which the employee's regular shift began.

B. Except as herein provided, an eight (8) hour work day exclusive of a meal period, shall constitute a day's work and five (5) days of work within a week shall constitute a week's work for the employees covered by this Agreement. A ten (10) hour work day, except as herein provided shall consist of ten (10) hours exclusive of a meal period and four (4) days of work within a week shall constitute a week's work for employees covered by this Agreement. One-half (½) hour meal periods shall be scheduled to begin no earlier than one hour before or no later than one hour after the middle of the shift. Paid breaks below are fifteen (15) minutes in duration.

FULL-TIME BREAK START TIME EXAMPLES						
SHIFT TYPE	SHIFT	MIDDLE OF THE SHIFT	1 ST PAID BREAK	UNPAID LUNCH	2 ND PAID BREAK	3 RD PAID BREAK
8 Hour	0900-1730	1315	1000-1200	1215-1415	1415-1615	None
10 Hour	0900-1930	1415	1000-1200	1315-1515	1515-1715	1715-1830

All part-time Employees should refer to Article 10 Paragraph P for breaks.

A Customer Service Agent required to take an early or late lunch will be paid an additional one-half hour at the straight time rate. A Customer Service Agent required to forego their lunch period will be paid an additional one-half hour at the rate of time and one-half. Where one-hour lunch periods are scheduled, the Customer Service Agent will be paid at the applicable straight time or time and one-half rate.

C. Meal periods shall be paid for employees whose work shifts begin at 6:00 P.M. up to and including 4:00 A.M. start times.

D. Eight (8) hour shift employees will be scheduled for at least two (2) consecutive days off in each of their work weeks. Saturday and Sunday will be considered as consecutive days off for this purpose.

Ten (10) hour shift employees will be scheduled for at least three (3) consecutive days off in each of their work weeks. Saturday, Sunday, Monday will be considered consecutive days off for this purpose.

Part-time Employees should refer to Article 10, Paragraph D.

E. Work schedules will be bid as often as required but shall be bid at least five (5) times per year. Each bid shall be for a minimum period of twenty-eight (28) days and will, where

possible, become effective at 0001 Sunday morning. Each bid shall indicate the starting and tentative ending dates of the work schedule. The ending date may be changed due to an unexpected change in flight activity or because of employee(s) returning from approved leave(s) of absence. A minimum of seven (7) calendar days notice will be given on shift bids, and there shall be no rebid on less than seventy-two (72) hours' notice. When shifts are posted for bid, a bid closing date will be so indicated on the bid sheet. Nothing in this Agreement shall prevent the Company from assigning shifts and days off to new hire probationary employees; however, sixty (60) calendar days after the employee returns from initial training, probationary employees shall bid shifts per their seniority. An employee who returns from an approved leave of absence will be allowed to exercise his seniority for shifts and days off.

An employee will file a permanent shift and day off bid in triplicate or electronically. If filed in triplicate, the copies will be distributed to the Company and shop steward, and the employee will retain one copy. Once on file with the Company, the bid will stand as the employee's official bid. If an employee wants to change his bid he may do so at any time, and will do so if shifts are changed. All bids on file one day before the bid closing date will be considered. Any employee who does not have a bid on file will be assigned to a shift and days off after bids are awarded. If more than one employee is to be assigned, the remaining available shifts and days off will be offered in order of seniority.

F. An eight (8) hour full-time employee (except for those on unpaid leave of absence) who is excused from work on a designated holiday will receive a bonus as outlined in Article 22 of eight (8) hours at his or her regular rate of pay. A full-time ten (10) hour employee (except for those on unpaid leave of absence) will receive a bonus as outlined in Article 22 at his/her regular rate of pay if the holiday falls on his/her regularly scheduled work day; but if the holiday falls on his/her regularly scheduled day off, the employee will receive eight (8) hours at his/her regular rate of pay. Part-time Employees should refer to Article 22, Paragraph C.

G. The Company agrees that if it establishes a work shift with starting hours between 1:00 A.M. and 5:00 A.M. that for those hours falling within 1:00 A.M. and 5:00 A.M. the employee shall be paid time and one-half his regular base rate of pay.

H. The regular shift assignments will be prepared and posted at each location as early as possible but at least five (5) calendar days in advance of becoming effective.

I. An employee absent during his normal work day for the purpose of serving as a juror or as a witness on behalf of the Company shall be entitled to his regular pay for the number of authorized days off, or previously approved shift trades. Employees will not be required to work beyond 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 ten (10) hours rest before reporting back to work. An employee receiving a 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. When jury duty extends two full weeks or more, the employee will be given the option to have his work schedule adjusted during the second and following weeks so that the employee receives two days off per week. If the employee takes this option, he will not be eligible for overtime on the adjusted days off.

J. Customer Service Agents will be allowed a five (5) minute work station cleanup period prior to the end of the regular shift.

K. The trading of a work shift or day off between employees within the same classification will be permitted if requested in writing or electronically and signed by the employees involved and will be approved and acknowledged in writing or electronically by the Company. Once a training shift and/or Leadership-assigned meeting has been assigned to an employee, the employee is responsible to work that portion of his shift. Eligible employees shall be entitled to an unlimited number of trades and pickups each month. Eligible employees may giveaway their full shift a maximum of thirty (30) times per calendar quarter. The Company will not approve more than thirty (30) full shift giveaways per calendar quarter. Additionally, the Company shall confirm that the employees involved are capable of performing the job function traded. Trades must be submitted for approval by at least 20:00 hours the day prior to the day of the first intended trade. Trades submitted after that time may be approved if time permits. Employees who trade become responsible to work the shift so agreed to as if it were part of their shift assignment. Employees who have agreed to work for other employees under this Article must work the day or shift as agreed. Partial shift trades will be permitted in fifteen (15) minute increments with a minimum of thirty (30) minutes traded. No trade agreement/approval can involve more than four (4) persons, and no single shift may be worked by more than two (2) persons.

Partial shift trades of equal hours (eight (8) hour work shift or ten (10) hour work shift) will not be responsible for the unpaid meal period, except in stations where there are 40 or fewer employees in the classification. Example 1: 0500-1330 eight (8) hour shift Employee A – works 0500-0900 and Employee B – works 0930-1330 the thirty (30) minute meal period is waived. Example 2: 0500-1530 ten (10) hour shift Employee A works 0500-1000 and Employee B-works 1030-1530 the thirty (30) minute meal period is waived.

1) The giving away of a work shift may be permitted when agreed to by two (2) employees subject to the approval of the Company. It should be expressly understood that the Company in each case (paragraphs L. and L. 1) will pay the employee who performed the work straight time for the hours actually worked.

2) Employees shall be responsible for collecting days off or performing work due per the Agreement.

3) Shift trades or a giveaway of a work shift will not be restricted within the same work week. All trade agreements and shift giveaways must be in writing or entered electronically and signed by all parties involved to be considered valid. Thirty (30) calendar days after the employee completes initial training, an employee may give away or trade a shift. Every person who commits himself to work another shift other than his own will be required to show up on time and cover the entire shift. In the event an employee is tardy for a shift trade he will be subject to the attendance guidelines.

4) The employee who covers a shift will be paid at the rate of straight time for such time worked.

Example 1: Employee A works for Employee B during the first pay period of the month and Employee B in turn works for Employee A during the same pay period RESULT - no one's paycheck will be adjusted.

Example 2: Employee A works for Employee B during the first pay period of the month and Employee B does not repay the shift trade during the same pay period - RESULT - Employee A will receive eight (8) hours additional straight time pay on the check that he receives on the 20th of the month, and Employee B will receive eight (8) hours less. Employee B can only recover the eight (8) hours straight time pay when he actually works for Employee A at some future date.

Example 3: Employee A, whose regular shift is eight (8) hours per day, works for Employee B whose regular shift is ten (10) hours per day during the first pay period of the month and Employee B in turn works for Employee A during the same pay period RESULT- Employee A will receive two (2) hours additional straight time pay and Employee B will receive two hour less straight time pay.

Example 4: Employee A, whose regular shift is eight (8) per day, works for Employee B whose regular shift is 10 (10) hours per day during the first pay period of the month and Employee B does not repay the shift trade during the same pay period - RESULT - Employee A will receive ten (10) hours additional straight time pay on the check that he receives on the 20th of the month, and Employee B will receive ten (10) hours less. Employee B can only recover eight (8) hours straight time pay when he actually works for Employee A at some future date.

5) Employees required to work twelve (12) days in a row as a result of mandatory overtime (excluding shift trades or pickups) will be given the choice to not work on the 13th day, if scheduled to do so. If the Employee chooses to work on the 13th day, the Company

agrees to not issue mandatory overtime on the Employee's next scheduled day off. The employee off because of a shift trade (including partial shift trade) or the giving away of a shift will not be eligible during those hours for overtime under Article Seven of this Agreement. Overtime caused by the trading or giving away of a shift or a portion of a shift shall be waived.

6) It is understood that the shift/day trade provisions of this Article may not be used to circumvent seniority as described in Article Eight of this Agreement.

7) Based on the complexities of the applicable technology and calculation of accruals, the parties agree to continue to examine the feasibility of a ten (10) hour workday for Customer Service Agents, and may revisit this issue during the life of this Agreement.

L. Employees selected as Training Coordinators shall bid regular shifts and days off as a part of the regular bid. However, such employees' shifts and days off may be adjusted by the Company, as needed, for training requirements.

ARTICLE SEVEN

OVERTIME

1. CUSTOMER REPRESENTATIVE

A. The Union and Company agree that mandatory overtime assignments are not in the best interests of either party. To maximize voluntary overtime utilization, the Company must make overtime known to the employees and employees must utilize the overtime call book to the fullest. It is also agreed that in the administration of this Article, the Company will make good faith efforts to secure voluntary overtime.

B. For pay purposes the overtime rate of time and one-half shall be computed on an actual minute basis adjusted to the nearest tenth (1/10) of an hour, with a minimum of three-quarters (3/4) hour overtime.

1. If an employee elects to waive the requirement for the minimum three-quarters (3/4) hour overtime he may do so if approved by a supervisor or administrative staff. In such cases an employee will be paid for the actual time worked adjusted to the nearest tenth (1/10) of an hour.

2. Any employee off because of a full shift giveaway (including partial shift giveaway) is not eligible for overtime during those hours.

C. Full time employees working an eight (8) hour shift shall be paid an hourly rate of time and one-half for:

1. The first four (4) hours worked either prior to or after an employee's regular scheduled shift.

2. The first eight (8) hours worked on one of the two (2) regularly scheduled days off.

D. Full time employees working an eight (8) hour shift shall be paid an hourly rate of double time for:

1. All hours in excess of the first eight (8) hours worked on one of the two (2) regularly scheduled days off each work week.

2. For all time worked on the second regularly scheduled day off in a work week, provided that a minimum of one hour overtime was worked on the first day off. In addition, if time worked on the first day off was as a result of a shift trade or pick-up, double time would not apply.

3. For all time worked in excess of twelve (12) hours in any work day, unless the time worked was the result of a shift trade or pickup.

4. For all time worked due to mandatory overtime assignments.

E. Full time employees working a ten (10) hour shift shall be paid an hourly rate of time and one-half for:

1. The first two (2) hours worked either prior to or after an employee's regular scheduled ten (10) hour shift.

2. The first ten (10) hours worked on one of the three (3) regularly scheduled days off.

F. Full time employees working a ten (10) hour shift shall be paid an hourly rate of double time for:

1. All time worked on a regularly scheduled day off in a work week, provided that a minimum of one hour overtime was worked on one of the prior days off. In addition, if time worked on the first or second day off was as a result of a shift trade or pickup, double time would not apply.

2. All time worked in excess of twelve (12) hours in any work day, unless the time worked was the result of a shift trade or pickup.

3. All time worked due to mandatory overtime assignments.

G. Part-time employees will be paid the applicable overtime rate for all overtime hours worked in excess of eight (8) hours in a day or forty (40) hours in a work week. Any hours worked in a day or in a work week as a result of shift trade(s) or pickup(s) will not count towards the hours needed to get to the applicable overtime rate.

H. Whenever possible, employees on a shift will be given a minimum of three (3) hours' notice of overtime. It is specifically understood that no notice will be necessary whenever an unforeseen combination of circumstances occurs that requires immediate action. The Union and the Company agree that less than three (3) hours notification is not desirable, and the provisions of

this Article must be considered when notifying an employee of an overtime assignment. It is also agreed that in the administration of this paragraph, the Company will make a good faith effort to secure voluntary overtime. When it becomes necessary for employees to work overtime, they shall not be laid off during their regular work schedule to fill an overtime assignment.

I. Overtime will be worked only by direction of the proper supervisor of the Company or via technology, if available, except in cases of emergency where prior authority cannot be obtained. Employees shall be given both a start and ending time for their overtime assignments (with the understanding that operational demands may extend, but not shorten, the ending time, except as provided in Article Seven, 1. Customer Representative, Paragraph L).

J. Rest Rule. An Employee extended for mandatory overtime resulting in four (4) hours or more of overtime worked and that causes the Employee to work 15 hours or more in a work day, will be given rest equal to that mandatory overtime assignment. The rest will be equal to the mandatory overtime assignment, but will not exceed 10 hours rest in any event. The rest only applies to the next day's shift assignment which had been established prior to the mandatory overtime assignment.

1. Options for Rest. An Employee who is eligible for rest as outlined above may elect one of the two options below for taking the rest. The Employee must make the election within two (2) hours of being notified of the mandatory overtime assignment in paragraph J. above. If the Employee fails to notify the Supervisor/Administrative staff of his election regarding rest or waiving rest, he will be given rest.

a. The Employee may have his next day's shift/assignment adjusted to receive rest equal to the mandatory assignment, not to exceed ten (10) hours rest and be paid at his regular straight time rate for the time lost from his regular work shift because of the rest; or

b. The Employee may waive the rest requirement and be paid at the double time rate for all hours worked that were part of the rest period.

K. If an employee working an eight (8) hour shift is mandatoried to work on both scheduled days off, the employee will be paid for the second scheduled day off at the applicable overtime rate plus an additional one half (1/2) time at his regular rate for all hours worked during the overtime assignment. If an employee working a ten (10) hour shift is mandatoried to work on two (2) of their three (3) days off, the employee will be paid for the second consecutive scheduled day off at the applicable overtime rate plus an additional one half (1/2) time at his regular rate for all hours worked during the overtime assignment. If an employee working a ten (10) hour shift is mandatoried to work on all of their three scheduled days off, the employee will be paid for the

second and third consecutive scheduled days off at the applicable overtime rate plus an additional one-half (1/2) time at his regular rate for all hours worked during the overtime assignment.

L. Employees recalled to work will be paid a minimum of four (4) hours at the applicable overtime rate. The Company may use "continuous with" overtime as opposed to call-out overtime when the time to be worked is four (4) hours or less without the four (4) hour guarantee. If the Company and the employee agree, the employee may be released prior to four (4) hours, and be paid for actual hours worked.

M. Local overtime procedures may be established if agreed to by the Company and the Union, submitted in writing and approved and signed by a Company department head and the General Chairperson assigned by District 142. The local agreement will have a starting and ending date.

N. For continuous service before or after regular working hours, employees will not be required to work more than two (2) hours without being allowed a fifteen (15) minute rest period, or be required to work more than four (4) hours without a paid thirty (30) minute meal period. It is further understood that each employee will receive a paid fifteen (15) minute break between each regular shift (minimum two continuous hours worked) and overtime assignment (minimum one hour worked), as illustrated in the chart below. The Company will make a good faith effort to ensure that the employee will be given this break during the last hour of his regular shift or during the first hour of his overtime shift. An employee's overtime breaks for continuous service before or after regular working hours will be taken as per the examples listed.

HOURS WORKED	BREAK / BREAKS
1.0 - 2.0 CONTINUOUS WITH OVERTIME	ONE 15 MINUTE PAID BREAK BETWEEN SHIFTS
2.1 - 4.0 CONTINUOUS WITH OVERTIME	TWO 15 MINUTE PAID BREAKS (ONE BETWEEN SHIFTS)
4.1 – 6.0 CONTINUOUS WITH OVERTIME	TWO 15 MINUTE PAID BREAKS & ONE 30 MINUTE PAID LUNCH
6.1 – 8.0 CONTINUOUS WITH	THREE 15 MINUTE PAID BREAKS & ONE 30 MINUTE PAID LUNCH

The above break chart is applicable to both voluntary and mandatory continuous with overtime assignments.

Example 1: Employee is scheduled to work 0800-1630. He gives away 0800-1600 and works 1600-1630 and voluntary continuous with overtime of two (2) hours. He is not eligible for an additional paid 15-minute break between the regular shift and the overtime assignment since he did not work a minimum of two (2) continuous hours before the overtime assignment.

O. An overtime assignment of four (4) hours or less continuous with the beginning or ending of a shift, which is authorized by the Company to be filled, will be offered to the senior qualified employee who is regularly working that shift and who is signed up for such overtime. When signing the online overtime call book employees shall indicate their preference for a continuous with overtime assignment either before or after their shift, or both. In addition, all employees who have adjusted their hours because of a shift trade or partial shift trade will be eligible for a continuous assignment of four (4) hours or less. These employees will be awarded continuous with assignments after all employees who were regularly scheduled to work in classification seniority order. All other overtime assignments will be assigned by the provisions of the online overtime call-book set forth in paragraph C. If a sufficient amount of overtime is not voluntarily obtained under paragraph B or C, the Company will start in reverse order of classification seniority and require the employee to work the overtime. Full-time employees will be offered overtime assignments before overtime is offered to part-time employees. If mandatory overtime is assigned, it will be assigned first to full-time employees, then to part-time employees.

P. If an overtime assignment of more than four (4) hours is available, an online overtime call-book shall be utilized for the purpose of applying this Article. When signing the online overtime call book employees shall specify the time period they would like to work. Multiple entries are

allowed, but must be listed in preference order. Overtime call-books will be posted online for the duration of the bid period, with a minimum posting of fourteen (14) calendar days in advance. When an employee signs the online overtime call-book, it will constitute his agreement to work on the day for which he signed and normal attendance rules will apply. Example: Employee's shift is 1000 to 1830: first overtime preference is 1830 to 2300, second overtime preference is 0500 to 1000.

The online overtime call-book for the following day will be closed at 12:00 noon of the preceding day.

1) An overtime assignment, with the exception of an overtime assignment under Customer Representative Overtime paragraph O, which is authorized by the Company to be filled, shall be assigned from the online overtime call-book to the qualified employees in the following descending order:

a. By scheduling of the full-time senior employee of that classification who is at work and volunteers for a continuous with overtime assignment of more than four (4) hours or more.

b. By scheduling of the full-time senior employee of that classification who is on his first day of rest, or who is on his second day of rest and has not worked an overtime assignment on his first day of rest. If no such employee is available, then;

c. By scheduling of the full-time senior employee of that classification who is on his regular work day and has left work (recall). If no such employee is available, then;

d. By scheduling of the full-time senior employee of that classification who is on his second day of rest and who has worked four (4) or more hours of overtime on his first day of rest. If no such employee is available, then;

e. By scheduling of the full-time senior employee of that classification who, on his regularly scheduled day of work, has adjusted his hours to be off because of a shift giveaway. If no such employee is available, then;

f. By scheduling of the full-time senior employee of that classification who is on a Flexible Time Off day, then:

g. By scheduling of the senior employee of that classification who is a part-time employee, then;

h. By scheduling of the senior employee of that classification who is in a specialty bid;

i. By scheduling of the senior employee (either full-time or part-time) of that classification who has signed the overtime call-book below the line.

2) The Company and the Union agree that mandatory overtime assignments are not in the best interests of either party. To maximize voluntary overtime utilization, the Company must make overtime known to the employees, and the employees must utilize the online overtime call-book to the fullest. If a sufficient amount of overtime is not voluntarily obtained or if no one has signed the online overtime call-book, the Company shall require employees to work the overtime. It shall be assigned as continuous with overtime first (not to exceed four (4) hours) as outlined in subparagraph B and subsequently in reverse order of seniority as outlined above in subparagraphs 1) b., c., d., g., and h.

Q. Customer Representatives will be allowed to give away mandatory overtime. The Customer Representative picking up a mandatory assignment will be paid at their applicable overtime rate.

2. CUSTOMER SERVICE AGENT

A. The Union and Company agree that mandatory overtime assignments are not in the best interests of either party. To maximize voluntary overtime utilization, the Company must make overtime known to the employees and employees must utilize the overtime call book to the fullest. It is also agreed that in the administration of this Article, the Company will make good faith efforts to secure voluntary overtime.

B. For pay purposes the overtime rate of time and one-half shall be computed on an actual minute basis adjusted to the nearest tenth (1/10) of an hour, with a minimum of three-quarters (3/4) hour overtime.

1. If an employee elects to waive the requirement for the minimum three-quarters (3/4) hour overtime he may do so if approved by a supervisor or administrative staff. In such cases an employee will be paid for the actual time worked adjusted to the nearest tenth (1/10) of an hour.

2. Any employee off because of a full shift give away (including partial shift give away) is not eligible for overtime during those hours.

C. Full time employees working an eight (8) hour shift shall be paid an hourly rate of time and one-half for:

1. The first four (4) hours worked either prior to or after an employee's regular scheduled shift.

2. The first eight (8) hours worked on one of the two (2) regularly scheduled days off.

D. Full time employees working an eight (8) hour shift shall be paid an hourly rate of double time for:

1. All hours in excess of the first eight (8) hours worked on one of the two (2) regularly scheduled days off each work week.

2. For all time worked on the second regularly scheduled day off in a work week, provided that a minimum of one hour overtime was worked on the first day off. In addition, if time worked on the first day off was as a result of a shift trade or pick-up, double time would not apply.

3. For all time worked in excess of twelve (12) hours in any work day, unless the time worked was the result of a shift trade or pickup.

4. For all time worked due to mandatory overtime assignments.

E. Full time employees working a ten (10) hour shift shall be paid an hourly rate of time and one-half for:

1. The first two (2) hours worked either prior to or after an employee's regular scheduled ten (10) hour shift.

2. The first ten (10) hours worked on one of the three (3) regularly scheduled days off.

F. Full time employees working a ten (10) hour shift shall be paid an hourly rate of double time for:

1. All time worked on a regularly scheduled day off in a work week, provided that a minimum of one hour overtime was worked on one of the prior days off. In addition, if time worked on the first or second day off was as a result of a shift trade or pickup, double time would not apply.

2. All time worked in excess of twelve (12) hours in any work day, unless the time worked was the result of a shift trade or pickup.

3. All time worked due to mandatory overtime assignments.

G. Part-time employees will be paid the applicable overtime rate for all overtime hours worked in excess of eight (8) hours in a day or forty (40) hours in a work week. Any hours worked in a day or in a work week as a result of shift trade(s) or pickup(s) will not count toward the hours needed to get to the applicable overtime rate.

H. Whenever possible, employees on a shift will be given a minimum of three (3) hours notice of overtime. It is specifically understood that no notice will be necessary whenever an unforeseen combination of circumstances occurs that requires immediate action. The Union and the Company agree that less than three (3) hours notification is not desirable, and the provisions of this Article must be considered when notifying an employee of an overtime assignment. It is also agreed that in the administration of this paragraph, the Company will make a good faith effort to

secure voluntary overtime. When it becomes necessary for employees to work overtime, they shall not be laid off during their regular work schedule to fill an overtime assignment.

I. Overtime will be worked only by direction of the proper supervisor of the Company or via technology, if available, except in cases of emergency where prior authority cannot be obtained. Employees shall be given both a start and ending time for their overtime assignments (with the understanding that operational demands may extend, but not shorten, the ending time, except as provided in Article Seven, Customer Service, Paragraph L).

J. Rest Rule. An Employee extended for mandatory overtime resulting in four (4) hours or more of overtime worked and that causes the Employee to work 15 hours or more in a work day, will be given rest equal to that mandatory assignment. The rest will be equal to the mandatory overtime assignment, but will not exceed 10 hours rest in any event. The rest only applies to the next day's shift assignment which had been established prior to the mandatory overtime assignment.

1. Options for Rest. An Employee who is eligible for rest as outlined above may elect one of the two options below for taking the rest. The Employee must make the election within two (2) hours of being notified of the mandatory overtime assignment in paragraph J. above. If the Employee fails to notify the Supervisor/Administrative staff of his election regarding rest or waiving rest, he will be given rest.

a. The Employee may have his next day's shift/assignment adjusted to receive rest equal to the mandatory assignment, not to exceed ten (10) hours rest and be paid at his regular straight time rate for the time lost from his regular work shift because of the rest; or

b. The Employee may waive the rest requirement and be paid at the double time rate for all hours worked that were part of the rest period.

K. If an employee is mandated to work on both scheduled days off, the employee will be paid for the second scheduled day off at the applicable overtime rate plus an additional one half (1/2) time at his regular rate for all hours worked during the overtime assignment.

L. Employees recalled to work will be paid a minimum of four (4) hours at the applicable overtime rate. The Company may use "continuous with" overtime as opposed to call-out overtime when the time to be worked is four (4) hours or less without the four (4) hour guarantee. If the Company and the employee agree, the employee may be released prior to four (4) hours, and be paid for actual hours worked.

M. Local overtime procedures may be established if agreed to by the Company and the Union, submitted in writing and approved and signed by a Company department head and the General Chairperson assigned by District 142. The local agreement will have a starting and ending date.

N. For continuous service before or after regular working hours, employees will not be required to work more than two (2) hours without being allowed a fifteen (15) minute rest period, or be required to work more than four (4) hours without a paid thirty (30) minute meal period. It is further understood that each employee will receive a paid fifteen (15) minute break between each regular shift (minimum two continuous hours worked) and overtime assignment (minimum one hour worked), as illustrated in the chart below. The Company will make a good faith effort to ensure that the employee will be given this break during the last hour of his regular shift or during the first hour of his overtime shift. An employee's overtime breaks for continuous service before or after regular working hours will be taken as per the examples listed.

HOURS WORKED	BREAK / BREAKS
1.0 – 2.0 CONTINUOUS WITH OVERTIME	ONE-15 MINUTE PAID BREAK BETWEEN SHIFTS
2.1 – 4.0 CONTINUOUS WITH OVERTIME	TWO-15 MINUTE PAID BREAKS (ONE BETWEEN SHIFTS)
4.1 - 6.0 CONTINUOUS WITH OVERTIME	TWO-15 MINUTE PAID BREAKS & ONE-30 MINUTE PAID LUNCH
6.1 - 8.0 CONTINUOUS WITH OVERTIME	THREE-15 MINUTE PAID BREAKS & ONE-30 MINUTE PAID LUNCH

The above break chart is applicable to both voluntary and mandatory continuous with overtime assignments.

O. An overtime assignment of four (4) hours or less continuous with the beginning or ending of a shift, which is authorized by the Company to be filled shall be assigned in the following order:

1. By scheduling of the senior qualified full-time employee who is working that shift and who is signed up for such overtime;

2. By scheduling of the senior qualified full-time employee who is signed up for overtime and whose shift time is within one hour of the assignment (time between regular shift and overtime assignment is unpaid);
3. If the call book is exhausted and further coverage is needed, then part-time shift extensions up to a scheduled eight (8) hour work day (excluding any shift trades or pickups) will be assigned to part-time agents. Those shift extensions will not be considered overtime assignments.
4. Thereafter, the Company will start in reverse order of classification seniority and require full-time employees to work the overtime.
5. If further coverage is needed, part-time employees shift extended (from 3. above) will be required to work the overtime in reverse order of classification seniority. .

The Company may not mandatory an employee for more than four (4) hours of continuous with overtime under this paragraph.

P. If an overtime call-out assignment of more than four (4) hours is available, an overtime call-book shall be utilized for the purpose of applying this Article. When signing the overtime call book employees must indicate their preference for A.M, P.M., or both, for any overtime assignment which is not continuous with a shift. Employees who indicate in the overtime call book a preference for an A.M. overtime assignment will not be called for voluntary overtime assignments beginning after 11:59 A.M. on that date. Employees indicating a preference for P.M. overtime assignments will not be called for voluntary overtime assignments beginning before 12:00 Noon on that date. Employees who indicate their preference in the "cont with" columns of the call book will receive overtime that is continuous with a shift. To be eligible for voluntary overtime, an employee must sign the overtime call-book in ink and initial any subsequent changing of preference(s) in ink. All such changes must be witnessed and initialed by a supervisor. An overtime call-book will be used at all stations and offices. Overtime call-books will be posted for the duration of the bid period, with a minimum posting of fourteen (14) calendar days in advance. When an Employee signs the overtime call-book, it will constitute his agreement to work on the day for which he signed and normal attendance rules will apply.

The overtime call-book for the following day will be closed at 1200 hours of the preceding day. The overtime call-book may be modified to allow for "Will Accept" overtime. When an employee indicates "Will Accept" overtime, it constitutes his willingness to accept overtime through notification via phone message, electronic means, or another mutually agreed method. It is the employee's responsibility to retrieve "Will Accept" overtime assignments. Once initial overtime

closes, it is the supervisor's or administrative staff's responsibility to notify the employee of any further overtime assignments.

1) An overtime assignment, with the exception of an overtime assignment under paragraph O., which is authorized by the Company to be filled, shall be assigned from the overtime call-book to the qualified employees in the following descending order:

a. By scheduling of the full-time senior employee of that classification who is on his first day of rest, or who is on his second day of rest and has worked less than one (1) hour of overtime his first day of rest. If no such employee is available, then;

b. By scheduling of the full-time senior employee of that classification who is on his regular work day and is at work, or has left work. If no such employee is available, then;

c. By scheduling of the full-time senior employee of that classification who is on his second day of rest and who has worked one (1) or more hours of overtime on his first day of rest. If no such employee is available, then;

d. By scheduling of the full-time senior employee of that classification who, on his regularly scheduled day of work, has adjusted his hours because of a shift trade, partial shift trade, or giveaway. See Article Seven, 2. Customer Service Agent, Paragraph B.2. If no such employee is available, then;

e. By scheduling of the full-time senior employee of that classification who is on a Flexible Time Off day, then;

f. By scheduling of the senior employee of that classification who is a part-time employee, then;

g. By scheduling of the senior employee (full-time or part-time) of that classification who has signed the overtime call-book below the line.

2) The Company and the Union agree that mandatory overtime assignments are not in the best interests of either party. To maximize voluntary overtime utilization, the Company must make overtime known to the employees, and the employees must utilize the overtime call-book to the fullest. If a sufficient amount of overtime is not voluntarily obtained or if no one has signed the overtime call-book, the Company shall require employees who have completed initial and on-the-job training to work the overtime. It shall be assigned to full-time employees as outlined

above in sub-paragraphs 1) a., b., c and d. in reverse order of seniority and then to part-time employees as outlined above in sub-paragraphs 1) a., b.,c., and d. in reverse order of seniority

3) An employee who has worked an overtime assignment of less than four (4) hours in his overtime day, i.e., day of rest, will continue to be eligible under the rules of subparagraph 1) a. above.

4) An employee who has worked an overtime assignment of four (4) hours or more in his overtime day will not be eligible for further overtime assignments until all other employees in the overtime call-book above the line have been utilized.

Q. Mandatory overtime will be stair-stepped or split, when possible. Mandatory overtime will be determined by the time the overtime is needed and the most junior employee shall be assigned overtime. When another more junior employee becomes available, the first employee will be released and the more junior employee will be required to complete the assignment. This stair-stepping or splitting of mandatory overtime may be done a maximum of two (2) times per overtime assignment.

R. Agents will be allowed to give away mandatory overtime. The Agent picking up a mandatory assignment will be paid at their applicable overtime rate.

ARTICLE EIGHT

SENIORITY

A. Company seniority shall be defined as an employee's continuous length of service with the Company and shall determine length of vacation, if any. Contract seniority shall be defined as an employee's continuous length of service under this agreement and shall determine choice of vacation within a classification.

B. For any other purposes, classification seniority shall be defined as the length of service for which an employee receives credit in any of the classifications listed below and which accrues from the date of entering such classification. The classifications to be recognized for seniority purposes are:

- 1) Customer Representative
- 2) Customer Service Agent

Classification seniority shall determine:

- 1) Shift assignments including days off
- 2) Reduction in force
- 3) Filling of vacancies within a classification

The date of entering either classification shall be the earlier of the class graduation date or first day of work in the classification.

C. Where the Company maintains a separate cargo facility at an airport, the customer service counter in this cargo facility will be staffed with Operations Agents.

D. Where the Company establishes a full-time requirement for a single classification to handle customer baggage service claims and reports, the Company will utilize Customer Service Agents.

E. 1) Company seniority shall begin from the date placed on the payroll as an employee, and in the event that two (2) or more employees have the same seniority date, the older employee will appear first on the seniority list.

2) Effective upon the signing of this Agreement, employees entering a classification on the same date will appear on the seniority list in the following order:

- a) Employees with Company seniority within a classification covered by this Agreement, in the order of length of seniority in such classification;
- b) Employees with other Company seniority, in the order of length of Company seniority;
- c) Employees with no prior Company seniority.

Nothing contained herein shall alter the existing seniority position of employees in either classification covered by this Agreement upon the date of signing.

F. Seniority lists shall be compiled as of January 1 and July 1 of each year and posted at each location by January 15 and July 15 of each year. The Union will be furnished with a copy of the seniority list. Seniority lists are established for the following classifications:

- 1) Customer Representative
- 2) Customer Service Agent

G. Employees shall have thirty (30) calendar days after the posting of the seniority list to protest any omission or incorrect positioning affecting their seniority.

H. Any employee whose service is severed shall forfeit his seniority rights.

I. Probation - All new employees will serve a probation period of one hundred eighty (180) calendar days after the completion of initial training, with a minimum of one hundred (100) days worked. However, if completion of initial training is delayed beyond 30 calendar days from a new employee's start date, the employee will serve a probation period of one hundred eighty (180) calendar days, with a minimum of 100 days worked, beginning on the thirty-first (31st) day after start date. During this period a new employee has an opportunity to demonstrate his qualifications and ability to adapt to Company policies and procedures. The probation period affords the Company an opportunity to evaluate the employee's qualifications and ability to perform tasks assigned. Probationary employees shall bid for shifts under the provisions of Article Six, paragraph E. sixty (60) calendar days after the employee returns from initial training.

Sick leave will be accumulated but may not be taken during the first thirty (30) calendar days of an employee's probationary period. Employees who are on probation are not eligible for furlough protection.

J. Employees will lose their seniority status and their names will be removed from the seniority lists under the following conditions:

- 1) He quits or resigns.
- 2) He is discharged for just cause.
- 3) He is absent without reporting the absence for three (3) consecutive days.
- 4) He does not inform the Company in writing or by telegram of his intentions to return to service within seven (7) days of the sending of notice offering to reemploy him.
- 5) 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 seven (7) days after sending such notice; provided such notice was sent by registered mail (return receipt requested) or telegram to the employee at the last address filed by him with the Company.
- 6) An employee who is furloughed and who is not recalled to service with the Company within five (5) years from date of furlough.

Nothing contained in this paragraph will prevent the Company and the Union from mutually agreeing to waive the requirements imposed by it.

K. An employee who transfers to another classification under this Agreement, or to a supervisory position, will continue to accrue seniority for ninety (90) calendar days for all purposes. During that ninety (90) calendar day period, the employee will be entitled to return to the previous classification (as long as the employee is in good standing). After said ninety (90) calendar day period, such employee shall retain, but not accrue seniority, as long as they remain in the supervisory position or other position under this Agreement.

L. An employee who transfers to another department within the Company, but outside the scope of this Agreement, shall continue to accrue seniority for ninety (90) calendar days. Such employee shall have no automatic right to return to the previous classification, but if they do return within said ninety (90) calendar day period, they will resume their previous seniority. After ninety (90) calendar days, such employee shall be removed from the seniority list.

Employees while occupying supervisory positions will not be considered as working under the terms of this Agreement for the purpose of accruing seniority.

An employee may be designated as a temporary supervisor for up to ninety (90) days without affecting such employee's seniority. Supervisor overtime for temporary supervisors at stations will be assigned after agent overtime callout, and temporary supervisors remain eligible for voluntary and mandatory agent overtime.

ARTICLE NINE

TRAINING

A. 1) Agents/representatives required to attend training on their day off will be paid the appropriate overtime rate for time spent in training and travel. Travel to and from training will be computed and paid beginning fifteen (15) minutes prior to the scheduled flight and until the returning flight terminates at the base station.

2) Agents/representatives required to attend training on their regularly scheduled work day will not suffer any loss in regular pay and will be compensated at the appropriate overtime rate for all hours spent in training and travel in excess of eight (8) hours for employees working an eight (8) hour work shift and ten (10) hours for employees working a ten (10) hour work shift. It is understood that the Company will be allowed to adjust the agent/representative's shift on a day spent in training, when operational demands require.

3) Agents/representatives required to remain overnight while attending training sessions will be compensated for time spent only in travel, and through the close of each day's training session.

B. An employee required by the Company to attend training classes on the employee's day(s) off will be paid for the day(s) at the overtime rate.

C. When employees are away from their base station on Company business, the Company shall defray the employee's reasonable and actual expenses covering meals, lodging, tips, laundry and transportation. The Company shall defray expenses for meals and meal tips up to thirty-five dollars [\$35.00] per day. Lodging, tips, laundry and transportation expenses must be properly substantiated by receipts.

ARTICLE TEN

PART-TIME EMPLOYEES

1. CUSTOMER REPRESENTATIVE

A. Notwithstanding any other Article or language contained herein the Company may, at its option, employ part-time employees at all stations, offices, and reservation facilities in all classifications covered by this Agreement.

B. No full-time employee shall be furloughed or displaced with a part-time employee.

C. The number of part-time employees shall not exceed twenty five percent (25%) of the total employees covered by this Agreement. Part-time vacancies will be filled in the following order:

- 1) Full-time employees at the point in same classification
- 2) Full-time employees from the system in same classification
- 3) Part time employees from the system in the same classification
- 4) New hire employees

D. Employees classified as part-time shall be scheduled a minimum of four (4) consecutive hours in a day and not more than five (5) consecutive days in a work week.

E. Employees classified as part-time will not be scheduled to work more than thirty (30) hours in a work week and not more than ten (10) hours in a day (except as noted below). Part-time employees working a bid shift of 8 hours or less shall be paid the applicable overtime rate for any hours worked in excess of eight (8) in a day or forty (40) hours in a work week. Part-time employees working a bid shift of ten (10) hours shall be paid the applicable overtime rate for any hours worked in excess of ten in a day or forty (40) hours in a work week. However, an Employee classified as part-time may be scheduled to work up to 40 hours in a work week (exclusive of meal periods), for a maximum of 120 days in a calendar year, and shall be paid the applicable overtime rate for any time worked in excess of his scheduled hours in a day.

F. Part-time employees shall participate in the profit sharing and 401(K) plans. Part-time employees will receive individual coverage under any Plan Option contained in the Company's Benefits Plus Plan as if their status were full-time. This will be individual coverage only. Part-time employees may purchase coverage for eligible family members pursuant to the Company's benefit plan.

G. Uniform requirements of part-time Customer Service Agents shall be the same as for full-time Customer Service Agents.

H. Part-time employees shall be the same as full-time employees to the extent that they shall be relieved from duty for the vacation period from a part-time work schedule as opposed to the full-time work schedule.

I. Part-time employees shall bid shifts by classification separate from full-time employees of the same classification.

J. Part-time employees shall bid vacations by contract seniority and Flexible Time Off days by classification seniority along with full-time employees of that classification.

K. Sick time shall be accumulated the same as full-time employees (i.e., one (1) part-time sick leave day accumulated--one (1) part-time day relieved). See chart below. A full-time employee who becomes a part-time employee will carry his vacation with him; however, he will not be permitted to take more weeks of vacation than would have been allowed as a full-time employee.

PART-TIME SICK LEAVE ACCRUAL	
Actual time worked per month:	Sick leave accrual:
160 and above	8.0 hours per month
140 -159.9	7.0 hours per month
120-139.9	6.0 hours per month
100-119.9	5.0 hours per month
0-99.9	4.0 hours per month

L. A part-time employee will accrue vacation hours each month based on years of service and the total base shift hours scheduled to work that month. Employees whose monthly base shift totals vary within the calendar year will be paid vacation hours according to their cumulative monthly accruals within the calendar year. The Company will maintain an automated calculator for individuals to compute their daily vacation pay. A full-time employee who becomes a part-time employee will carry his vacation with him; however, he will not be permitted to take more weeks of vacation than would have been allowed as a full-time employee.

M. After completion of the probationary period, a part-time employee may bid for a full-time vacancy in his classification, at any location on the system, providing no full-time employee has a bid on file.

N. When part-time employees bid and are awarded full-time positions, they will be credited with seventy percent (70%) of their classification seniority accrued while working as a part-time employee. For pay purposes, the employee will continue to receive the hourly rate received while a part-time employee and will progress in accordance with the full-time pay scale. When a full-time employee bids and is awarded a part-time position, the full-time employee will carry his seniority into the part-time position for pay purposes, vacation, profit sharing, 401(K), and shift and day off bidding. Any adjustment will occur when the individual returns to a full-time position in accordance with paragraph M of this Article.

O. Part-time employees will be furloughed at a station or facility before any full-time employee at that station in that same classification is affected by such furlough.

P. Part-time employees scheduled to a four (4) hour shift will be given a fifteen (15) minute paid break; additionally, a six (6) hour shift will receive two (2) 15 minute paid breaks. Part-time employees who work an eight (8) hour shift will be entitled to two (2) fifteen (15) minute paid breaks as well as a half hour unpaid lunch break. Part-time employees scheduled for a ten (10) hour shift will be entitled to three (3) fifteen (15) minute paid breaks, as well as a half hour unpaid lunch break.

Q. Part-time employees will be awarded overtime as outlined in Article 7, with the understanding that shift extensions up to an eight-hour workday are not issued through Article 7.

2. CUSTOMER SERVICE AGENT

A. Notwithstanding any other Article or language contained herein the Company may, at its option, employ part-time employees at all stations, offices, and reservation facilities in all classifications covered by this Agreement.

B. No full-time employee shall be furloughed or displaced with a part-time employee.

C. The number of part-time employees shall not exceed twenty five percent (25%) of the total employees covered by this Agreement. Part-time vacancies will be filled in the following order:

- 1) Full-time employees at the point in same classification
- 2) Full-time employees from the system in same classification
- 3) Part time employees from the system in the same classification
- 4) New hire employees

D. Employees classified as part-time shall be scheduled a minimum of four (4) consecutive hours in a day and not more than five (5) consecutive days in a work week.

E. Employees classified as part-time will not be scheduled to work more than thirty (30) hours in a work week and not more than ten (10) hours in a day (except as noted below). Part-time employees working a bid shift of 8 hours or less shall be paid the applicable overtime rate for any hours worked in excess of eight (8) in a day or forty (40) hours in a work week. Part-time employees working a bid shift of ten (10) hours shall be paid the applicable overtime rate for any hours worked in excess of ten in a day or forty (40) hours in a work week. However, an Employee classified as part-time may be scheduled to work up to 40 hours in a work week (exclusive of meal periods), for a maximum of 120 days in a calendar year, and shall be paid the applicable overtime rate for any time worked in excess of his scheduled hours in a day.

F. Part-time employees shall participate in the profit sharing and 401(K) plans. Part-time employees will receive individual coverage under any Plan Option contained in the Company's Benefits Plus Plan as if their status were full-time. This will be individual coverage only. Part-time employees may purchase coverage for eligible family members pursuant to the Company's benefit plan

G. Uniform requirements of part-time Customer Service Agents shall be the same as for full-time Customer Service Agents.

H. Part-time employees shall be the same as full-time employees to the extent that they shall be relieved from duty for the vacation period from a part-time work schedule as opposed to the full-time work schedule.

I. Part-time employees shall bid shifts by classification separate from full-time employees of the same classification.

J. Part-time employees shall bid vacations by contract seniority and Flexible Time Off days by classification seniority along with full-time employees of that classification.

K. Sick leave time shall be accumulated the same as full-time employees (i.e., one (1) part-time sick leave day accumulated--one (1) part-time day relieved). See chart below. A full-time employee who becomes a part-time employee will carry his vacation with him; however, he will not be permitted to take more weeks of vacation than would have been allowed as a full-time employee.

PART-TIME SICK LEAVE ACCRUAL	
Actual time worked per month:	Sick leave accrual:
160 and above	8.0 hours per month
140 - 159.9	7.0 hours per month
120-139.9	6.0 hours per month
100-119.9	5.0 hours per month
0-99.9	4.0 hours per month

L. A part-time employee will accrue vacation hours each month based on years of service and the total base shift hours scheduled to work that month. Employees whose monthly base shift totals vary within the calendar year will be paid vacation hours according to their cumulative monthly accruals within the calendar year. The Company will maintain an automated calculator for individuals to compute their daily vacation pay. A full-time employee who becomes a part-time employee will carry his vacation with him; however, he will not be permitted to take more weeks of vacation than would have been allowed as a full-time employee.

M. After completion of the probationary period, a part-time employee may bid for a full-time vacancy in his classification, at any location on the system, providing no full-time employee has a bid on file.

N. When part-time employees bid and are awarded full-time positions, they will be credited with seventy percent (70%) of their classification seniority accrued while working as a part-time employee. For pay purposes, the employee will continue to receive the hourly rate received while a part-time employee and will progress in accordance with the full-time pay scale. When a full-time employee bids and is awarded a part-time position, the full-time employee will carry his

seniority into the part-time position for pay purposes, vacation, profit sharing, 401(K), and shift and day off bidding. Any adjustment will occur when the individual returns to a full-time position in accordance with paragraph M of this Article.

O. Part-time employees will be furloughed at a station or facility before any full-time employee at that station in that same classification is affected by such furlough.

P. Part-time employees scheduled to a four (4) hour shift will be given a fifteen (15) minute paid break; additionally, a six (6) hour shift will receive two (2) 15 minute paid breaks. Part-time employees who work an eight (8) hour shift will be entitled to two (2) fifteen (15) minute paid breaks as well as a half hour unpaid lunch break. Part-time employees scheduled for a ten (10) hour shift will be entitled to three (3) fifteen (15) minute paid breaks, as well as a half hour unpaid lunch break.

Q. Part-time employees will be awarded overtime as outlined in Article 7.

ARTICLE ELEVEN

FILLING OF VACANCIES

A. Vacancies in all positions will be filled from the permanent bid file in the office of the appropriate department head. When a vacancy occurs the senior employee in that classification who has a bid on file will be offered the opportunity to transfer. All permanent bids will be in writing. Employees who accept a lateral transfer as the result of their bid and employees who refuse to accept transfer for which they bid will not be eligible for a vacancy for a period of six (6) months unless the vacancy is for a new station/office from the time of their assignment or refusal and will have all bids on file at the time voided.

B. All bids must be on file on the date that the vacancy is approved.

C. All bids on file will be discarded each December 31 and interested bidders may resubmit any bid they desire. Any bids received during December will be considered valid for the following year.

D. An employee transferring from one station to another under the terms of this Article will be allowed two (2) days leave, plus an additional one (1) day for each five hundred (500) miles or portion thereof, by the most direct AAA highway mileage between the two cities to report to the new assignment. If the transfer is 100 miles or less between stations by the formula above, then the employee will be given one day leave.

E. Bids for all positions at newly established stations will be advertised as soon as practicable in advance to allow interested persons time to submit bids if they desire. Moving expenses shall be handled in accordance with Article Twenty-One, paragraph A. To be eligible to bid a vacancy under this paragraph, an employee must be below the final letter of warning under the Attendance Control Policy.

F. Vacancies within a classification shall be filled by the senior bidder according to classification seniority.

G. Employees who accept a lateral transfer will be allowed to exercise their seniority for shifts and days off.

H. Supervisors' vacancies shall be filled from within the classification they will supervise so long as qualified applicants are available.

I. Vacancies not filled in accordance with paragraph A above will be filled in accordance with Company policy by qualified applicants. When qualified applicants include employees from within the scope of this Agreement, those employees will be interviewed and will be given preferential consideration. The ultimate selection, however, will be made by the Company.

ARTICLE TWELVE

LEAVES OF ABSENCE

A. When requirements of service permit any permanent employee hereunder may upon proper application, and with approval of the Company, be granted a leave of absence or extension of leave in writing.

B. Any employee hereunder on leave of absence engaging in gainful employment without prior written permission from the Company and the Union shall be subject to termination.

C. Approved leaves of absence--personal leave of absence, medical leave (including maternity), and military leave.

1) Personal leave of absence -- an employee may, upon proper application and with the approval of the Company and Union, be granted a personal leave of absence not to exceed ninety (90) calendar days. An employee granted a personal leave of absence shall retain and continue to accrue seniority; but not for pay, sick leave or vacation accrual purposes provided the leave is in excess of thirty (30) days. For leaves of absence in excess of ninety (90) days an employee shall retain but not accrue seniority. Such approval or refusal shall not be subject to the grievance procedure.

2) Medical leave of absence (including maternity)--a medical leave of absence will be granted on account of sickness, non-occupational injury or pregnancy upon proper application and written verification from a qualified medical doctor of the Employee's current inability to perform the required job duties. The Employee requiring an extension of a medical leave of absence must submit an extension request stating the period of extension requested which must be supported by a doctor's statement specifying the need for an extension. This extension must be submitted on or before the last day of the original approved leave. Accrued sick pay will be taken during a medical leave of absence. The Company will continue health insurance coverage to the employee for up to one hundred twenty (120) days from the employee's last paid day, during which time the employee shall be responsible for paying any premium the employee was paying while in active service. Coverage after one hundred twenty (120) days will be available under COBRA at the full applicable COBRA premium. An employee on medical leave shall continue to accrue seniority for all purposes for one hundred eighty (180) days from the last day paid, for purposes of pay, sick leave and vacation accrual, provided that the employee may not take sick leave or vacation accrued during the period of the leave until after the employee returns to active service. Thereafter, the employee shall not accrue seniority for pay, sick leave or vacation accrual purposes. If the employee has not returned to duty by the end of a thirty-six (36) month period, the employee shall be automatically terminated from employment and all seniority rights forfeited,

unless prohibited by law. The Company reserves the right to require an examination by a doctor of the Company's choosing, at any time, at the Company's expense.

3) Military leave--Leave of absence will be granted to employees who enlist in the military service. Such employee shall retain and continue to accrue seniority for pay and all benefit purposes. Duration of the leave and reemployment rights shall be handled in accordance with current Federal law.

D. An employee hereunder returning from an authorized leave of absence, or extension thereof, will be returned to the job held when the leave was granted, unless an employee with more seniority holds the job as a result of exercising displacement rights or unless the job no longer exists. In either case he may exercise his seniority rights as set forth in this Agreement. An employee returning from a leave of absence must give written notice of his return to the Company not less than twenty-four (24) hours prior to his anticipated return.

E. An employee elected to public office (state or national) in which the duties of that office require a leave of absence shall be granted such leave of absence for the term of that elective office. Such employee shall retain and continue to accrue seniority, and the designated local representative of the Union shall be notified of all such leaves granted.

ARTICLE THIRTEEN

SICK AND OCCUPATIONAL INJURY PAY

1. SICK PAY

A. Full-time employees are protected by a sick pay plan provided by the Company. Except as otherwise expressly permitted by this Agreement or required by law, sick pay is used only in instances of actual illness or nonoccupational injury which prevent the employee from performing his assigned duty. Sick pay is accrued at the rate of eight (8) hours sick pay for each calendar month worked or majority fraction thereof. Sick pay begins accumulating on the date of employment but cannot be used until the employee has completed thirty (30) days of his probationary period. The employee will accrue sick pay to a maximum of twenty-four hundred (2400) hours. Part-time employees should refer to Article 10, paragraph K.

B. Employees will be paid accrued sick pay during approved medical leaves and for time missed due to reported illness on days on which scheduled to work, including days scheduled as a result of shift trades, pickups and overtime assignments. Sick pay shall be paid at straight time, and the maximum for which an employee will be paid is one shift on any day. Normal attendance rules will apply.

C. Sick pay compensation shall be paid by the Company in an amount equal to the employee's base rate which would normally have been earned during the period for which sick pay allowance is approved, except that sick pay compensation shall not be paid during the employee's first regularly scheduled work day of such absence unless the employee has seventy-two (72) hours or more of accumulated sick pay to his credit.

D. Routine appointment for dental care, eye examination, periodic physical examination, etc., are expressly excluded from sick pay coverage and will be treated as an unpaid absence, when authorized.

E. The Company shall not be obligated to grant sick leave or sick pay for any incapacity which has been due to work by the employee for a firm or person other than the Company.

F. All unused credit and accumulated sick pay is automatically canceled when an employee's service with the Company is terminated. However, upon retirement at age sixty-one and one-half (61 ½) and after a minimum of ten (10) years of service with the Company, sick leave may be traded for continued medical coverage as provided in this Agreement, 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-one and one-half (61 ½) at the rate of one (1) month's coverage for each sixteen (16) hours of sick leave accrued, and to age sixty-five (65) as provided above. An employee retiring at or after age 55, with at least 15 years of credited service in a classification covered by this Agreement and at least 1,000 credited hours of sick leave available, may utilize any provision of the current contract for which they are eligible; or elect to be covered by Choice Plan C and Basic Dental for the entire duration of retirement coverage to Age 65, in which case the covered employee may trade unused credited sick leave for continued medical coverage at the rate of one month's coverage for each 20 hours of accrued sick pay. If the covered employee elects this option, but does not have enough credited sick leave to cover the entire period of retirement to Age 65, the covered Employee may purchase continued health care coverage by payment of the age-banded actuarial cost of coverage for Choice Plan C and Basic Dental. The Employee may choose to take, or not to take, Basic Dental. If such employee dies before age sixty-five (65) his spouse and/or dependent may continue coverage for up to two (2) years, or the date the normal coverage would have ceased, whichever is shorter, provided there are sufficient hours remaining in the sick leave accrual.

G. The Company reserves the right to implement a reasonable attendance control policy.

2. OCCUPATIONAL INJURY PAY

A. Leaves of absence will be granted on account of occupational injury upon written verification of disability from a qualified medical doctor.

B. Sick pay ordinarily will not be charged to the employee injured on the job, except as outlined herein.

C. The Company will make up no less than the difference between that which is paid by Workers Compensation and what the employee would have earned (after tax withholding) if the employee had worked his regular shift. Payments under this Article will commence upon a determination by the Company, its insurer, or an appropriate governmental body or court through a final nonappealable order that the claim for occupation injury is compensable under the applicable Workers Compensation law or alternative program adopted in lieu of Workers Compensation. Until the claim has been deemed compensable under the applicable Workers Compensation law and a definite rate has been established, the employee will be paid his normal pay from accrued sick leave. When the claim has been deemed compensable under the Workers Compensation law, the

employee's sick leave accrual shall be replenished by the amount used for purposes of payments described herein.

D. The Company may offer transitional duty, not to exceed eight (8) weeks, to employees who cannot yet perform all of their required job duties but have been released to return to work with restrictions. During transitional duty, employees will not be permitted to bid for, trade into or perform work or schedules beyond their restrictions.

E. The Company may, at its expense, require the injured employee to submit to physical examination by a doctor of the Company's choosing at any time. Payments by the Company 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, including available work as provided in Paragraph 2. D. above. Using OJI leave or OJI pay for a purpose other than that intended constitutes abuse and shall subject the employee to termination.

F. In any event payments under this policy shall be terminated at the end of twelve (12) calendar weeks. If the employee is still unfit for work at the end of such twelve (12) calendar weeks, he may use any accumulated sick pay. In cases involving a claim of repetitive stress trauma, the Company will not contest a second claim under this policy on the grounds that the repetitive stress trauma constitutes a single illness or injury. The total number of weeks covered by the salary continuation policy for cases involving repetitive stress trauma shall not exceed twelve (12) weeks within any twenty-four (24) month period, and the total number of claims involving repetitive stress trauma by any employee for which salary continuation will be paid shall not exceed two (2).

G. The Company will continue health insurance coverage to the employee for up to one hundred twenty (120) days from the employee's last paid day, during which time the employee shall be responsible for paying any premium the employee was paying while in active service.

H. An employee on occupational injury leave of absence will continue to accrue company and classification seniority for the term of the leave (up to thirty-six (36) months). Sick leave and vacation will continue to accrue for one hundred eighty (180) days from the last date paid.

I. If the employee has not returned to duty by the end of a thirty-six (36) month period, he shall be terminated from employment and have all seniority rights forfeited, unless prohibited by law.

3. **MEDICAL EXAMINATION**

If either an Employee or the Company disputes the results of a medical examination, they may, at their option, have a review of the case in the following manner:

A. Within fifteen (15) calendar days of the date they are presented the disputed results, the party wishing to dispute the results may employ a qualified medical examiner of their own choosing at their own expense, and a second medical examination shall be conducted for the same purpose as the medical examination under dispute.

B. A copy of the findings of the medical examiner chosen by the disputing party shall be furnished to the other party within fifteen (15) calendar days following the examination, and in the event that such findings verify the findings of the first medical examiner, no further medical review of the case shall be afforded.

C. In the event that the findings of the medical examiner chosen by the disputing party shall disagree with the findings of the first medical examiner, the Company will, at the written request of the Employee, ask that the two (2) medical examiners agree upon and appoint a third qualified and disinterested medical examiner, for the purpose of making a further medical examination of the Employee. In the event the Employee fails to submit such a written request, the results of the Company examination shall govern.

D. Such three (3) doctors, one (1) representing the Company, one (1) representing the Employee affected, and one (1) disinterested doctor approved by the Company doctor and Employee's doctor, shall constitute a board of three (3), the majority vote of which shall decide the case. The Company and the Union will jointly request the board to return a decision within thirty (30) calendar days of the examination.

E. The expense of employing the disinterested medical examiner shall be borne equally by the Company and the Employee. Copies of such medical examiner's report shall be furnished to the Company, to the Employee, and to District 142 of the Union.

ARTICLE FOURTEEN

VACATIONS

1. GENERAL

A. All full time employees who have been with the Company for less than one (1) year as of January will be entitled to a vacation in accordance with Column (A) of the following schedule. After one year, employees will accrue partial vacation (based on paragraph B. below) as provided in Columns (B), (C), (D) and (E).

	(A) Less than one year	(B) 1st-5th year	(C) 6th-10th year	(D) 11th-18th year	(E) More than 18 years
1 Month	8 hrs.	8.0 hrs.	12.0 hrs.	16.0 hrs.	20.0 hrs.
2 Months	16 hrs.	16.0 hrs.	24.0 hrs.	32.0 hrs.	40.0 hrs.
3 Months	24 hrs.	24.0 hrs.	36.0 hrs.	48.0 hrs.	60.0 hrs.
4 Months	32 hrs.	32.0 hrs.	48.0 hrs.	64.0 hrs.	80.0 hrs.
5 Months	32 hrs.	32.0 hrs.	48.0 hrs.	64.0 hrs.	80.0 hrs.
6 Months	40 hrs.	40.0 hrs.	60.0 hrs.	80.0 hrs.	100.0 hrs.
7 Months	48 hrs.	48.0 hrs.	72.0 hrs.	96.0 hrs.	120.0 hrs.
8 Months	56 hrs.	56.0 hrs.	84.0 hrs.	112.0 hrs.	140.0 hrs.
9 Months	64 hrs.	64.0 hrs.	96.0 hrs.	128.0 hrs.	160.0 hrs.
10 Months	72 hrs.	72.0 hrs.	108.0 hrs.	144.0 hrs.	180.0 hrs.
11 Months	72 hrs.	72.0 hrs.	108.0 hrs.	144.0 hrs.	180.0 hrs.
12 Months	80 hrs.	80.0 hrs.	120.0 hrs.	160.0 hrs.	200.0 hrs.

B. All employees shall receive eighty (80) hours vacation beginning in the year following their first anniversary with the Company. All employees shall receive one hundred twenty (120) hours vacation beginning in the year following their fifth anniversary with the Company. All employees shall receive one hundred sixty (160) hours vacation beginning in the year following their tenth anniversary with the Company, and two hundred (200) hours vacation beginning in the year following their eighteenth anniversary with the Company.

C. Vacations will be adjusted to begin in conjunction with consecutive days off and shall take precedence over personal leaves of absence. The employee's vacation will be adjusted to correspond with his regularly scheduled consecutive days off at the time of his vacation as per the examples listed.

	S	M	T	W	T	F	S
Vacation Week Bid (9th-13th)	1	2	3	4	5	6	7
	8	9	10	11	12	13	14
	15	16	17	18	19	20	21
	22	23	24	25	26	27	28

If regular days off are:	SM - Vacation starts on Tuesday the 10 th
	MT - Vacation starts on Wednesday the 11 th
	TW - Vacation starts on Thursday the 12 th
	WT - Vacation starts on Friday the 6 th
	TF - Vacation starts on Saturday the 7 th
	FS - Vacation starts on Sunday the 8 th
	SS - Vacation starts on Monday the 9 th
	MTW - Vacation starts on Thursday the 12 th

2. CUSTOMER REPRESENTATIVE

A. Vacation periods for the following year will be posted for bid no later than November 15 of each year. The employee's vacation period will be determined by bidding, by contract seniority within his job title, the bid to be completed no later than January 1. The Company shall determine the number of employees in any classification that may be on vacation during any given period, except that at least one (1) employee in each classification at each location shall be permitted to take his vacation at any given time. Employees transferring into a location cannot disrupt the vacation schedule already bid, but may exercise their seniority at that time to bid for whatever periods are available.

B. The Company shall assure that vacation blocks/DAT days available for bid during the year at each location are no less than the vacation due the employees at that location for the year. The formula used (except Thanksgiving and Christmas on which no DAT will be available) will be calculated by dividing the total number of DATs determined from the declaration round by 363. That result will be rounded up to the nearest whole number and will be the DATs available each day of the year.

C. Vacation may be taken in a minimum of one (1) hour increments (HAT) with management approval.

D. Block week vacations will be offered for every full week of the calendar year. If the final week of December or the first week of January are less than a full week (i.e., seven calendar days Sunday through Saturday), the days during those weeks will only be offered as DAT vacation days within the normal bid process.

E. 1) Vacation will not be cumulative and must be taken within the calendar year for which the vacation was earned. An employee's vacation may be split (no period of less than five (5) work days). An employee who fails to bid in any round or bids too few vacation choices will not be awarded a bid in that round, but may resume bidding by seniority in the next round. The employee, after making a choice of his first period, shall not make a second choice until all first choices in his job title have been awarded.

2) At the time of making a vacation choice, an employee may elect to take all or a portion of such vacation a day at a time (DAT). DAT days may be set aside during the declaration round of vacation bidding. Thereafter, DATs may not be set aside. A DAT selection must be bid in periods of five (5) work days unless such employee has accrued vacation of less than one (1) week, in which case such employee must take his entire vacation a day at a time if such employee elects the DAT option.

3) The Company and the Union recognize the individual responsibility of employees to bid their vacations in accordance with the provisions of this Article. Employees who fail to bid or who do not bid enough days after all rounds are completed will have their vacation assigned as vacation block(s) by the Company.

4) Each bid of station work schedules provided in Article Six will include days that may be bid by employees as DAT days. If an employee bids a DAT day he will be awarded such day if such employee's seniority will permit. In addition to bidding an employee may request the right to take a DAT day at any time and will be allowed to do so at the discretion of Management, if the requirements of the service will permit. DAT days that have not been taken by the end of the calendar year will be paid to the employee. HATs are not bid in the annual vacation bid, but may be bid during the DAT/Flexible Time Off bid and/or "day off" (first come, first served based).

5) If the requirements of the service permit, even if an employee does not have a DAT day available, such employee may request permission of management, and management may authorize the employee to take one of such employee's remaining vacation days as a DAT day.

F. Vacation allowance shall be considered as accumulated earnings for employees leaving the service of the Company because of reduction in force, resignation after one (1) year of service or for military service, and employees shall be paid all unused earned and/or accrued vacation due. However, this would not apply if the employee's reason for leaving service was related to an act of fraud or theft. In the event any employee does not give two (2) weeks' notice of termination, he will forfeit compensation for vacation allowance. However, all unused earned and/or accrued vacation will be paid to any employee discharged by the Company (excluding probationary employees).

G. Employees with less than one (1) year of service may take an accrued partial vacation after January 1 in accordance with their contract seniority; however, in the event the employee leaves the service before completing one (1) year, his final paycheck will be adjusted accordingly.

H. In the event of an employee's death, an amount to cover all earned and/or accrued vacation allowance will be paid to his spouse or, in the event there is no spouse, to his estate.

I. Employees shall have the right to obtain their full-week vacation pay in advance provided the employee makes application to his manager at least two (2) weeks prior to starting his vacation.

J. Once vacation schedules are established they will not be changed except by mutual agreement between the Company and the employee, but in no case shall another employee's choice of vacation be displaced.

K. The Company will not mandatory an employee to work on his bid days off immediately prior to, during or after his vacation or DAT day(s). The employee will not be allowed to volunteer for overtime during his block week or DAT vacation; however, such employee may volunteer for overtime on his days off immediately prior to or after his vacation. The employee may be allowed to work shift trades or pickups on his days off immediately prior to or after his vacation but not during his vacation. Employees are eligible to work voluntary overtime and mandatory overtime on a partial vacation day.

Example 1: Employee is scheduled to work 0800-1630. Employee takes partial vacation from 0800-1200 noon and is scheduled to work 1230 to 1630. This Employee is eligible to work voluntary or mandatory overtime after 1630.

Example 2: Employee is scheduled to work 1530-2400, Employee takes hour at a time (HAT) vacation from 1700 to 1800. This Employee is eligible to work voluntary overtime or mandatory overtime before or after his shift.

Example 3: Employee is scheduled to work 0800-1830. Employee takes partial vacation from 1330-1830. This Employee is scheduled to work 0800-1300. This Employee is eligible to work voluntary or mandatory overtime before 0800.

3. CUSTOMER SERVICE AGENT

A. Vacation periods for the following year will be posted for bid no later than November 15 of each year. The employee's vacation period will be determined by bidding, by contract seniority within his job title, the bid to be completed no later than January 1. The Company shall determine the number of employees in any classification that may be on vacation during any given period, except that at least one (1) employee in each classification at each location shall be permitted to take his vacation at any given time. Employees transferring into a location cannot disrupt the vacation schedule already bid, but may exercise their seniority at that time to bid for whatever periods are available.

B. The Company shall assure that vacation blocks/DAT days available for bid during the year at each location are no less than the vacation due the employees at that location for the year. The formula used (except Thanksgiving and Christmas on which no DAT will be available) will be calculated by dividing the total number of DATs determined from the declaration round by 363. That result will be rounded up to the nearest whole number and will be the DATs available each day of the year.

C. Vacation may be taken in four (4) hour increments with management approval. Upon technology readiness, vacation may be taken in a minimum of one (1) hour increments.

D. Block week vacations will be offered for every full week of the calendar year. If the final week of December or the first week of January are less than a full week (i.e., seven calendar days Sunday through Saturday), the days during those weeks will only be offered as DAT vacation days within the normal bid process.

E. 1) Vacation will not be cumulative and must be taken within the calendar year for which the vacation was earned. An employee's vacation may be split (no period of less than five (5) work days). An employee who fails to bid in any round or bids too few vacation choices will not be awarded a bid in that round, but may resume bidding by seniority in the next round. The employee, after making a choice of his first period, shall not make a second choice until all first choices in his job title have been awarded.

2) At the time of making a vacation choice, an employee may elect to take all or a portion of such vacation a day at a time (DAT). DAT days may be set aside during the declaration round of vacation bidding. Thereafter, DATs may not be set aside. A DAT selection must be bid in periods of five (5) work days unless such employee has accrued vacation of less than one (1) week, in which case such employee must take his entire vacation a day at a time if such employee elects the DAT option.

3) The Company and the Union recognize the individual responsibility of employees to bid their vacations in accordance with the provisions of this Article. Employees who fail to bid or who do not bid enough days after all rounds are completed will have their vacation assigned as vacation block(s) by the Company.

4) Each bid of station work schedules provided in Article Six will include days that may be bid by employees as DAT days. If an employee bids a DAT day he will be awarded such day if such employee's seniority will permit. In addition to bidding an employee may request the right to take a DAT day at any time and will be allowed to do so at the discretion of Management, if the requirements of the service will permit. DAT days that have not been taken by the end of the calendar year will be paid to the employee.

5) If the requirements of the service permit, even if an employee does not have a DAT day available, such employee may request permission of management, and management may authorize the employee to take one of such employee's remaining vacation days as a DAT day.

F. Vacation allowance shall be considered as accumulated earnings for employees leaving the service of the Company because of reduction in force, resignation after one (1) year of service or for military service, and employees shall be paid all unused earned and/or accrued vacation due. However, this would not apply if the employee's reason for leaving service was related to an act of fraud or theft. In the event any employee does not give two (2) weeks' notice of termination, he will forfeit compensation for vacation allowance. However, all unused earned and/or accrued vacation will be paid to any employee discharged by the Company (excluding probationary employees).

G. Employees with less than one (1) year of service may take an accrued partial vacation after January 1 in accordance with their contract seniority; however, in the event the employee leaves the service before completing one (1) year, his final paycheck will be adjusted accordingly.

H. In the event of an employee's death, an amount to cover all earned and/or accrued vacation allowance will be paid to his spouse or, in the event there is no spouse, to his estate.

I. Employees shall have the right to obtain their full-week vacation pay in advance provided the employee makes application to his manager at least two (2) weeks prior to starting his vacation.

J. Once vacation schedules are established they will not be changed except by mutual agreement between the Company and the employee, but in no case shall another employee's choice of vacation be displaced.

K. The Company will not mandatory an employee to work on his bid days off immediately prior to, during or after his vacation or DAT day(s). The employee will not be allowed to volunteer for overtime during his vacation; however, such employee may volunteer for overtime on his days off immediately prior to or after his vacation. The employee may be allowed to work shift trades or pickups on his days off immediately prior to or after his vacation but not during his vacation.

ARTICLE FIFTEEN

REDUCTION IN FORCE

A. Any reduction in force, including the closing of a station or Customer Support & Services Center, shall be in reverse order of classification seniority, it being understood that the protections of this Article do not apply to probationary employees. For purposes of this Article, positions filled by probationary employees on the system at the time of the reduction in force shall be considered vacancies. Employees will be given at least four (4) weeks' notice of any reduction in force except when such notice is prevented by an Act of God, a strike by another Union within the Company, or other circumstances over which the Company has no control.

B. An employee being affected by such reduction may elect to:

1) Fill a vacancy elsewhere on the system in the same classification or, if no such vacancy exists, displace the most junior employee on the system in the same classification;

2) Fill a vacancy in another classification in which he holds seniority and at which the said holder of seniority entitles him, or displace the most junior employee on the system in the same classification;

3) Accept a furlough at his location; or

4) Resign from the Company and receive severance pay in accordance with Article 16.

C. An affected permanent employee who is required to move based on the timely exercise of his option under paragraphs B. 1) or B. 2) of this Article will do so at Company expense.

D. The furlough notification given to the affected employee by the Company shall indicate the location of existing vacancies, if any, and the potential locations where the most junior employees are assigned so that the employees affected will be in a position to exercise the options described in paragraph B. above. The affected employee shall file a preferential bid listing in order of his preference for relocation, furlough, or severance as soon as possible, but in any event such filing shall be made within five (5) days of the receipt of the furlough notice. The absence of a timely filed preferential bid shall be the equivalent of electing to be furloughed. The preferential bid shall be filed by certified mail with the appropriate vice president. All reduction in force employees shall have preference over permanent bids for any vacancies in their classification.

E. The Company shall examine all preferential bids filed by affected employees and resolve the relocations in order of seniority and preferences expressed.

F. An employee who has been released due to reduction in force shall file his address, in writing, with the appropriate department of the Company, and shall thereafter promptly advise that department in writing of any change in address by certified mail with return receipt requested.

G. An employee shall not be entitled to preference in reemployment: (1) if he does not comply with the requirement of paragraph F. of this Article, or (2) if he does not give notice of his intention to return to the service of the Company within seven (7) days of the Company's sending of proper notice of recall from furlough, or (3) if he does not return on the date specified in the notice of recall from furlough, which date shall not be less than fifteen (15) days after notice to return is sent by registered mail to the last address filed with the Company.

H. Employees furloughed shall be recalled in the order of their seniority at the time of furlough. No vacancy shall be considered to exist at a location until all employees eligible to fill the vacancy on furlough at the location have been recalled and all employees required to relocate from there because of the reduction have been afforded the opportunity of returning. In the case of relocated employees, this provision shall apply for a period of five (5) years from the date of the reduction. Employees on furlough who desire to be considered for reemployment at other than the city from which furloughed must file a permanent bid for that location.

I. An employee furloughed due to reduction in force shall continue to accrue seniority.

J. Employees laid off in a reduction in force who were not offered employment and who desire to seek employment elsewhere will, upon application, be furnished space available passes to any point desired on the Company system to the extent permitted by law for a period of one hundred and twenty (120) days.

K. All recall rights shall expire at the end of five (5) years from the effective date of such furlough.

ARTICLE SIXTEEN

SEVERANCE PAY

A. Employees affected by a reduction in force who elect severance pursuant to Article 15, paragraph B. 4) shall receive two weeks' severance pay for the first full year of completed service, and one additional week for each completed year of service thereafter; however, the maximum amount that may be accrued is sixteen (16) weeks.

B. An employee who elects the furlough option can exercise the severance option at any time within five years from the date of furlough if the employee has not been recalled. The severance pay shall be based upon the employee's seniority at the time of the reduction in force notification. Any employee that receives severance pay shall forfeit all rights with the Company.

C. An employee shall receive no severance pay if any one or more of the following conditions exist:

- 1) He exercises his seniority in order to remain in the employ of the Company.
- 2) He accepts any other employment with the Company or refuses to accept a job in his own or comparable work classification at his location.
- 3) 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.
- 4) 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.
- 5) He is dismissed for just cause, resigns, retires or fails to work out two (2) weeks' notice, if requested to do so.
- 6) There is a temporary cessation of work because of circumstances beyond the Company's control.

ARTICLE SEVENTEEN

SAFETY AND HEALTH

A. The Company shall continue to maintain safe, sanitary and healthful working conditions and agrees to maintain at all times a first aid kit at each location. The Union and employees recognize their duty and responsibility to assist in the maintenance of these standards.

B. No employee will be required to work under unsafe or unsanitary conditions, and in order to eliminate, as far as possible, accidents and illness, a joint committee composed of an equal number of Union representatives and Company representatives will be established at each location when the number of employees is large enough to make such a committee advisable. It shall be the duty of the Company to see that all applicable State and Municipal safety and sanitary regulations are complied with. The committee shall receive and investigate complaints regarding unsafe and unsanitary conditions and make recommendations concerning such complaints.

C. The Company will provide, without cost, rain gear to meet station requirements. Winter coats shall be furnished to employees who bid a curbside line and are required to work outside during periods of extremely low temperatures. The coats shall remain the property of the Company. The employee is responsible for cleaning and maintaining the coat and returning the coat to the Company at the end of the agent's curbside bid.

D. 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.

E. Employees injured or who become seriously ill at work will be given medical attention at the earliest possible moment, without loss of pay. The Company will arrange for transportation to an appropriate medical facility. The employee shall be permitted to return to work upon presenting an unrestricted medical release from the doctor stating the employee can perform his normal duties. 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.

F. The Company shall provide additional insurance coverage for those employees involved in a bomb threat investigation. The recommended number of employees shall be three (3) employees searching at any one time, but may be more; however, in no case shall the number be greater than eight (8). The coverage which shall be provided shall be:

PER EMPLOYEE/MAX PER INCIDENT

Death	\$400,000	\$1,200,000
Loss of two (2) limbs	400,000	
Total loss of sight	400,000	
Total loss of one (1) limb	200,000	
Total loss of sight - one (1) eye	200,000	
Temporary disablement	Workers Compensation	

No employee will be required to participate in a search of facilities in a bomb scare against his wishes.

ARTICLE EIGHTEEN

GENERAL AND MISCELLANEOUS

A. Reasonable tobacco smoking and refreshments during hours of duty will be permitted in designated areas.

B. 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.

C. The Company agrees to provide the Union with a bulletin board at each station and reservations office marked "International Association of Machinists" where Union notices of interest to the employees may be posted. No political, inflammatory or derogatory material attacking the Company or its representatives will be permitted thereon.

D. The Company shall cause to be provided and distributed to each employee a copy of this Agreement as well as all letters of agreement or amendments to the Agreement.

E. Airline trip passes will be issued to qualified employees in accordance with Company policy.

F. Any deviation from this Agreement may be made by mutual agreement between the Company and the Union. Such mutual agreement must be in writing and signed by the President-General Chairman District Lodge 142 and the Company designee.

G. During the term of this Agreement it is understood and agreed that the Company will not lock out any employee covered hereby, and the Union will not authorize or take part in any strike or picketing of Company premises.

H. If any employee requests to leave work for personal reasons, he must receive permission from the responsible supervisor.

I. Should an employee sustain an injury or become ill while on the job, he will report immediately, if possible, to his manager or ranking supervisor on duty.

J. Each employee is required to keep the Company advised of his current address and telephone number. Should an employee change his address or telephone number, he must notify the manager immediately. A change of address form is available for this purpose.

K. Employees will be granted four (4) days off with pay for a death in the immediate family for the following: mother, father, brother, sister, spouse, eligible committed partner (as defined and recognized by the Benefits Department), children (including stepchildren and children of an eligible committed partner), and step-parents. Employees will be given three (3) days off with pay for the death of mother-in-law, father-in-law, parent of an eligible committed partner, grandparents, and grandchildren. If additional days are required, the employee may elect to use accrued vacation. If the employee has no accrued vacation in his bank, in the event of death of the employee's spouse, committed or registered partner, child, mother, or father, the employee may use up to four (4) accrued sick days as additional leave. The use of accrued sick leave must be in compliance with Article 13, paragraph 1(C) (first sick day compensation shall not be paid unless the employee has nine (9) days or more of accrued sick pay to his credit). If the accrued sick days are utilized for this purpose, it shall not constitute a chargeable occurrence under the attendance program.

L. The use of the term "days" in establishing time limits in this agreement shall mean calendar days unless otherwise stated.

M. Upon successful completion of a Customer Representative's probationary period, the Company will reimburse the employee for the cost of their headset. This provision applies to employees hired after ("DOR").

N. Employees accepting full-time employment with the Union shall be released from operational duty for the period so employed by the Union. Employees so affected shall continue to accrue seniority in their last classification prior to the change and will remain eligible for pass privileges in accordance with the Company's policy so long as this Union remains the exclusive bargaining agent for employees covered by this Agreement.

O. Current supplemental insurance programs shall be available for employees to purchase at their own expense through payroll deductions. These programs are strictly voluntary and furnished through an underwriter and administrator selected by the Union. The Company shall provide reasonable accommodations for work site enrollment during a designated enrollment period.

ARTICLE NINETEEN

UNIFORMS

A. Employees may be required to wear uniforms as prescribed by Company regulations at all times while on duty.

B. Each calendar year a Customer Service Agent will be credited with \$250.00 in their uniform account to replace Company issued pieces. A Customer Service Agent will accrue up to \$500.00 in the Uniform Account if unused. This account is not refundable to the Customer Service Agent upon termination of employment.

C. When an employee is placed into the Customer Service Agent classification, he shall be provided, at no cost, the initial required uniform. Customer Service Agents may utilize their uniform account to purchase all uniform pieces. It is the responsibility of the employee to maintain the required uniform as outlined in the Ground Operations Manual. If any part of the basic uniform or required accessories are changed or added to during the life of the current uniform, such item or items will be paid for by the Company. Any items of the basic uniform or Company issued accessories that must be repaired or replaced during the life of the current uniform by the Company due to manufacturer's defect will be paid for at Company expense.

D. The Company shall continue to determine the seasonal periods when specific uniform components will be worn.

E. In the event the Company changes the uniform, the Company will pay the entire cost of such new uniform items.

F. The Company will furnish, on a loan basis, Company insignia required to be worn by an employee at no cost to the employee. Any employee may wear an IAM Union insignia, not to exceed one inch (1") in diameter, as a part of his uniform.

G. The Company will lend Customer Service Agents three (3) maternity uniforms which must be returned in usable condition, cleaned and pressed upon taking maternity leave, or will contribute \$100 to the employee's uniform account if an employee elects to purchase maternity uniforms.

H. The employee will be responsible to replace, at his cost, any item lost that has been issued or purchased.

I. Accessory items worn with the customer service uniform (i.e., shoes and belts) may be purchased by the employee at a store of his choice and shall conform closely to the color and style established by the Company.

J. Additions to the required Customer Service Agent uniform may be purchased, without a percentage reimbursement, if an employee so desires.

ARTICLE TWENTY
GRIEVANCE PROCEDURE/SYSTEM BOARD OF ADJUSTMENT

1. GRIEVANCE PROCEDURE

A. The representation for the effective handling of grievances between the parties under this Agreement shall be:

1) The Union will be represented by a properly designated steward at each location who will be empowered to settle all local grievances.

2) The Company will be represented by an authorized representative at each location who will be empowered to settle all local grievances not involving changes in Company policy.

3) The Union and the Company will at all times keep the other party advised through written notice of any change in authorized representatives.

4) Accredited representatives of the Union shall be permitted to enter any location on the system where employees under this Agreement are located for the purpose of investigating grievances and for purposes of visitation upon proper advance notification and approval. Upon proper advance notice and approval, shop stewards or an elected officer of the Union will be allowed a reasonable amount of time off during work hours to investigate or present grievances and attend Union meetings, provided that work assignments shall have priority. Upon request and approval, the Company will provide stewards space for meetings at all Centers and at Stations where space is available.

B. For the presentation and adjustment of grievances that may arise, the procedure will be:

1) Step I--Any employee(s) having a complaint or grievance in connection with the terms of this Agreement or working conditions hereunder will present the complaint or grievance verbally, within ten (10) calendar days, to the supervisor responsible for the employee(s) with or without a steward, and the parties will endeavor to arrive at a satisfactory adjustment of the matter. Such time limit will be extended if the employee(s) can demonstrate good reason for failing to timely present the grievance.

If there is not a satisfactory adjustment of the matter following the verbal discussion, the employee shall consult with the steward, and the steward may reduce the complaint or grievance to writing and submit it on a standard grievance form to the manager responsible for the employee(s). Such grievance must be submitted within ten (10) calendar days following the verbal discussion.

The manager responsible for the employee(s) will meet with the steward and employee(s) within ten (10) calendar days of receipt of such grievance. The manager will issue to the steward a decision in writing setting forth the Company's position on the issue(s) raised within ten (10) calendar days following the meeting. The Company shall forward a copy of the decision to the Union General Chairman. It is understood that any settlement at the Step I level of the grievance procedure is made on a nonprecedent setting basis at the Step I level and is nonreferable at any proceeding of the Grievance/Arbitration Process above the Step I level.

If, in the opinion of the General Chairman, the decision is not satisfactory, the General Chairman will make a written appeal to the Company's appropriate Vice President or designee within thirty (30) calendar days of said decision.

- 2) Step II--Any complaint or grievance appealed under Step I shall be reviewed by the appropriate vice president or designee and the Union's General Chairman. The Company designee will coordinate a review with the Union's General Chairman within thirty (30) calendar days of this appeal.

Within thirty (30) calendar days following such meeting, the Company will issue a written decision on each grievance, setting forth its position.

Step II decisions will be forwarded to the Union's General Chairman who will determine if appeal to the System Board of Adjustment is to be made. Appeals to the System Board of Adjustment must be made within thirty (30) calendar days after receipt of the Company's Step II decision. Such decisions will be precedent setting, unless otherwise agreed.

C. An employee who has completed his probationary period will have the right to have a Union representative present before the employee may be issued discipline at a warning letter, final warning letter, or Performance Improvement Plan level.

No employee who has completed his probationary period will be disciplined with a loss of pay or discharge without first having the benefit of a hearing with the right to have a Union representative present. The employee will be advised in writing of the precise nature of the charge(s) not later than ten (10) calendar days from the time the Company has full knowledge of the incident upon which the charge(s) is based. If an Employee is unavailable (other than on his regularly scheduled days off) to work his full shift on his last scheduled workday within the time frames under the hearing procedures of this article, the Company may issue the hearing notice to the Employee's Southwest Airlines email account (with a hard copy to the Union representative). When notice is provided by email, it is understood that a minimum of one hour preparation time will be granted prior to the hearing taking place. It is further understood that an internal Company investigation may be necessary before the Company has full knowledge of an incident.

The hearing will be held within ten (10) calendar days from the date of the written notice of the nature of the charge(s) unless the hearing date is otherwise extended by mutual agreement between the Company and the Union. If the Employee is unavailable for the hearing, an additional hearing will be scheduled. Copies of the charge(s) will be presented to the employee affected in person with a copy to the appropriate Union steward. Nothing as contained herein shall prevent the Company from suspending an employee pending a hearing, and such hearing shall be held within three (3) calendar days of the suspension. The employee will be advised of the charge(s) against him and shall be entitled to Union representation when suspended. The charge will be reduced to writing and presented to the employee at the hearing.

Except under extraordinary circumstances, an employee will have the right to be present at any disciplinary hearing and have Union representation present. Such Union representation may be a local steward, the President-General Chairman, General Chairman or his designee. The employee will be permitted to hear the evidence against him and, with his representative, to question all witnesses presented and/or statements against him.

A written decision will be made and copies shall be furnished to the employee in person with a copy to the Union within ten (10) calendar days after the close of the hearing.

If the decision of the Company is to impose some form of disciplinary action, the Company will impose that discipline as promptly as reasonably possible; however, in no event will the Company wait longer than thirty (30) calendar days after the decision is furnished to the employee before imposing the discipline. If, in the opinion of the General Chairman, the decision is not satisfactory, then appeal may be made within thirty (30) calendar days to Step II of the grievance procedure.

All other disciplinary letters not involving loss of pay or discharge will be issued no later than ten (10) calendar days from the time the Company has full knowledge of that incident. The Company will provide the Union representative with a copy of the letter, and if the employee is not

available at work when the letter is issued, the Company may place the letter in the employee's mailbox, with a copy to the Union representative. This does not change the existing practice whereby the Company will attempt to meet with the employee when the letter is issued, if the employee is available at work. When the employee is not available at work for such a meeting, upon the employee's return to work the Company will, upon request by the employee, meet with the employee to discuss the disciplinary letter.

D. All letters of reprimand or warning will be removed from an employee's file after twelve (12) months of active status from the date the letter is placed in the file (the Company's Attendance Control Program excepted).

E. All hearings will be conducted during the employee's scheduled hours. Grievant and representative shall not suffer loss of pay while attending such hearing.

F. All time limits set forth in this Article shall refer to calendar days -- recognized holidays being excluded and may be extended by mutual written agreement between the parties. If an employee is unavailable (other than on his regularly scheduled days off) on the last day of time frames, the Company may place disciplinary letters in the employee's mailbox, with a copy to the Union representative.

G. Nothing in this Agreement shall extend grievance rights concerning discipline or discharge to an employee during his probationary period.

H. The appropriate IAM steward shall receive a copy of each official disciplinary notice issued to employees covered by this Agreement which involves time off without pay or termination of employment.

I. In assessing discipline the Company will take into account the gravity of the offense, the employee's overall work record, and seniority.

2. SYSTEM BOARD OF ADJUSTMENT

A. In compliance with Section 204, Title II of the Railway Labor Act, as amended, there is hereby established a System Board of Adjustment for the purpose of adjusting and deciding disputes or grievances which may arise under the terms of this Agreement and which are properly submitted to it after exhausting the procedure for settling disputes, as set forth under this Article.

B. The System Board of Adjustment shall consist of one (1) impartial member selected from a panel of Arbitrators. The Company or the Union may appoint a three (3) member System Board, one member of which shall be an impartial arbitrator.

C. A panel of Arbitrators is hereby established for the purpose of providing the sole member of the System Board of Adjustment. The following rules and procedures apply to the panel of Arbitrators:

1) Arbitrators selected for the panel shall serve for the duration of the Agreement; however, any Arbitrator may be removed from the panel by a unilateral decision of either of the parties to this Agreement. Should any member be removed, the party who originally selected the Arbitrator will name a replacement. Once an Arbitrator is removed from the panel, he cannot be returned to the panel for the duration of this Agreement.

2) The panel will consist of six (6) Arbitrators, three (3) to be selected by each party. The alternate striking method will be utilized in selecting an Arbitrator from the panel for the hearing of a grievance. If the Arbitrator selected is not available within ninety (90) calendar days from the selection date, the last struck Arbitrator will be contacted to hear the case. This procedure shall continue until an Arbitrator is available within the aforementioned time constraints.

D. The Board shall meet in an appropriate meeting room in the city where the employee filing the grievance is stationed unless, by mutual agreement, the parties agree to a different location to hear the grievance(s) assigned to it.

E. 1) The Board shall consider any dispute properly submitted to it by either of the parties when such dispute has not been previously settled in accordance with the terms of this Agreement.

2) The functions and jurisdiction of the Board shall be as fixed and limited by this Agreement. It shall have no power to change, add to or delete from its terms. It shall have jurisdiction only to determine issues involving the interpretations or applications of this Agreement, and any matter coming before the Board which is not within its jurisdiction shall be returned to the parties without decision or recommendations. In the event any disciplinary action taken by the

Company is made the subject of proceedings, the Board's authority shall, in addition to the limitations set forth herein, be limited to the determination of the question of whether the employee(s) involved had been disciplined for proper cause, except that if the Board finds that the penalty assessed by the Company was arbitrary or unreasonable it may modify that penalty.

F. The decision of the Board shall be rendered within thirty (30) days after the close of the hearing and shall be final and binding on the Company, the Union and the employee(s) involved. The parties agree to contact each other prior to making the decision of the Board public.

G. The time limits specified in this section of Article Twenty may be extended by written mutual agreement between the parties to this Agreement.

H. The proposals made by each party with respect to changes in this Agreement and discussions had with respect thereto shall not be used or referred to in any way during or in connection with the arbitration of any grievance arising under the provisions of this Agreement.

I. Each of the parties hereto shall assume the compensation, traveling expense and other expenses of the witnesses called or summoned by it, and each of the parties shall assume one-half (1/2) of the expenses of the Arbitrator. So far as space is available, witnesses who are employees of the Company shall receive free transportation over the lines of the Company.

ARTICLE TWENTY-ONE

MOVING EXPENSES

A. Employees transferred as a result of the closing of an existing station or center or reduction in force at a station or center shall be considered as being transferred at the Company's request.

B. An employee transferred from one station or center to another station or center as a result of a voluntary bid or request for a vacancy shall be considered as having transferred at his own request. An employee so transferred shall bear his own expenses. The Company shall make space available transportation available to the employee and members of his immediate family.

C. Employees transferred at Company request from one station or center to another station or center shall be allowed actual moving expenses for household effects including packing charges up to a maximum of 15,000 pounds for self and spouse plus 500 pounds for each dependent unless prior approval for more is obtained from the department head.

D. The Company reserves the right to select the company designated to move the household effects of the employee.

E. An employee 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 unless a delay in delivery is caused by the employee.

F. In addition to the said weight limitation in paragraph C. above, one automobile per family may be driven between the stations, and the employee shall be reimbursed at the rate of thirty-five cents (35¢) per mile by the most direct AAA highway mileage, but no expenses shall be permitted for a second automobile.

G. The employee, their eligible dependents and committed partner (as defined and recognized by the Benefits Department) will be entitled to round trip space available transportation to locate living accommodations.

H. When an employee has been awarded a transfer to a new station, the employee, their eligible dependents and committed partner shall be furnished, to the extent such passes are available, roundtrip, space available, off-line transportation to locate living accommodations in cities not served by the Company.

ARTICLE TWENTY-TWO

HOLIDAYS/FLEXIBLE TIME OFF

A. Each employee covered hereunder shall be granted one (1) Flexible Time Off day with pay free of the Company during each month January through October of each year. The Flexible Time Off day shall be bid in conjunction with each shift bid. Flexible Time Off days accrued may be banked and carried over month to month within a calendar year. Any unused earned and/or accrued Flexible Time Off will be paid to any employee discharged by the Company (excluding probationary employees, employees resigning with less than one (1) year of service, employees leaving due to act of fraud or theft, and any employee who does not give two weeks' notice of termination). Other than the exceptions noted, unused Flexible Time Off will be paid out at calendar year-end, same as vacation.

B. Each day of the month will have at least one (1) Flexible Time Off A.M. and P.M. shift available for bid at each location where there are thirty-one (31) or more employees. Where there are thirty (30) or fewer employees employed at a location, at least one (1) Flexible Time Off shift per day will be available. A full-time employee must have worked forty (40) hours, including TOWOP and vacation time, during the month to qualify for a Flexible Time Off day. A part-time employee must have worked thirty (30) hours, including TOWOP and vacation time, during the month to qualify for a Flexible Time Off day. An employee who has bid a Flexible Time Off day and becomes ill before working the required number of hours in the month shall be paid for the Flexible Time Off day provided his accumulated sick pay is sufficient to encompass his scheduled Flexible Time Off day. No covered employee shall be required to work overtime on his Flexible Time Off day. An employee may volunteer to work on his Flexible Time Off day at straight time rate in a trade or pickup and will be subject to normal overtime rules.

C. The following holidays will be observed: Thanksgiving Day (November) and Christmas Day (December). All employees, except employees on an unpaid leave of absence, shall receive a holiday bonus in an amount equal to their regular compensation rate including premium and differentials, if applicable, for eight (8) hours. If the Company requires an employee to work on a holiday, he shall be paid time and one-half according to his regular compensation rate for the first eight (8) hours in addition to his regular holiday bonus rate and triple time thereafter. Part time employees who work on the holiday will be paid time and one-half for up to the first eight hours plus holiday pay.

D. Because of decreased call volume/flight activity on the holidays, we will reduce the work schedule to only the number of Employees required. In order to do this, a one-day bid will be awarded for each of the Thanksgiving and Christmas holidays.

The bid will be administered as follows:

1. The November/December bid will be put out during its normal time frame.
2. Bid the days off you want for the months of November/December, remembering Thanksgiving and Christmas fall during this bid period.
3. If the holiday falls on any Employee's scheduled days off or vacation (full-time, part-time, relief, probation), he will not participate in the holiday bid. Consistent with Article 26, Relief Agent schedules may be temporarily changed to cover vacations, Flexible Time Off days, training, and other absences or vacancies. Further, if a sufficient number of Employees per shift do not indicate a preference to work, the Company will cover any remaining shifts in reverse order of seniority of those regularly scheduled to work on that day.
4. A separate bid will be put out for Thanksgiving Day by the first week in November. The bid will be awarded by the second week in November. A separate bid will be put out for Christmas Day by the first week of December. The bid will be awarded by the second week of December. The bids may include shifts that are less than eight hours, with a minimum of four hour shifts. However, all full-time shifts will be longer in length than part-time.
5. There will be no trade restrictions after the Thanksgiving and Christmas day assignments are awarded.
6. If an Employee fails to submit a holiday bid and/or fails to submit enough holiday bid slot choices, a shift may be assigned.

NOTE: If full day TOWOP is offered on days before or after the holiday, it will be awarded by seniority by shift.

E. An employee scheduled to work on a holiday but who does not report for work will lose all pay for such holiday unless his absence is due to sickness or is excused.

F. If a Company approved holiday (or Flexible Time Off day) falls within an employee's vacation period, an extra day with pay will be added to the employee's vacation in lieu of holiday bonus. The Company will notify the employee at the time the Flexible Time Off bid is awarded whether an extra day will be added at the beginning or end of the vacation period. For holidays the employee will be so notified at the time the shift bid is awarded for the period covering the holiday.

G. If any shift bid of more than thirty (30) days is rebid, employees will be allowed to rebid affected Flexible Time Off.

ARTICLE TWENTY-THREE

SAVING CLAUSE

A. Should any part or provision of this Agreement be rendered invalid by existing or subsequently enacted legislation, the balance of the Agreement shall remain in full force and effect.

ARTICLE TWENTY-FOUR
GROUP INSURANCE BENEFITS

A. 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 costs borne by the Company for employees not covered by this Agreement shall be borne by the Company for employees covered hereunder.

B. The Company shall continue the vision care insurance program which is presently available, the cost of which shall be borne by the employees.

ARTICLE TWENTY-FIVE

PROFIT SHARING/401(K)

A. The employees covered hereunder shall be included in the Southwest Airlines Profit Sharing Plan which became effective January 1, 1973, as amended.

B. The Company will match any employee's contribution to the 401(K) Plan maintained by the Company, at the rate of \$1.00 for each \$1.00 contributed by the employee, up to a maximum employee contribution of:

1. 9.3% of eligible compensation, up to the limits allowed by federal law.

C. Vesting in general for 401(K) Company match--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%

D. 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 sixty (60).

ARTICLE TWENTY-SIX

RELIEF AGENT/REPRESENTATIVE

A. Where established by the Company, personnel may be assigned to relief duties for the purpose of covering vacations, Flexible Time Off days, training and other absences or vacancies. These shifts will not have clearly defined work weeks since their work will vary dependent upon the work week of the employee who they are relieving. In order to provide such allowance for days off to such relief personnel, the Company shall allow a minimum of four (4) days off for each two (2) week period in the specified bid period.

B. On days upon which the relief agent/representative is not scheduled to a relief assignment, he shall assume his bid shift and days off. Bid shifts shall not include Saturday or Sunday as scheduled days off.

C. Relief employees may have their bid shift hours temporarily changed with at least twelve (12) hours notice prior to the start of the new shift assignment(s). However, if a relief agent/representative is released from duty after 10:00 P.M. local time, he will not be required to report to a shift without at least a ten (10) hour rest period.

D. Relief shifts will be bid as prescribed in Article Six and shall be identified appropriately. For bidding purposes only, relief agents/representatives shall be designated as A.M. or P.M. preference. To the extent such duty assignments are available, the Company shall recognize the bid preference, but the Company may assign relief agents/representatives to either A.M. or P.M. shifts.

E. Relief shifts will be bid within classification.

F. Relief agents/representatives will receive a premium of one hundred seventy-five dollars (\$175.00) per month in addition to inconvenience shift premium, which will be added to their base pay during each month they work.

G. Relief agents/representatives will be covered under Article Seven for overtime purposes. Relief agents/representatives, for the purpose of applying the overtime provisions of Article Seven, will be considered on the first day off status on their first scheduled day of rest, second day off status on their second scheduled day of rest, and second day off status on all subsequent days of rest when more than two (2) continuous days off are scheduled.

H. The number of relief agents/representatives per station or office will be determined by the Company; however, the maximum allowed per the provisions of this Article in any

classification will be determined by dividing the total number of agents/representatives at the location by eight (8) and rounding the result up to the next whole number. For example:

1 - 8	1 Relief Agent/Representative
81 - 88	11 Relief Agents/Representatives

ARTICLE TWENTY-SEVEN

WAGE RULES

A. Employees will be paid on the 5th and 20th of each month for the preceding pay period. There shall be two (2) pay periods each month: 1) 1st-15th and 2) 16th-final day of each month.

B. Should the regular payday fall on Saturday or a holiday, employees will be paid on the preceding day. Should the regular payday fall on Sunday, employees will be paid on the following Monday. Normally employees shall be paid during their regular working hours.

C. Where there is a shortage equal to one-half ($\frac{1}{2}$) a day's pay or more in the pay of an employee, the employee will be reimbursed for such shortage within three (3) working days from the General Office.

D. Paychecks will include an itemized statement of all hours, wages, adjustments and deductions for the pay period.

E. 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.

F. 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 23rd of any month shall become effective beginning on the 16th of the month.

SENIORITY DATE

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Changes effective 1st
of the month

SENIORITY DATE

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Changes effective 16th
of the month

G. An inconvenience shift premium shall be added to the base pay during each month that an employee is scheduled to work at least four (4) shifts during such month which begin during the following times:

<u>Start Time</u>	<u>Monthly Premium</u>
1201-1700	\$80.00
1701-0459	\$90.00

H. A premium of twenty-five dollars (\$25.00) per month shall be added to the base pay during each month an employee is scheduled to work two (2) or more shifts within his work week whose starting time varies by more than twenty-nine (29) minutes within the work week.

I. Notwithstanding provisions to the contrary, the Company agrees that an employee reclassified to a higher rated position under this Agreement will enter such new higher rated position at the pay bracket to which he is entitled in accordance with his Company seniority. An employee reclassified to a position of equal rates of pay shall enter the new classification with his pay unaffected.

J. Nothing in this Agreement shall prevent the Company from paying employees or groups of employees hereunder a higher rate of compensation than the rate established in this Agreement.

K. Upon completion of the first year of service with the Company, an employee will advance to Step 1 of the progressive pay scale. Thereafter, on the anniversary of such employee's date of hire, the employee will advance to the next Step and so on until he reaches the top of the pay scale.

L. In lieu of receiving a traditional paycheck, an employee may elect "direct deposit" to any financial institution capable of receiving electronic funds transfer. Availability of direct deposit funds to the employee's account may vary slightly (earlier or later) from paycheck distribution dates depending on financial institution/Federal Reserve holidays and the specific financial institution's account posting practices.

M. Customer Representatives

Customer Representatives will be paid at the following hourly rates of pay.

Customer Representatives Rates of Pay						
Step	Current	Pay Rate as of Dec 1, 2014	Pay Rate as of Dec 1, 2015	Pay Rate as of Dec 1, 2016	Pay Rate as of Dec 1, 2017	Pay Rate as of Dec 1, 2018
First Year	\$11.34	\$11.51	\$11.68	\$11.86	\$12.04	\$12.28
Step 1	\$11.69	\$11.87	\$12.05	\$12.23	\$12.41	\$12.66
Step 2	\$12.18	\$12.36	\$12.55	\$12.74	\$12.93	\$13.19
Step 3	\$13.62	\$13.82	\$14.03	\$14.24	\$14.45	\$14.74
Step 4	\$15.39	\$15.62	\$15.85	\$16.09	\$16.33	\$16.66
Step 5	\$16.68	\$16.93	\$17.18	\$17.44	\$17.70	\$18.05
Step 6	\$17.96	\$18.23	\$18.50	\$18.78	\$19.06	\$19.44
Step 7	\$18.85	\$19.13	\$19.42	\$19.71	\$20.01	\$20.41
Step 8	\$19.72	\$20.02	\$20.32	\$20.62	\$20.93	\$21.35
Step 9	\$20.62	\$20.93	\$21.24	\$21.56	\$21.88	\$22.32
Step 10	\$21.50	\$21.82	\$22.15	\$22.48	\$22.82	\$23.28
Step 11	\$26.49	\$26.89	\$26.89	\$27.29	\$27.29	\$27.84

N. Customer Service Agents

Customer Service Agents will be paid at the following hourly rates of pay.

Customer Service Agents Rates of Pay						
Step	Current	Pay Rate as of Dec 1, 2014	Pay Rate as of Dec 1, 2015	Pay Rate as of Dec 1, 2016	Pay Rate as of Dec 1, 2017	Pay Rate as of Dec 1, 2018
First Year	\$11.76	\$11.94	\$12.12	\$12.30	\$12.48	\$12.73
Step 1	\$12.11	\$12.29	\$12.47	\$12.66	\$12.85	\$13.11
Step 2	\$12.56	\$12.75	\$12.94	\$13.13	\$13.33	\$13.60
Step 3	\$14.02	\$14.23	\$14.44	\$14.66	\$14.88	\$15.18
Step 4	\$15.77	\$16.01	\$16.25	\$16.49	\$16.74	\$17.07
Step 5	\$17.08	\$17.34	\$17.60	\$17.86	\$18.13	\$18.49
Step 6	\$18.36	\$18.64	\$18.92	\$19.20	\$19.49	\$19.88
Step 7	\$19.25	\$19.54	\$19.83	\$20.13	\$20.43	\$20.84
Step 8	\$20.12	\$20.42	\$20.73	\$21.04	\$21.36	\$21.79
Step 9	\$21.02	\$21.34	\$21.66	\$21.98	\$22.31	\$22.76
Step 10	\$21.90	\$22.23	\$22.56	\$22.90	\$23.24	\$23.70
Step 11	\$26.88	\$27.28	\$27.28	\$27.69	\$27.69	\$28.24

O. Cash Bonus

Those employees who are covered by this Agreement on the date of ratification (DOR) and are at Step 11, along with employees who move to Step 11 prior to January 1 of the year in which the bonus will be paid, shall receive a cash bonus based on the employee's prior year adjusted compensation (defined as 401K eligible wages less any bonus payments) which will be paid on April 5th, for the years 2015 and 2017. The bonus percentage amounts are as follows:

Cash Bonus					
	2014	2015	2016	2017	2018
Customer Service Agents		1.5%		1.5%	
Customer Representatives		1.5%		1.5%	

P. Ratification Bonus

Provided this Agreement is ratified no later than December 31, 2014, the Company will pay a portion of future compensation (advanced payment) as a lump sum ratification bonus. Employees on the IAM 142 seniority list as of Date of Ratification (DOR) of this agreement will be eligible for the ratification bonus. The ratification bonus will be paid within 45 days of DOR.

The ratification bonus shall apply as follows:

0-5	\$1,200	\$600
6-10	\$1,400	\$700
11	\$1,740	\$870

Q. Productivity Bonus

From the DOR until the amendable date, the Company will offer a Productivity Bonus for all active employees, based upon the following:

Lost Time – The Company will reward individual employees for their productivity as measured in attendance adherence. Members of the IAM 142 will be eligible to receive bonus compensation for achieving “perfect attendance” as defined in the Company Perfect Attendance Program rules (see table below for qualifying and disqualifying time off categories). Employees who do not achieve perfect attendance status will be eligible to receive a reduced bonus compensation for “near perfect attendance.” Near perfect attendance is defined as having four (4) or fewer “disqualifying days off” accumulated during the calendar year.

Qualifying Time Off	Disqualifying Time Off
Vacation	Sick
Holiday	OJI
Company-offered time including but not limited to LWOP (Leave without pay) and TOWOP (time off without pay)	No Show
Jury Duty	Early Leave
Union Business	Medical/Maternity Leave
	FMLA
	Bereavement Leave
	Military Leave
	Personal Leave
	State Leaves

The Productivity Bonus will be paid on April 5th following each respective year of attendance qualification. The bonus structure would be as follows:

Annual Attendance Qualification	Bonus Amount
Perfect Attendance	\$1,000
Near Perfect Attendance (4 or fewer disqualifying days)	\$500

R. Profitability Bonus

For the years 2015 through 2018, based upon the prior calendar year financial results, the Company will offer a Profitability Bonus plan for all active employees based upon the following:

Profitability Bonus	Long-Term Incentive
15% ROIC or Greater	0.5%

The Profitability Bonus is based upon the employee's adjusted compensation and is defined as an employee's 401(K) eligible wages less any bonus payment and will be paid on April 5th following the calendar year in which the profitability is being measured and the ROIC target is achieved.

*For Purposes of the Profitability Bonus, ROIC will be defined as "Pre-Tax Return On Invested Capital" based on non-GAAP Operating Income as reported in the Annual Earnings Release. 15% ROIC target achievement must include the burden of the bonus payout.

S. **Variable Compensation Eligibility:**

All employees receiving variable compensation (Productivity Bonus and Profitability Bonus) must be employed with Southwest Airlines as of July 1st of the qualifying year and be an active employee within the classification(s) on the date the bonus payment is made (April 5th of the following year).

ARTICLE TWENTY-EIGHT

DURATION AND TERMINATION

This Agreement shall become effective upon the Date of Ratification ("DOR"), along with the pay rates expressed in Article 27 and this Agreement shall remain effective through December 2, 2018, and thereafter shall be subject to change as provided in Section 6 of the Railway Labor Act, as amended.

ARTICLE TWENTY-NINE

UNION MEMBERSHIP-CHECK-OFF/DUES/MAINTENANCE

1. A. Each employee now or hereafter employed in any classification covered by this Agreement shall, as a condition of continued employment, within sixty (60) days following the beginning of such employment or the effective date of this Agreement, whichever is later, become a member of and thereafter maintain membership in good standing (as herein defined) in the Union so long as this Article remains in effect; provided that such condition shall not apply with respect to any employee to whom such membership is not available upon the same terms and conditions as are generally applicable to any other member of his classification or with respect to any employee to whom membership is denied or terminated for any reason other than the failure of the employee to tender the initiation and reinstatement fees, assessments and monthly dues uniformly required of other employees in his classification as a condition of acquiring or retaining membership.

For the purpose of this Agreement "membership in good standing" in the Union shall consist of the payment by the employee of initiation fees (except in case of authorized and permissible transfers from other lodges of the Union) uniformly required of other employees of like status, plus the payment of dues (as hereinafter described) for each calendar month, plus the payment of such assessment(s), within prescribed time limits, as may be levied in accordance with the procedures set forth in the Union's "Constitution of the Grand Lodge, District and Local Lodges, Counsels and Conferences."

B. If an 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 classification covered by this Agreement, the Union shall notify the appropriate 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 is to be discharged from the service of the Company and shall promptly take proper steps to discharge said employee.

C. When an employee holding seniority under the Agreement leaves and then returns to the coverage of the Agreement from a position in which he was not covered, he must assume his obligation to the Union within seven (7) calendar days after return. Failure to comply will cause the employee to be discharged. 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, with a copy to the appropriate 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 also notify the employee that he must remit the

required payment within seven (7) days from receipt of such notice or be subject to discharge by the Company.

If such employee still remains delinquent in the payment of dues after receipt of said notice, the Union shall notify, in writing, the appropriate 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 is to be discharged from the service of the Company, and shall promptly take the proper steps to so discharge the employee.

D. The Company will, within three (3) working days after the receipt of notice from the Union, discharge any employee who is not in good standing in the Union as required in the preceding paragraph.

E. All rights of any employee under this Agreement hereinabove noted, and such supplements or amendments as may apply thereto, are contingent upon his acquisition and maintenance of membership in good standing in the Union regardless of whether he is actively working, promoted or transferred to a classification of work not covered by this Agreement, on leave of absence, laid off or discharged.

F. An employee discharged by the Company under the provisions of this Article shall be deemed to have been discharged for cause within the meaning of the terms of this Agreement.

G. An employee terminated at the request of the Union as per this Article and under this Agreement shall be deemed to have been discharged for cause, and the Company shall not be liable for any wages or pay claims of any type from such employee. In the event of a court judgment to the effect that the discharge was improper, the Union hereby agrees to hold the Company harmless and will reimburse the Company for any cost whatsoever involved.

H. In any event it is agreed that the Company will not be required to terminate any employee, in compliance with this Article, prior to thirty (30) days from the Union's notification to the Company to do so, in order that the Company be able to hire a suitable replacement for the employee in question.

2. DUES CHECK OFF

A. During the life of this Agreement the Company will deduct from the pay of each member of the Union and remit to the Union monthly membership dues uniformly levied in accordance with the Constitution and Bylaws of the Union, provided such member of the Union

voluntarily executes the agreed form, which is hereunder included in this Agreement to be known as the "Check-Off Form," which shall be prepared and furnished by the Union. The Company will not be required to deduct monthly membership dues from the pay of employees covered by this Agreement unless 1) the Company has received a Check-Off Form, and 2) the dues for the employee conforms to the applicable dues for employees of his classification at his point on the system.

B. In accordance with the Check-Off Forms provided to the Company by the Union, Union membership dues will be deducted as follows: 50% to be deducted from the employees' pay on the 5th of the month, and the remaining 50% to be deducted from the employees' pay on the 20th of the month.

INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS
AND
SOUTHWEST AIRLINES CO.
AUTHORIZATION FOR CHECK-OFF OF
INITIATION FEE AND OF UNION DUES

I hereby authorize the Company to deduct from my first full pay period the amount equivalent to fifty percent (50%) of the initiation fee as established and levied in accordance with the Constitution and Bylaws of the Union and to pay such amount directly to the designated officer of said Union.

Additionally, I authorize the Company to deduct from the second full pay period the amount equivalent to fifty percent (50%) of the initiation fee as established and levied in accordance with the Constitution and Bylaws of the Union and to pay such amount directly to the designated officer of said Union.

I further authorize the Company to deduct the amount equivalent to the monthly dues as established and levied in accordance with the Constitution and Bylaws of the Union and to pay such amount directly to the designated officer of said Union. Said dues shall be deducted from the third full pay period and every month thereafter.

Contributions or gifts to the Local Lodge and/or District Lodge 142 of the International Association of Machinists and Aerospace Workers are not tax deductible as charitable contributions for Federal income tax purposes. However, they may be tax deductible under other provisions of the Internal Revenue Code.

Employee Clock Number

Classification

Initiation Fee

Monthly Dues

Employee Signature

Date

Employee Name (Please Print)

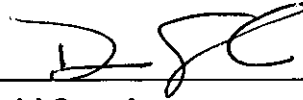
Station/Location

Home Address

City State Zip Code

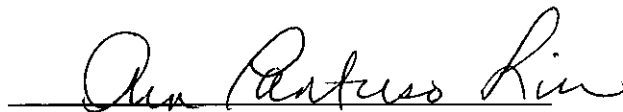
Signed this 25th day of March, 2015.

For: INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS
AIR TRANSPORT DISTRICT 142

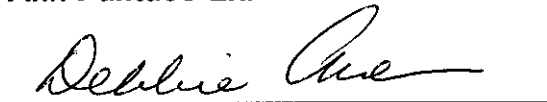


David Supplee
President/Directing General Chair

NEGOTIATING COMMITTEE:




Ann Pantuso-Liu



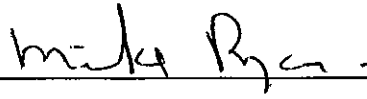
Debbie Aven



Otha McSwain

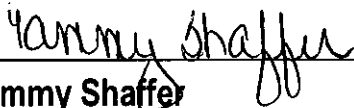

Isabel Dukes

For: SOUTHWEST AIRLINES CO.



Mike Ryan
Vice President Labor Relations

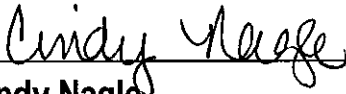
NEGOTIATING COMMITTEE:



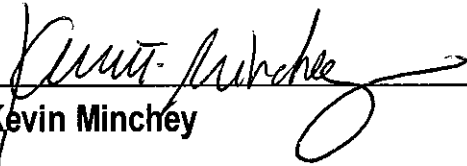
Tammy Shaffer



Dan Kusek



Cindy Nagle

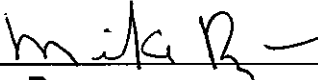


Kevin Minchey


LETTER OF UNDERSTANDING NUMBER ONE

Unless otherwise specifically provided or mutually agreed by the parties, the implementation date of all provisions of this Agreement will be two days after the date of ratification.

The date of ratification ("DOR") was December 3, 2014.



Mike Ryan

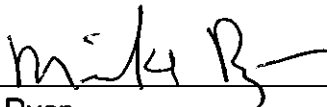


David Supplee

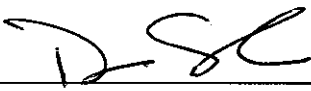
LETTER OF UNDERSTANDING NUMBER TWO

The Company agrees that all positions and work performed by the employees covered by this Agreement and in effect on the date of signing of this Agreement belong to the employees covered hereby, and that whenever the work is performed on the Company's system, it will be performed by Southwest Airlines employees covered by this Agreement. However, the parties agree that the Company may contract out work at any new station or location where facilities and equipment cannot be obtained.

At such time as the Company is able to obtain its own facilities and equipment, the Company will use Southwest employees covered by this Agreement. The Company shall not contract out work when such contracting out results in a reduction in force for any employee covered by this Agreement. One classification must be established at a new station under this Agreement (except as outlined in Article 5, Paragraph 3).



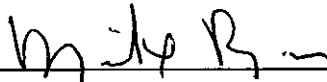
Mike Ryan



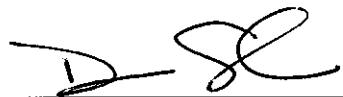
David Supplee

LETTER OF UNDERSTANDING NUMBER THREE

Part-time Employees on the payroll as of November 10, 1994 will continue to be covered by applicable Company-sponsored medical and dental plans after the completion of six (6) months of continuous service, as if they were full-time employees, as long as such person remains continuously employed as a part-time employee. If any such person at any time ceases to be a part-time employee covered by this Agreement, the right to such coverage shall terminate, and any future coverage shall be governed by applicable provisions of the then current agreement between the Company and the Union.



Mike Ryan

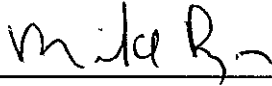


David Supplee

LETTER OF UNDERSTANDING NUMBER FOUR

This letter of understanding will confirm the discussion during negotiations between Southwest Airlines and the International Association of Machinists District 142 in regards to a Remote Representative worker concept. The duties of the Remote Representative will be within the scope of the Customer Support and Services work within the current agreement.

Upon the Company's request, both parties agree that they will meet to discuss the Remote Representative worker implementation, if agreed to, during the life of this current agreement.



Mike Ryan



David Supplee

LETTER OF UNDERSTANDING NUMBER FIVE

International Bilingual Customer Representative Bid

During the course of negotiations the parties recognized the importance of International bilingual service to the growth of Southwest Airlines and its employees. As such, the parties have agreed to continue to maintain an International bilingual Customer Representative bid within the Customer Representative classification at designated Center(s) for the purpose of providing quality customer service to our bilingual speaking customers.

This will confirm the understanding reached during negotiations leading up to the agreement between the Company and the Union:

- 1) There will be established within the Customer Representative classification, an International bilingual Customer Representative bid at designated Center(s).
- 2) The Company will be responsible for determining the designated Center(s), the hours of operation, and the staffing needs necessary to accommodate our bilingual speaking customer needs.
- 3) To be eligible for the International bilingual Customer Representative bid, Customer Representatives shall be language qualified. Language qualified Customer Representatives are defined as those employees who have met the criteria for bilingual proficiency. International bilingual Customer Representatives are defined as those language qualified Customer Representatives who are in the International bilingual Customer Representative bid.
- 4) Except as set forth herein, the provisions of the basic collective bargaining agreement between the parties and all other applicable Company/Department guidelines will apply.
- 5) International bilingual Customer Representatives will be expected to perform the full range of duties regularly assigned to Customer Representatives in the Customer Representative classification.
- 6) Representatives in the International bilingual Customer Representative bid will be responsible for handling International bilingual call volume as the priority assignment.
- 7) International bilingual Customer Representatives will bid their work schedules, vacations, Flexible Time Off and holiday bids separately from the general Customer Support & Services area at the respective Center(s).

8) Overtime assignments will be awarded and paid at the designated Center(s) as outlined in Article Seven of this Agreement, however, overtime needs will be filled first within the International bilingual Customer Representative bid at the Center(s) and second to any language-qualified Customer Representative outside of the bid at the Center(s).

9) International bilingual Customer Representatives may sign up for overtime in the general Customer Support & Services area if overtime is not available within the International bilingual Customer Representative bid. International bilingual Customer Representatives will be last in the order of assignment for general sales overtime as outlined in Article Seven of this Agreement.

10) All trading options outlined in Article Six of this Agreement will be applicable only within the International bilingual Customer Representative bid. In addition, International bilingual Customer Representatives will be eligible to pick-up shifts in general sales, less the bilingual premium.

11) When a full-time or part-time vacancy occurs within the International bilingual Customer Representative bid it will be filled in the following order:

a.) International bilingual Customer Representatives in the International bilingual Customer Representative bid within that Center desiring to change status.

b.) Language qualified Customer Representatives in the same status (i.e. full-time or part-time) within that Center.

c.) Language qualified Customer Representatives desiring to change status within that Center.

d.) Language qualified Customer Representatives in the same status (i.e. full-time or part-time) from the Customer Support & Services Department.

e.) Language qualified Customer Representatives desiring to change status from the Customer Support & Services Department.

f.) Language-qualified Customer Service Agents, per Article Eleven Paragraph H of this Agreement.

g.) New hire employees.


12) Customer Representatives moving to and/or from the International bilingual Customer Representative bid cannot disrupt the vacation schedule already bid, but may exercise their seniority at that time to bid for whatever periods are available.

13) In the event of a reduction of force, seniority shall be used in accordance with Article Fifteen of this Agreement.

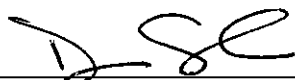
14) Customer Representatives within the International bilingual Customer Representative bid will be paid at a rate of \$1.00 per hour over and above the applicable rate of pay for Customer Representatives as outlined in Article Twenty-Seven of this Agreement.

15) TOWOP will be awarded within the International bilingual Customer Representative bid as outlined in Article Four of this Agreement; however, if general Customer Support & Services is not adequately staffed to handle the daily call volume, Customer Representatives within the International bilingual Customer Representative bid will assist with those calls before TOWOP is awarded.

16) Designees from both parties will meet as necessary to discuss and attempt to resolve any issues concerning the International bilingual Customer Representative bid. Agendas will be exchanged between the parties prior to the meetings in order to facilitate the discussions.



Mike Ryan



David Supplee

LETTER OF UNDERSTANDING NUMBER SIX

SHIFT BID RELEASE

- The Company may elect to offer Shift Bid Releases to Employees for an entire bid period.
- A minimum of seven (7) calendar days prior to a shift bid, a bid will take place for Shift Bid Releases.
- A Shift Bid Release period will be for a maximum of two months.
- The Company will determine the number of Shift Bid Releases to be offered at each location.
- Employees may bid for Shift Bid Releases on a voluntary basis.
- The bid for Shift Bid Releases will indicate the number of slots being offered for the next bid period.
- Employees awarded Shift Bid Releases are not eligible for voluntary or mandatory overtime.
- Employees on Shift Bid Release are ineligible to pick up shift trades.
- The Company will make every effort to equally distribute the shift bid release lines.
- Shift Bid Releases are considered non-worked hours, but will not affect sick pay accrual, seniority accrual or insurance benefits.
- Employees on Shift Bid Releases shall be considered on active status.



Mike Ryan



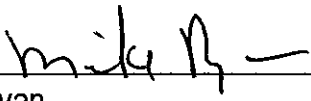
David Supplee

LETTER OF UNDERSTANDING NUMBER SEVEN


SPLIT SHIFTS

- A. When established by the Company, Employees may volunteer for split shifts.
- B. Each portion of the shift will be of equal lengths.
- C. If split shifts are available they will be offered in a pre bid which will be open for seven (7) calendar days prior to the regular shift bid.
- D. Once the pre bid is complete, the regular shift bid will be determined and offered as outlined in Article 6.
- E. Attendance rules in each classification shall apply. Please see respective attendance control programs.
- F. An inconvenience shift premium of \$90.00 shall be added to the base pay during each month an Employee is scheduled a split shift.
- G. All applicable overtime shall apply to hours worked before and/or after either half of the split shifts. Applicable double-time rate of pay will apply in accordance with Article 7. Overtime will be assigned in accordance with Article 7.
- H. Employees who are awarded a split shift will declare either am or pm preference for Flexible Time Off days and DAT days during the split shift pre-bid, which will be awarded in order of applicable seniority as part of the general monthly bid.
- I. Split shifts shall not exceed 10% of classification per bid location.

- J. Employees shall not be scheduled split shift assignments which shall cause Employees to have less than a 10 hour rest period between the end of the second half of the shift and the first half of the next scheduled day, except as a result of a shift bid change, shift trade, or voluntary overtime assignment.



Mike Ryan



David Supplee

LETTER OF UNDERSTANDING NUMBER EIGHT

INTERNATIONAL SEALS

The U.S. Customs and Border Protection (CBP) requires that any Employee working international flights undergo additional background checks and wear a badge with a CBP seal displayed. The CBP controls the number of sealed badges distributed to air carriers.

100% Seals Available:

In stations where the CBP authorizes seals for 100% of local Employees, the Company and Union agree all Agents will be required to apply for seals.

Less Than 100% Seals Available:

The Company is committed to petitioning for 100% sealed badges for all Employees at locations where International flights are operating. However, in stations where the CBP does not authorize enough seals for 100% of local Employees and/or in cases where not all Employees pass the additional background check, the Company and Union agree that the following shall apply:

The Company will first seek volunteers to receive CBP seals. The distribution of CBP seals will be based on seniority; that is, the most senior Agent in a classification who volunteers and who is capable, current, and qualified for performing the job functions will receive available seals. If an Agent who volunteers fails the required background check, the next most senior Agent who volunteered will be issued a seal.

If there are not enough volunteers, the Company will require the most junior Agents on each shift who are capable, current, and qualified for performing the job functions to be sealed up to the number of seals dedicated for each shift. If an Agent that is required to be sealed failed the required background check, the Company will require the next most junior Agent to be sealed until all dedicated to that shift are distributed.

The number of CBP seals available to each classification of Employees will be determined by the Company; however, in each classification, half of the available seals may be dedicated to Agents working the A.M. shift and the other half dedicated to Agents working the P.M. shift. Should the international operation change and require the Company to redistribute the percentage of Seals assigned to AM or PM, the Company will notify the Union of the change.


The Company will move sealed Agents into affected gates as needed but in the event that there are not enough sealed Agents to work an International flight, the Company will use the Overtime Callbook by awarding overtime to the sealed eligible Agent in the book as outlined in Article Seven. If there are no overtime volunteers, the Company will require the most junior sealed Agent to work the overtime.

Shift Bid/Operational Changes:


If shift bid/operational changes cause an imbalance of A.M. and P.M. sealed Agents, the Company will meet with the Union to discuss the redistribution of seals to satisfy the operation.

Shift Trades:

Internationally sealed Employees may trade with non-sealed Employees in accordance with Article Six.



Mike Ryan



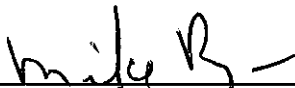
David Supplee

LETTER OF UNDERSTANDING NUMBER NINE


HOURS OF OPERATION

This letter of understanding will confirm the discussion during negotiations between Southwest Airlines and the International Association of Machinists District 142 relating to international flying and increasing hours of operation.

With regard to international flying, should the Company determine an operational need to increase the hours of operation at a location to 24 hours a day, the Company and the Union will meet to negotiate possible work rules associated with operating 24 hours a day.



Mike Ryan



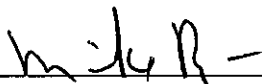
David Supplee

LETTER OF UNDERSTANDING NUMBER TEN

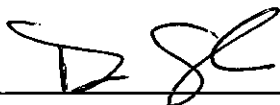
OVERTIME EQUALIZATION

This letter of understanding will confirm the discussion during negotiations between Southwest Airlines and the International Association of Machinists District 142 in regard to the possibility of creating a process to equalize overtime for Customer Representatives.

Upon the Company's request, both parties agree that they will meet to discuss overtime equalization for Customer Representatives, if agreed to, during the life of this current agreement.



Mike Ryan

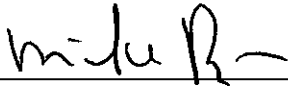


David Supplee

LETTER OF UNDERSTANDING NUMBER ELEVEN

**UNION TIME OFF FOR ELECTED LOCAL
LODGE AND DISTRICT LODGE REPRESENTATIVES**

The Company and Union recognize the need for the District and Local Lodge(s) designated representatives to be off work periodically to handle official business of the Union, e.g., elections, monthly Lodge meetings and semi-annual audits. Furthermore, the parties recognize that Local Lodges maintain an elected staff of five Officers and three Trustees. The identity of these Officers and Trustees shall be supplied in advance to the Company by the District or the Local Lodge in writing two weeks in advance of the release date. In recognition thereof the Company shall grant approved time off without pay for these purposes.



Mike Ryan



David Supplee


LETTER OF UNDERSTANDING NUMBER TWELVE

CUSTOMER CONTRACT SERVICE LEAD

The Company and the Union acknowledge that under special circumstances (e.g., seasonal flying), locations that do not exceed six (6) departures per day that staff Customer Contract Service Lead Agents:

- 1) will have a ninety (90) consecutive day grace period when and if flight activity exceeds 6 (six) departures per day;
- 2) will not exceed five (5) locations on the Southwest system per year;
- 3) the seasonal flying will not exceed ten (10) departures per day; and
- 4) the Customer Contract Service Lead will retain his/her position during any grace period.

Furthermore, any current locations on the date of ratification that are staffed with Southwest Employees will be exempt from Article 5, Paragraph 3.



Mike Ryan



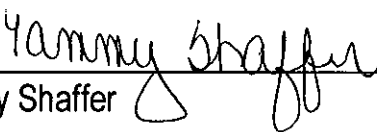
David Supplee

LETTER OF UNDERSTANDING NUMBER THIRTEEN

SPECIALTY DESK COMMITMENTS

During the course of negotiations the parties agreed to the importance of specialty groups at designated Center(s)/Locations to service the growth of Southwest Airlines and its employees.

This will confirm the understanding that separate bids established within the Customer Representative classification for the purpose of accommodating customer service channels may be established for a minimum of one year not to exceed a two year maximum,



Tammy Shaffer



Ann Pantuso-Liu