

Agreement
by and between
Southwest Airlines Co.
and
Transport Workers Union of America
AFL - CIO Local 555
representing
Ramp, Operations, Provisioning and Freight Agents

Southwest®



For the period February 19, 2016
through February 18, 2021

AGREEMENT

**BY AND BETWEEN
SOUTHWEST AIRLINES**

AND

TRANSPORT WORKERS UNION OF AMERICA

AFL – CIO LOCAL 555

REPRESENTING

RAMP, OPERATIONS, PROVISIONING AND FREIGHT AGENTS

**FOR THE PERIOD FEBRUARY 19, 2016
THRU FEBRUARY 18, 2021**

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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 Co. (hereinafter referred to as the "Company" and/or "Southwest") and the Transport Workers Union of America, AFL-CIO Local 555 (hereinafter referred to as the "Union"), representing the class and craft of Employees recognized by the Company as Ramp, Operations, Provisioning, and Freight Agents.

ARTICLE ONE
PURPOSE OF AGREEMENT

A. The purpose of this Agreement is, in the mutual interest of the Company, the Union, and the Employees, to provide for the operation of the Company under methods which shall further, to the fullest extent possible, the well-being of Southwest's Customers, the efficiency of operations, and the continuation of employment under reasonable working conditions. It is recognized to be the duty of the Company, the Union, and the Employees to cooperate fully to attain these purposes.

B. No Employee covered by this Agreement shall 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 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, religion, handicap, age, disability, sexual orientation, gender identity or veteran status.

ARTICLE TWO SCOPE OF AGREEMENT

A. **Recognition.** 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 Ramp, Operations, Provisioning, and Freight Agents. The Union reserves the right to defend and protect any covered Employee.

B. **Covered Employees.** This Agreement extends to and covers all Employees in the classifications described in Article Five who normally and regularly spend a majority of their work time in the performance of duties described in Article Five. Supervisors are not covered by this Agreement but may continue to perform covered work while on duty, with the understanding that the intent is for a supervisor to assist, direct, train, evaluate agent performance and support the operation by managing and directing the workforce. A supervisor may not replace any covered Employee or cover a scheduled line. 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 if covered Employees are available for voluntary overtime assignments. When, at management's discretion and approval, an agent may give away their shift to a supervisor, 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.
4. All supervisors who have entered into a shift trade with a covered employee will provide a copy (may be electronic) of that shift trade to the local union representative upon approval.

C. **Reasonable Work Rules.** Employees covered by this Agreement shall be governed by all reasonable Company rules and regulations 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 covered Employees and the Union Office prior to becoming effective.

D. **Management Rights.** The right to manage and direct the work force, subject to the provisions of this Agreement, is vested in and retained by the Company.

E. **New Classification/Jurisdiction.** Any new job classification coming within the scope of the class and craft described in Paragraph A of this Article is recognized as coming within 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 shall be negotiated between the Company and the Union. Any disagreements between the Company and the Union with regard to this Agreement shall be subject to Article 20.

F. **Third Party Contracting.** The Company and the Union agree that job security and a stable work environment are important objectives to be maintained. Therefore, the Company agrees that contracting with third parties shall be prohibited if it results in a reduction in force or involuntary furlough. It is the intent of both parties that covered work be done by Southwest Airlines Employees.

1. Should the Company have a need to contract with third parties for the performance of covered work, the Company shall notify the Union of:
 - a. The nature of the contract; and
 - b. The anticipated length of time the third party work shall be required.

The Company and the Union agree to discuss the time frames in an attempt to minimize such third party work and return same to covered Employees. No such contracting shall occur when and if adequate facilities are available for the Company's operations, ramp, and/or freight needs.

2. Should the Company have a need to contract with third parties for the performance of covered work at stations where flight activity does not exceed 12 departures per day, the Company shall be entitled to do so. The Company shall notify the Union of:
 - a. The nature of the contract; and
 - b. The anticipated length of time the third party work shall be required.

This provision shall not apply to stations in operation as of March 27, 2009.

3. The Company and the Union agree that the Company may use a third-party for the performance of covered work in the San Juan, Puerto Rico station so long as departures do not exceed 25 departures per day.

G. **Freight Facilities.** When and so long as (i) the volume of freight at a station exceeds four hundred thousand (400,000) pounds total of inbound and outbound freight for a four (4) consecutive month period; and (ii) adequate facilities are available, the Company shall establish and maintain a separate bid location for Freight Agents within the Operations Agent

classification; provided, however, that freight facilities established as of the effective date of the 2001 Agreement covering Ramp, Operations, Provisioning, and Freight Agents shall not be affected by the volume requirement in clause (i), above. The Company will provide the Union with a monthly report containing each station's total volume of freight handled that month.

ARTICLE THREE STATUS OF AGREEMENT

A. **Ratification.** It is expressly understood and agreed that, when this Agreement is accepted by the Company and ratified by the membership of the Union, it shall be binding on both the Company and the Union and shall supersede any and all agreements existing or previously executed between the Company and the Union and/or any other organization representing the Employees covered hereunder.

B. **Merger, Purchase, or Acquisition of Another Company.** In the event of a merger, purchase, or acquisition by the Company of another company, involving that entire company or a substantial portion of that company, the Union and the Company will meet to discuss the impact of the merger, purchase, or acquisition, if any, upon Union represented Employees. The Company will provide the Union with information concerning the proposed merger, purchase, or acquisition at the earliest practicable time, subject to SEC and other applicable laws and regulations, to allow the Union to prepare for those discussions. No confidential business information shall be disclosed unless the Union agrees to suitable arrangements for protecting the confidentiality and use of such information.

1. The rates of pay, rules, and working conditions contained in this Collective Bargaining Agreement will not be open for collective bargaining in the event of a merger, purchase, or acquisition of another company, nor will the Union or the Company have any obligation to bargain upon changes thereto, except as provided in Article 29.
2. In the event the merger, purchase, or acquisition results in the integration of Ramp, Operations, Provisioning, and/or Freight Agents, the parties agree to integrate the two work groups in accordance with Sections 3 and 13 of the Allegheny-Mohawk Labor Protection Provisions, 59CAB22 (1972).
3. The parties agree to submit to final and binding arbitration by an arbitrator from a list approved by the National Mediation Board any disputes not settled in the meetings provided within six (6) months of the effective date of the merger, purchase, or acquisition which involve integration of the Southwest Ramp, Operations, Provisioning and/or Freight Agent Seniority List(s) with the corresponding list(s) of the company being acquired. The costs of the arbitration will be shared equally by the parties, and there shall be only one such arbitration proceeding which will be the sole and exclusive remedy for all such disputes.

C. **Merger, Purchase, or Acquisition by Another Company.** In the event of a merger, purchase, or acquisition of the Company by another company, the Union and the Company will meet to discuss the impact upon Union represented Employees of the merger, purchase, or

acquisition. The Company will provide the Union with information concerning the proposed merger, purchase, or acquisition at the earliest practicable time, subject to SEC and other applicable laws and regulations, to allow the Union to prepare for those discussions. No confidential business information shall be disclosed unless the Union agrees to suitable arrangements for protecting the confidentiality and use of such information.

1. **Labor Protection Provisions.** In the event of a merger, purchase, or acquisition of the Company by another company in which operational integration of Ramp, Operations, Provisioning, and/or Freight Agents will occur, the integration of the respective Ramp, Operations, Provisioning, and/or Freight Agent groups will be governed by Sections 3 and 13 of Allegheny-Mohawk, 59CAB22 (1972). Such integration shall occur in a fair and equitable manner within thirty-six (36) months of the effective date of the transaction. The Ramp, Operations, Provisioning, and/or Freight Agent groups will remain separate until such time as the seniority lists are integrated in accordance with this paragraph. Additionally, the Company must comply with paragraphs C and C.2 of this Article before any merger, purchase or acquisition by another company can be finalized.
2. **Successorship.** The Company will not bring a single or multi-step successorship transaction to final conclusion unless the successor agrees, in writing, to:
 - a. Recognize the Union as the representative of the Employees on the Southwest Ramp, Operations, Provisioning, and/or Freight Agents Seniority List as of the effective date of the transaction consistent with the Railway Labor Act, as amended.
 - b. Employ the Employees on the Southwest Ramp, Operations, Provisioning, and/or Freight Agents Seniority List in accordance with the provisions of this Agreement.
 - c. Assume and be bound by this Agreement.

D. **Remedies.**

1. Except as provided in Paragraph B.3 of this Article for resolution of disputes involving integration of seniority lists, the Company and the Union agree to arbitrate on an expedited basis as provided for in Article 20.L.13, any grievance alleging a violation of Paragraphs B and C of this Article, unless otherwise mutually agreed by the Company and the Union. The provisions of the Railway Labor Act shall apply to resolution of any dispute regarding this Article.

2. Nothing in this Article shall affect any rights and remedies in law or equity as may be available to the parties for enforcement of arbitration awards involving violations of this Article.

E. **Amendments.** Either party may propose in writing to the other party any amendment which it may desire to make to this Agreement. No amendment hereto shall be valid unless in writing and duly and properly executed by the Vice Presidents of Ground Operations and Provisioning and the President of the Union.

F. **Captions.** Any and all captions and/or titles of articles, sections, and/or paragraphs are for convenience of reference purposes only and shall neither add to nor detract from the substance of this Agreement.

ARTICLE FOUR DEFINITIONS

- A. "Employee" as used in this Agreement shall mean the Employees in the classifications of Ramp Agent/Provisioning Agent and Operations Agent/Freight Agent.
- B. A "week" shall consist of seven (7) consecutive days commencing at 0000:01 Sunday morning.
- C. A "day" shall be a twenty-four (24) hour period beginning at 0000:01.
- D. A "work shift", except as otherwise provided herein, shall consist of eight (8) hours, exclusive of meal periods.
- E. "Month" as defined herein shall mean calendar month.
- F. "LWOP" time shall mean leave without pay taken by agreement between the Company and the Employee.
- G. "FTO" as used in this agreement shall mean Flexible Time Off.
- H. It is understood that wherever in this Agreement reference is made to the male gender, it shall include both genders.
- I. The term "successor" as used in this Agreement will include, without limitation, any purchaser, assignee, transferee, administrator, receiver, executor, and/or trustee of the Company, of all or substantially all, of the assets and property of the Company, and is not limited to any merger entity described or referred to in Article Three of this Agreement.
- J. The term "Successorship transaction" as used in this Agreement will mean any transaction, whether single step or multi-step, that provides for, results in, or creates a successor.

ARTICLE FIVE CLASSIFICATIONS

SECTION ONE RAMP AGENT/PROVISIONING AGENT

The work of Ramp, and Provisioning Agents includes the functions which have been historically performed by such agents at Southwest Airlines stations and includes, but is not limited to, any or all of the following work covered under this specific labor contract. Agents required to perform such duties must be current and qualified within that classification.

- A. Loads, unloads, services, guides, and directs Company aircraft.
- B. Transports cargo to and from aircraft, including from the Company to other carriers.
- C. Loads and unloads the cargo compartment of the aircraft with cargo (such as Customers' baggage, air freight, air mail, ballast, and Company materials) according to a pre-determined plan received either electronically or manually from an Operations Agent. Submits, either electronically or manually, a Cargo Bin Loading Slip (CBLS) to an Operations Agent.
- D. Warehouses, weighs, stacks, picks up, and delivers air cargo; checks air cargo handled against its accompanying forms to identify any mishandling or discrepancies; and corrects routine errors.
- E. Safeguards Customers' baggage, air cargo, air mail, and comat from weather, loss, theft, damage, and/or destruction.
- F. Receives and records (either manually or by means of an electronic scanner, worn or held by a Ramp Agent) Customer baggage, air freight, air mail, and comat as required. Re-stickers misconnect bags.
- G. Checks cargo data/forms for accuracy and corrects data/forms as necessary.
- H. Equips aircraft cabin interiors for flights with equipment and supplies such as blankets, literature, disposal and refuse containers, and commissary items (including ice), in accordance with applicable paperwork (which may be in electronic form).
- I. Hand cleans interior of aircraft by such operations as hand sweeping and dusting, empties ash trays, and uses specialized cleaning fluids and materials, using mechanized cleaning aids as required, in accordance with applicable paperwork (which may be in electronic form).

- J. Removes stains from upholstery; cleans windows; and cleans and services lavatories and galleys and disposal containers, in accordance with applicable paperwork (which may be in electronic form).
- K. Transports cabin, commissary, and cleaning equipment between aircraft and storage areas.
- L. Wears visual identification required by the Company, prominently displayed for ready recognition.
- M. Maintains an inventory of cabin equipment items, commissary items, and cleaning equipment and supplies, including the storage areas for such supplies and notifies local management of possible materials needed.
- N. Checks delivery of supplies for shortages and brings discrepancies to the attention of local management.
- O. Works according to Company regulations and procedures and instructions from supervisors issued in accordance with this Agreement.
- P. As qualified, operates all power and other ground equipment (including push back tugs) assigned by the Company to complete its airline operations.
- Q. Has routine contacts with people outside the Company such as delivery agents, shippers, etc.
- R. Completes forms and paperwork connected with work assignments according to established procedures and enters such information into the Company's information system as required.
- S. Keeps work area in a clean and orderly manner, including storage areas for Company supplies and commissary items and Employees' break room.
- T. Provides friendly service to all co-workers and Customers.

SECTION TWO

OPERATIONS AGENT/FREIGHT AGENT

The work of an Operations Agent includes the functions which have been historically performed by Operations Agents at Southwest Airlines stations and includes, but is not limited to, any or

all of the following work covered under this specific labor contract. Agents required to perform such duties must be current and qualified within that classification.

- A. Coordinates the ramp, operations, Customer boarding/deplaning, and provisioning functions at the airport to assure expedient handling/servicing of aircraft and to achieve on-time departures, quick turnarounds, and to make up time on delayed flights.
- B. Opens and closes the stations, advising Dispatch of same; transmits required messages about conditions; operates stations/flight communications equipment and radio communications equipment as needed; answers station operations telephones and advises gate agents when the Operations Agent will board Customers.
- C. Prepares Dispatch release forms and collects weather reports for the crew.
- D. Arranges to have aircraft fueled as required.
- E. Prepares weight and balance computations at each station/location and advises Dispatch, Flifo, and stations of flight departures. Weight and balance entries will be completed, coordinated and verified by the Ops Agent for submission to the crew.
- F. Retrieves, edits and approves load plan and makes any adjustments to flight parameters. Makes load plan available to Ramp Agents. Receives, either electronically or manually, cargo bin loading information from Ramp Agent and advises Ramp Agent of any necessary changes.
- G. Closes out flights and files flight information.
- H. Ascertains that aircraft are properly cleaned and provisioned prior to departure.
- I. Coordinates special requests received for services that are needed on flights; e.g. servicing lavatories, cabin grooming, and wheelchairs for Customers, and performs special emergency cleaning.
- J. Operates jetway; coordinates the boarding and de-planing of Customers.
- K. Works with gate agents in expediting the check-in process; collects boarding passes and/or electronic boarding data and verifies boarding counts.
- L. Writes and submits irregularity reports as required.
- M. Checks cargo on hand to see that it is properly logged and accounted for; completes airbills, verifies shipments; accepts and accounts for payment.

- N. Checks that board mail and Company material are dispatched and sent to indicated stations.
- O. Receives, refers, or makes paging calls and makes paging announcements, as appropriate.
- P. Keeps other station personnel advised of flight movements, weather conditions, and irregular operations.
- Q. Prepares statistical reports to record information from trip papers/data.
- R. Operates and monitors equipment for flight information display systems and updates system when operationally necessary.
- S. Properly maintains and wears the uniform as required by Company regulations and presents a neat and professional appearance while on duty.
- T. It is understood and agreed that Operations Agents who are currently working in the Operations Classification and Freight Agents who are currently working in the Freight bid locations shall not be displaced as a result of future technology enhancements.
- U. Provides friendly service to all co-workers and Customers.
- V. Works according to Company regulations and procedures and instructions from supervisors issued in accordance with this Agreement and receives/delivers information into the Company's information system as required.
- W. Has routine contacts with people outside the Company such as delivery agents and shippers at the Cargo facility.
- X. Performs Cargo security screening at the Cargo house.

SECTION THREE CROSS-UTILIZATION

It is mutually understood and agreed that under normal working conditions, Ramp Agents shall perform Ramp Agent duties; Provisioning Agents shall perform Provisioning Agent duties; and Operations Agents shall perform Operations Agent duties; however, cross utilization shall be allowed when sufficient personnel of a specific job classification are not available. No Employee shall be required to perform duties in another job classification unless that Employee has been adequately trained to perform the required duties and is current and qualified.

**ARTICLE SIX
SECTION ONE
HOURS OF SERVICE**

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

B. **Meal Period.** A thirty (30) minute meal period, shall be scheduled during the fourth, fifth or sixth hour. All meal periods must be completed before the end of the sixth hour. Should an Employee not be scheduled a meal period during the fourth, fifth, or sixth hour, he will be paid time and one half their hourly rate of pay for the thirty (30) minute meal period and will receive an uninterrupted meal period. Should an Employee not be permitted a meal period at all, he will then be paid .5 hours overtime and two (2) hours straight time pay in addition to their regular pay. Eight (8) hours, inclusive of a thirty (30) minute meal period, shall constitute a day's work for those Employees whose regular shift begins between the hours of 6:00 P.M. and 4:00 A.M.

C. **Scheduled Days Off.** Employees, excluding Relief Agents, shall be scheduled for at least two (2) consecutive days off in each of their work weeks. Saturday and Sunday shall be considered as consecutive days off for this purpose.

D. **Work Schedule Bids/Requirements.** Work schedules shall be bid as often as required but shall be bid at least six (6) times per year. Each bid shall be for a minimum period of twenty eight (28) days and shall, where possible, become effective at 0000:01 Sunday morning. Each bid shall indicate the starting and tentative ending dates of the work schedule. Once an Employee's shift is established, it shall not be changed except in accordance with this provision or Article Seven (Overtime). The ending date of the work schedule may be changed due to an unexpected change in flight activity or because of Employee(s) returning from approved leave(s) of absence. There shall be no re-bid on less than seventy-two (72) hours notice. Employees shall have seven (7) days to bid on either a shift bid or rebid. Nothing in this Agreement shall prevent the Company from assigning shifts and days off to new hire probationary Employees. Probationary Employees shall be considered in training, and shall be assigned shifts and days off, but not used as Relief Agents, during the first thirty (30) days worked of their probation. Thereafter, probationary Employees shall bid shifts and days off according to their seniority on the next scheduled bid. An Employee who returns from an approved leave of absence will, by exercising his seniority, select a shift and days off that his seniority would allow him to hold according to the current shift bid. An Employee may file a permanent shift and day off bid. The permanent bid will be distributed to the Company, shop steward, and the Employee. Once on file with the Company, the permanent bid will stand as the Employee's official bid in the event an Employee fails or is unable to file a bid during the location's regular bid process. If an Employee wants to change his permanent bid he may do so at any time. All bids on file before the bid closes 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.

E. **Job Duties.** Job duty preferences will be indicated on the work schedule bid. All job duties are subject to change at any time without advance notice. Job duty preferences will not be gate specific or to a select work area. Job duties on the work schedule bid represent a preference for Employees and are not subject to the grievance process.

F. **Holiday Pay.** An Employee who is excused from work on a designated holiday shall receive a regular day's pay therefore.

G. **1:00 A.M.-5:00 A.M. Shift.** If a shift is established with a starting hour at or after 1:00 A.M. but before 5:00 A.M., the Employee shall be paid time and one-half of his regular rate of pay for the portion of such shift which falls between such hours.

H. **Posting Shift Assignments.** The regular shift assignments shall be prepared and posted at each location at least seventy-two (72) hours in advance of becoming effective.

I. **Rest Periods.** All Employees shall be granted a fifteen (15) minute rest period for each four (4) hours of a scheduled work shift. Consistent with the requirements of the service, the Company shall make a reasonable effort to schedule rest periods as near as possible to the midpoint of each half of an Employee's shift; however, in no event shall rest periods be scheduled to commence in the first hour of an Employee's shift or in the last hour of an Employee's shift.

J. **Jury Duty.** Employees absent during their normal work day for the purpose of serving as a juror shall be entitled to their regular pay for the number of authorized days off. If the Employee is required to report for jury duty the next morning, the Employee shall not be required to work beyond 10:00 P.M. the night before jury duty, but shall receive pay for the balance of his scheduled shift. Whenever the Employee is released from jury service that lasts four hours or more, he shall be allowed ten (10) hours rest before reporting back to work. An Employee receiving a jury summons shall notify his supervisor immediately and shall provide the 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. When an Employee is released from jury duty at least two hours prior to the start of his shift, and jury duty lasted less than four hours, the Employee will be required to report to work.

K. **Shift-trades.** The trading of a work shift or day off between Employees within the same classification shall be permitted if a request in writing, signed by all of the trading Employees, is submitted to the appropriate station management at least twelve (12) hours in advance of the starting time of the first intended trade, provided the Employees involved are capable, current, and qualified for performing the job functions traded. Requests submitted less than twelve (12) hours prior to the first intended trade are subject to management approval. Shift trades submitted two days or more in advance of the first intended trade will be approved at the end of the following day from the time the agent submitted the signed and properly completed shift trade form to appropriate station management, provided the employees involved are capable, current and qualified for performing the job functions traded. The submittal of shift trade requests will not be permitted until Freeday/FTO/DAT bids are awarded and shifts are established. Freeday/FTO/DAT day bids must be awarded at least 72 hours before the beginning of the month in which they take effect. Employees who trade become responsible to work the shift agreed to as if it were part of their regular shift assignment. No trade can involve more than four (4) persons. Trades involving probationary Employees in their first thirty (30) days worked of service are subject to Company approval.

Once electronic shift trades are available online, all shift-trades must be submitted to the appropriate system.

1. **Approval.** The trading or giving away of a workshift shall be permitted when agreed to by two (2) Employees when the above mentioned requirements have been met, subject to the approval of the Company.
2. **Rate of Pay.** It is expressly understood that in each case of a trade or giveaway, the Company shall pay the Employee who actually performed the work for the hours actually worked at straight time. [Example (1): Agent A works for Agent B during a pay period. In return, Agent B works for Agent A during the same pay period. Result: No changes in pay for either individual. Example (2): Agent A works for Agent B during any pay period of the month and Agent B does not repay the shift trade during that same pay period. Result: Agent A shall receive eight (8) hours additional straight time pay on the check that he receives for that pay period, and Agent B shall receive eight (8) hours less. Agent B can only receive the eight (8) hours straight time pay when he actually works for Agent A on some future date.]
3. **Overtime Exclusion.** No overtime shall be created by a shift trade or give away.
4. **Reporting Requirements.** Until electronic means become available, all trade agreements and shift giveaways must be in writing, signed by all parties involved, and be submitted to station management in order to be considered valid. Shift trades and giveaways of less than a full shift shall be permitted. An Employee

who commits to work a shift other than his own shall be required to report on time.

5. **12 Day Rule/Double Rule.** Employees shall not be required to work more than twelve (12) days in a row, nor required to work more than three (3) consecutive double shifts nor permitted to work more than five (5) consecutive double shifts. The Employee off because of giving away of a shift shall be eligible for overtime as out-lined in Article Seven (Overtime) of this Agreement.
 6. **Preserving Seniority.** It is understood that the shift/day trade provisions of this Article may not be used to circumvent the awarding of shifts as described in Article Eight (Seniority).
 7. **Giveaway/Mandatory.** An Employee required to work an overtime assignment may elect to giveaway such assignment by means of a shift giveaway upon verification by the Company. The Employee shall then be classified under Article Seven, Paragraph I, Sub-paragraph 1(e), for any other overtime call out procedures.
- L. **10 Hour Rest Rule.** Employees shall not be scheduled regular shift assignments which shall cause Employees to have less than a ten (10) hour rest period between shifts, except as a result of a shift bid change, shift trade, or voluntary overtime assignment. If, due to a mandatory overtime assignment of four (4) hours or more, an Employee receives less than ten (10) hours of rest before his next regular scheduled shift, that Employee will elect one of the following two options:
1. Receive ten (10) hours rest, and be paid at his regular straight time rate for time lost from his regular work shift because of that rest; or
 2. Waive the ten (10) hour rest requirement and be paid at the double time rate for all hours worked that were considered part of the ten (10) hour rest period.
- M. **Local Agreements.** The provisions of this Article may be changed by local agreement to provide for different work schedules in regards to Section One of this Article (Hours of Service), Article Seven (Overtime), and Article 14 (Vacations).

SECTION TWO

Relief Agents

A. **Coverage.** Where established by the Company, Employees may be assigned to relief duties for the purpose of covering any absence. These shifts shall not have clearly defined work weeks since their work shall vary dependent upon the work week of the Employee whom they are relieving. In order to provide such allowance for days off to such relief personnel, the Relief Agent shall be entitled to a minimum of four (4) days off for each two (2) week period in the specified bid period. Where there is an odd number of weeks in the bid period the Relief Agent shall be entitled to two (2) days off for the odd week in that specified bid period.

B. **Base Shift.** On days on which the Relief Agent cannot be scheduled to a relief assignment, he shall have hours of service and days of rest as established by the Company. Base shifts shall not include Saturdays or Sundays as scheduled days off. Base shifts will be established as A.M. or P.M. shifts and will not be used to cover an absence outside of that designation.

C. **Notification/Changes.** Relief Agents may have their base hours temporarily changed with at least twelve (12) hours notice prior to the start of the new shift assignment. However a Relief Agent will not be required to report to a shift without at least a ten (10) hour rest period.

D. **Bidding.** Relief shifts shall be bid as prescribed in Section One, Paragraph D, of this Article and shall be identified appropriately.

E. **Relief Shifts.** Relief shifts shall be bid separately in 1) Ramp; 2) Provisioning; 3) Operations; and 4) Air Freight. Relief Agents bids shall be designated as A.M. or P.M. shifts. A.M. Relief Agents will be used only to cover A.M. shifts. P.M. Relief Agents will be used only to cover P.M. shifts.

F. **Premium.** Relief Agents shall receive a premium of one hundred seventy five dollars (\$175.00) per month, in addition to inconvenience shift premium, which shall be added to their base pay during each month they work.

G. **Day Off Status.** Relief Agents shall be covered under Article Seven for overtime purposes. For the purpose of applying the overtime provisions of Article Seven, Relief Agents shall be considered on first day off status on their first 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. **Allowable Amounts.** The number of Relief Agents per station shall be determined by the Company; however, the maximum number allowed shall be calculated separately based on

the number of Employees on the current shift bid in each location for 1) Ramp; 2) Provisioning; 3) Operations and 4) Air Freight, as follows:

1-20	Employees	2	Relief Agent
21-30	Employees	3	Relief Agents
31-40	Employees	4	Relief Agents
41-50	Employees	5	Relief Agents
51-60	Employees	6	Relief Agents
61-70	Employees	7	Relief Agents
71-80	Employees	8	Relief Agents
81-90	Employees	9	Relief Agents
91-100	Employees	10	Relief Agents
101-110	Employees	11	Relief Agents
111-120	Employees	12	Relief Agents
121-130	Employees	13	Relief Agents
131-140	Employees	14	Relief Agents
141-150	Employees	15	Relief Agents
151-160	Employees	16	Relief Agents
161-170	Employees	17	Relief Agents
171-180	Employees	18	Relief Agents
181-190	Employees	19	Relief Agents
191-200	Employees	20	Relief Agents
201-210	Employees	21	Relief Agents
211-220	Employees	22	Relief Agents
221-230	Employees	23	Relief Agents
231-240	Employees	24	Relief Agents
241+	Employees	25	Relief Agents

ARTICLE SEVEN OVERTIME

A. **Computation.** 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. If an Employee elects to waive the requirements for the minimum three quarters (3/4) hour overtime, he may do so if approval is obtained from a supervisor. For the purpose of this Article only, it is expressly understood and agreed that a part-time Employee's seniority shall be the date he was placed in the classification in which he is working.

B. **Time and One-half.** Employees shall be paid an hourly rate of time and one-half for:

1. **First 4 Hours.** The first four (4) hours worked either prior to or after an Employee's regular shift.
2. **First 8 Hours.** The first eight (8) hours worked on one of the two regularly scheduled days off.

C. **Double-time.** Employees shall be paid an hourly rate of double time for:

1. **Excess of 8 Hours Overtime.** All hours in excess of the first eight (8) hours worked on one of the two regularly scheduled days off each work week.
2. **Second Scheduled Day Off.** For all time worked on the second regularly scheduled day off in a work week, if a minimum of four (4) hours overtime on the first day off was also worked.
3. **Excess of 12 Hours.** For all time worked in excess of twelve (12) hours in any work day.
4. For all time worked due to mandatory overtime assignments.

D. **Notification.** Whenever possible, Employees in a shift shall be given a minimum of two (2) hours notice of overtime. It is specifically understood that no notice shall be necessary whenever normal station operations are jeopardized. The Union and the Company agree that less than two hours notification is not desirable, and the provisions of this Article must be considered when notifying an Employee of an overtime assignment. When it becomes necessary for Employees to work overtime, they shall not have their regular work schedule altered to fill an overtime assignment.

E. **Authorization.** Overtime shall be worked only by direction of the proper supervisor of the Company, except in cases where normal station operations are jeopardized and where prior authority cannot be obtained.

F. [Intentionally left blank.]

G. **Continuous With Overtime.** If a known overtime assignment of less than four (4) hours is available, it shall be filled by continuous with overtime (shift extension) as follows:

1. **Posting.** A column in the call book (Appendix A) shall be available for an Employee to indicate that he is volunteering to work continuous with overtime. The Employee will indicate either, "B" for before scheduled shift, "A" for after scheduled shift or "X" for both.
2. **Agreement.** When an Employee signs this sheet, it constitutes his agreement to work the overtime.
3. **Seniority.** Assignments shall be made to the most senior qualified Employee(s) on the sign up sheet.
4. **Reverse Order.** If no one signed up for overtime continuous with the beginning or ending of his shift, assignments shall be made in reverse order of seniority. If there is an Employee with less seniority who gets off later but can cover a portion of the overtime needed, the more senior Employee shall be released when the more junior Employee becomes available. This "stair stepping" of mandatory overtime shall only be done one time per assignment.
5. **Rest Period.** For continuous service after regular working hours, Employees shall 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.

H. **Splitting Assignments.** The Company may cover less than a full shift of available overtime, but if a block of four (4) or more consecutive hours is to be covered, the block shall not be split for assignments unless no one is eligible and available in the call book.

I. **Overtime Call Book.** If a known overtime assignment of four (4) hours or more is available, the overtime call book for each bid location shall be utilized. In accordance with Appendix A, to be eligible for this overtime, an Employee must complete and sign the overtime call book in ink, and must initial, in ink, any subsequent deletion or changes. All such changes must be witnessed and initialed by a supervisor. A standard overtime call book shall be used at all stations and offices. Overtime call books shall be posted for a minimum of fourteen (14) days

in advance. When an Employee signs the overtime call book, it shall constitute his agreement to work on the day for which he signed, and normal attendance rules shall apply.

1. An Employee who is assigned voluntary overtime and reports ill will be paid sick pay at his regular rate of pay. A maximum of eight (8) hours sick pay will be paid for that day. All attendance rules will apply in accordance with Article 23.
2. **Assignment Order.** Assignments from the overtime call book shall be assigned to qualified Employees in the following descending order:
 - a. By scheduling of the senior Employee of that bid location who is on his first day of rest, or who is on his second day of rest and has not worked four (4) or more hours of overtime on his first day of rest. If no such Employee is available, then:
 - b. By scheduling of the next senior Employee of that bid location who is on his regular workday and is at work, or has left work. If no such Employee is available, then:
 - c. By scheduling of the senior Employee of that bid location 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:
 - d. By scheduling of the senior Employee of that bid location who has adjusted his hours because of a shift trade. If no such Employee is available, then:
 - e. By scheduling of the senior Employee of that bid location who is on a shift giveaway. If no such Employee is available, then:
 - f. By scheduling of the senior Employee of that bid location who is on a freeday/FTO. If no such Employee is available, then:
 - g. By scheduling of the senior Employee of that bid location who is on vacation. If no such Employee is available, then:
 - h. By scheduling of the senior Employee of that bid location who is on an EAD. If no such Employee is available, then:
 - i. By scheduling of the senior Employee of that bid location who has completed and signed the overtime call book below the close out line.

3. **Complete Utilization of Call Book.** An Employee who has worked an overtime assignment of four (4) hours or more in his overtime day has fulfilled his obligation to work voluntary overtime for that day, but shall be eligible for further overtime assignments after all other Employees above the close out line in the overtime call book have been utilized.
4. **Closing/Notification.** The overtime call book for the following day shall be closed at 1200 hours of the preceding day or sooner when the station or office closes prior to 1200 hours. The Company shall attempt to assign known overtime assignments within two (2) hours after the overtime call book is closed.
5. **Assignment/Preference.** When completing and signing the overtime call book, Employees shall indicate their preference for either an A.M. or P.M. overtime assignment, or both. Employees who indicate a preference for an A.M. overtime assignment in the overtime call book shall not be called for voluntary overtime assignments beginning at or after 12:00 noon on that date. Employees indicating a preference for P.M. overtime assignments in the overtime call book shall not be called for voluntary overtime assignments beginning before 12:00 noon on that date. When overnight shift(s) are scheduled, the overtime call book will be discussed and will be modified by local agreement in accordance with Article Six, Paragraph M.
6. **Mandatory Assignments.** 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 Employees must utilize the overtime call book to the fullest. If a sufficient amount of overtime is not voluntarily obtained or if no one signed the overtime call book, the Company shall require Employees to work the overtime. It shall only be assigned as outlined in Article 7.1.2. a., b., and c. in reverse order of seniority.
 - a. However, when an Employee trades or gives away his entire shift or any portion of his shift, and
 - then cancels or trades back to his original shift after initial callout assignments have been made, and
 - the original trade or giveaway made that Employee ineligible for a mandatory callout assignment that he would have received, then
 - that Employee will continue to be eligible for assignment as outlined in Article 7.1.2. a, b, and c, in reverse order of seniority, and will be eligible to be given one mandatory assignment when on "d" status during the next seven (7) calendar days.

- b. Employees will only be required to work on one (1) of their regularly scheduled days off. However, in the event of an emergency situation and the Employee is mandatoried to work 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.
 - 7. **Recall.** Employees recalled to work shall be paid a minimum of four (4) hours at the applicable overtime rate.
 - 8. **Vacation Status.** Employees who volunteer to work while on vacation shall be paid at the rate of time and one half for the first eight hours of all vacation days worked, and double-time for all hours in excess of eight hours in one day. Standard overtime rates and guidelines apply on days off prior to and immediately following vacation days.
 - 9. **Standard Overtime Call Book.** (Appendix A).
- J. **Freight.** Where separate freight bid locations are maintained, an overtime call book shall be maintained in each bid location within the Operations/Freight location. Overtime within a bid location shall be filled first from within the bid location if Employees within that bid location have signed the call book. If no one within the bid location has signed the call book, overtime shall be awarded from the call book at the other bid location to Employees who are qualified and current for the position for which overtime is required. The determination of qualification and the currency necessary to be eligible for overtime in a bid location shall be at the sole discretion of the Company. If no one signs the call book at either bid location, the overtime shall be assigned to the junior available Employee within the bid location, as outlined in Article 7.1.2. a., b., and c.
- K. **Overtime Sheets/Unsigned.** Any Employee who has not signed the overtime call book shall have no rights under the grievance procedure (Article Twenty) in case of a dispute as to voluntary overtime.
- L. **Charters.** A column in the call book (Appendix A) shall be available for an Employee to indicate a preference to work charter overtime. Employees will be ineligible for one-day charters if the charter is scheduled to overlap an employee's scheduled hours. For two-day charters, overlaps are permitted on the 2nd day. Overtime compensation for Charters shall be as follows:
- 1. **One-Day.** Agent shall be paid the applicable rate beginning one hour prior to charter, deadhead, or ferry flight departure, until thirty (30) minutes after the arrival at the agent's base station.

2. **Two-Day.** Agents shall be paid the applicable rate for activities associated with a charter on the first day. If call out, a minimum of four (4) hours shall be paid. Agents shall be paid the hourly rest period rate of three (3) dollars an hour for an eight (8) hour rest period. The rest period shall begin thirty (30) minutes after termination of the first day of charter operation. If the rest period extends beyond the eight (8) hours, the agent shall be paid the applicable overtime rate for all hours of the second day. If the rest period does not extend beyond eight hours, the applicable overtime rate shall resume one hour prior to the first departure of the second day and continue until thirty (30) minutes past the agent's arrival at his base station. When applicable, the Employee shall be considered on deadhead positive space status when returning to base station.
3. **Expenses.** Employees shall receive \$35.00 per day while on charters. A single hotel room shall be provided at the Company's expense during the rest period mentioned above.

ARTICLE EIGHT SENIORITY

A. **Company Seniority.** Company seniority shall be defined as an Employee's continuous length of service with the Company and shall determine length of vacation, if any.

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

1. Ramp/Provisioning Agents; and
2. Operations/Freight Agents.

Each classification shall be divided into two (2) job titles. The Ramp/Provisioning Agent Classification shall contain the following job titles:

1. Ramp Agent; and
2. Provisioning Agent.

The Operations/Freight Agent Classification shall contain the following job titles:

1. Operations Agent; and
2. Freight Agent.

Furthermore, effective June 14, 2001, Employees under the scope of this Agreement will begin to accrue seniority within both classifications ("R/O Seniority").

Classification seniority shall determine:

1. Choice of vacation (within a job title);
2. Shift assignments including days off (within a job title);
3. Reduction in force; and
4. Filling of vacancies within a classification.

Notwithstanding the provisions of the preceding paragraph, where a station has nine (9) agents or less in Operations and Freight combined, choice of vacation assignments shall be determined by classification seniority within the Operations/Freight classification. Stations with nine (9) agents or less combined that currently choose vacations separately shall continue to

do so (e.g. Amarillo, Harlingen, and Indianapolis), unless there is a significant reduction in flight activity at such station, in which case the Company and the Union will meet to discuss in good faith whether such procedure should be changed. Any other deviation from this policy will be permitted only by a local agreement, as provided for in Article 6.

- C.
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 ratification 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 ratification of this Agreement.

D. **Seniority List.** Seniority lists shall be compiled as of January 1 and July 1 of each year, and be published, by posting, by January 15 and July 15 of each year. A copy of the seniority list shall be furnished to the Union Office on or before the posting date. Seniority lists are established for the following classifications:

1. Ramp/Provisioning Agents; and
2. Operations/Freight Agents.

NOTE: Seniority lists shall also contain R/O Seniority established on June 14, 2001.

E. **Corrections to Seniority List.** Employees shall have fifteen (15) days after the publication date of the seniority list to protest any omission or incorrect position affecting their seniority.

F. **Termination.** Any Employee whose employment terminates shall forfeit his seniority rights.

G. **Probation.** All new Employees shall serve a probation period of one hundred eighty (180) calendar days. 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, Section One, Paragraph D, and exercise the use of shift trades and giveaways under the provisions of Article Six, Section One, Paragraph K, after the completion of the first thirty (30) days worked of their probationary period. Trades involving Probationary Employees in their first thirty (30) days of service worked are subject to Company approval.

Sick leave shall accrue but may not be taken during the first thirty (30) days of an Employee's probation period. In the event a Probationary Employee is granted a leave of absence for any reason, the probation period shall be extended by the number of calendar days equal to the period of the leave.

H. **Loss of Seniority.** Employees shall lose their seniority status and their names shall be removed from the seniority lists under the following conditions:

1. They quit or resign;
2. They are discharged for just cause;
3. They are absent without calling in for three (3) consecutive days;
4. They do not inform the Company in writing or by telegram of their intent to return to service within seven (7) days following the Company's sending notice of recall from furlough;
5. They do not return to service on the date specified in a notice of recall from furlough;
6. They transfer to another position or department in the Company not covered under the scope of this Agreement;
7. They are furloughed and not recalled to service with the Company within five (5) years from date of furlough; or
8. They are on medical leave of absence in excess of thirty six (36) consecutive months.

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

I. **Promotion/Transfer.** Employees promoted to a supervisory position or who transfer from one classification to another shall retain seniority in the classification from which they were promoted or transferred but shall not continue to accrue seniority. Employees while occupying supervisory positions shall not be considered as working under the terms of this Agreement for the purpose of accruing seniority.

ARTICLE NINE TRAINING

A. **Rate of Pay.** The Company shall make every reasonable effort to schedule Employees to attend training classes during their regular shift; however, any time spent in working, training, badging, or traveling, over and above the regular shift, shall be considered overtime and shall be paid at the applicable overtime rate.

B. **Day off Status.** An Employee required by the Company to attend classes on the Employee's day or days off shall be paid for the day or days at the applicable overtime rate.

C. **Expenses.** When an Employee is away from his base station on Company business the Company shall defray the Employee's reasonable and actual expenses covering meals (not to exceed \$35.00 per day), lodging, tips, laundry and transportation. Expenses must be properly substantiated by receipts.

D. **New Equipment.** When any new type of equipment is put into service by the Company, and an Employee is required to operate such equipment as a part of such Employee's duties, the Employee shall be given an opportunity to become familiar with such new equipment. The Company shall insure that Employees are adequately trained before being required to operate such equipment.

ARTICLE TEN PART-TIME EMPLOYEES

A. **Company Rights.** Notwithstanding any other section or language contained herein, the Company may, at its option, employ part-time Employees at all stations in all classifications covered by this Agreement. Nothing contained in this Article will prevent the Company and the Union from mutually agreeing to waive the requirements imposed by it.

B. **Furloughed/Displaced.** No full-time Employee will be furloughed or displaced with a part-time Employee nor be forced to accept part-time due to a change in station part-time limitations. Full time vacancies caused by furlough will not be filled by a part-time Employee for a minimum of one year.

C. **Percentage Limits.** Upon date of implementation (March 16, 2016), the number of part-time Employees in the system within a classification covered by this agreement shall not exceed 13%. Those stations where flight activity exceeds 12 departures per day may not exceed 18% of any classification as part-time agents.

In stations where flight activity does not exceed twelve (12) departures per day, 100% of Employees may be part-time and are excluded from the maximum percentages for the system. However, in stations where flight activity does not exceed twelve (12) departures and are grandfathered per Article 2.F.2 of this agreement, the Company may go up to 100% part-time Employees through attrition only and are included in the maximum percentages for the system.

On the one-year anniversary of the date of implementation (March 16, 2017), the following limits apply regarding stations with flight activity that exceeds 12 departures per day:

- Maximum system percentage will not exceed 15%
- Stations with flight activity greater than 12 departures per day will have a maximum of 20% part-time Employees for each station's individual classification.

On the three-year anniversary of the date of implementation (March 16, 2019), the following limits apply regarding stations with flight activity that exceeds 12 departures per day:

- Maximum system percentage will not exceed 17%
- Stations with flight activity greater than 12 departures per day will have a maximum of 22% part-time Employees for each station's individual classification.

In calculating percentages, the Company will round to the nearest whole number.

1. **Compliance.** In complying with the percentages, the Company will not be required to upgrade any part-time Employee until a vacancy or conversion of a part-time shift to a full-time shift occurs within the classification.

2. **Non-Compliance.** At any time the system classification or station exceed the part-time limitation set forth in Article 10.C., no part-time vacancy will be filled, and an equal number of part-time agents over the limit, in order of seniority, will be paid a penalty of ten (10) hours of straight time pay each week until the system classification or station is in compliance with the part-time limitation.

D. The ratio of part-time shifts to total part-time headcount cannot exceed the ratio of full-time shifts to total full-time headcount for all A.M. shifts. For calculation purpose ratios will be presented as "percent of the total". For example:

FT Employees	500	PT Employees	90
FT AM Shifts	300	PT AM Shifts	54
% of AM FT Shifts	60%	% of AM PT Shifts	60%

The same formula will apply to weekend A.M. part-time. For example:

FT AM Employees	300	PT AM Employees	54
FT AM Wkend Sat/Sun Off	30	PT AM Wkend Sat/Sun Off	6
% of FT AM Wkend Sat/Sun Off	10%	% of PT AM Wkend Sat/Sun Off	10%

NOTE: Part-time shifts will fluctuate based on the number of full-time A.M. lines on the schedule bid.

E. The Company will not put two (2) part-time shifts back-to-back to replace what was previously a full-time shift (e.g., schedule a 6:00 a.m. to 10:00 a.m. part-time shift and a 10:00 a.m. to 2:30 p.m. part-time shift to replace a 6:00 a.m. to 2:30 p.m. full-time shift), except on weekends this is permissible.

F. **Scheduled/Minimum.** Employees classified as part-time will be scheduled a minimum of four (4) consecutive hours in a day, 20 hours in a work week, and not more than five (5) consecutive days in a work week.

G. **Scheduled/Maximum.** An Employee classified as part-time will not be scheduled to work more than thirty (30) hours in a work week (exclusive of meal periods) and will be paid the applicable overtime rate for any time worked in excess of his scheduled hours in a day. Except, however, in stations where scheduled flight activity increases by a minimum of thirty percent (30%), part-time Employees may be scheduled to work up to 40 hours in a work week

(exclusive of meal periods) for up to four (4) consecutive months in a calendar year, and only once in a station in that calendar year. The Company will notify the local representative prior to each implementation.

H. **Benefits.** Part-time Employees will 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 was full-time. The "Benefits Plus Plan" coverage shall be individual coverage only. Part-time Employees may purchase coverage for eligible family members pursuant to the Company's benefit plan. Full-time Employees who become part-time Employees after the date of ratification of this Agreement who are covered under the Company's "Regular" medical plan shall retain the individual coverage under such "Regular" plan until the Company's next open enrollment election period. Coverage for eligible family members may be continued during this interim period provided the Employee pays the actuarial cost for such coverage. Part-time Employees enrolled in the Company's "Regular" medical plan as of the date this Agreement is ratified may continue such enrollment for so long as such Employee remains a part-time Employee.

I. **Uniforms.** Uniform requirements for part-time Employees will be the same as for full-time Employees.

J. **Vacation Pay.** Part-time Employees will 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 a full-time work schedule.

K. **Bidding.** Part-time Employees will bid shifts by classification separate from full-time Employees of the same classification.

L. **Bidding Vacation/Freedays.** Part-time Employees will bid vacation and day free of the Company by classification seniority along with full-time Employees of that classification.

M. **Upgrade Restrictions.** A part-time probationary Employee may bid a full-time vacancy in his classification at his location at any time and may bid a full-time vacancy in his classification at any location after ninety (90) calendar days.

N. **Adjusted Seniority.** When a part-time Employee bids a full-time position, the Employee will be granted bidding and classification seniority equal to seventy-five percent (75%) of the Employee's time from date of hire in such part-time classification.

O. **Furloughs.** 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. **Moving Expenses.** The moving expenses article (Article Twenty-One) will apply to part-time vacancies.

Q. **Sick Leave.** Sick leave will be accumulated in accordance with Article Thirteen, Section One.

ARTICLE ELEVEN FILLING OF VACANCIES

- A. **Permanent Bid File.** Vacancies in all Ramp, Provisioning, Operations and Operations (Air Freight) positions shall 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 shall be offered the opportunity to transfer. All permanent bids shall be in writing until an electronic system has been established in accordance with Side Letter of Agreement Number Nine. An Employee who accepts a lateral transfer as the result of his bid or who, more than 24 hours after being notified of an award, refuses to accept a transfer for which he bid, shall not be eligible for a vacancy, other than a new station vacancy, for a period of six (6) months from the time of his assignment or refusal and shall have all other bids on file at the time voided. If any Employee elects to have their bid removed they must submit their request.
- B. **Bids on File.** All bids must be on file on the date that the vacancy is approved.
- C. **Submission of Bids.** All bids on file shall be discarded each December 31st, and interested bidders may re-submit any bid they desire. Any bids received during December shall be considered valid for the following year.
- D. **Travel Leave.** An Employee transferring from one city to another shall be allowed, after awarding of the bid, one (1) unpaid day of leave, plus an additional one (1) unpaid day for each five hundred (500) miles, or portion thereof, by the most direct AAA highway mileage between the two cities, to report to his new assignment.
1. Travel days to a new station/department opening will be paid at the regular rate of pay for 8 hours per day, based on one (1) day of 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 his new assignment.
- E. **New Stations/New Departments.** Bids for all positions at newly established stations/departments shall be advertised far enough in advance to allow interested persons time to submit bids. To be eligible to bid, the Employee must be below the Final Warning stage of Article Twenty-Three. Moving expenses shall be handled in accordance with Article Twenty-One. Employees will bid shifts in accordance with Article 6 for opening day. From the report date to the day prior to opening, Employees will be assigned a temporary schedule by seniority.
- F. **Lateral Transfers.** Vacancies within a classification shall be filled by the senior bidder, according to classification seniority.
- G. **Other Vacancies.** When there are no bids within the classification for a lateral transfer to fill a vacancy, the position 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 over applicants from outside the scope of this Agreement. Any selection which includes applicants from outside the scope of the Agreement is subject to review through the grievance process.

ARTICLE TWELVE LEAVES OF ABSENCE

A. **Approval/Refusal.** When requirements of service permit, any permanent Employee hereunder may, upon proper written application, and with approval of the Company, be granted a leave of absence or extension of leave. Such approval or refusal shall not be subject to review by a System Board of Adjustment.

B. **Gainful Employment.** Any Employee hereunder on leave of absence engaging in gainful employment without prior written permission from the Company may be terminated.

C. **Approved Leaves of Absence.**

1. **Personal Leaves of Absence** – An Employee, upon proper application and with the approval of the Company, may be granted a leave of absence not to exceed ninety (90) calendar days for reasons other than illness, injury, temporary disability, or military leave. An Employee granted a personal leave of absence shall continue to accrue seniority for thirty (30) days of such leave. Thereafter, the Employee shall retain, but not accrue, seniority for pay, sick leave, or vacation accrual purposes.
2. **Medical Leave of Absence (including maternity)** -- Leave of absence will be granted on account of sickness, non-occupational injury or pregnancy upon written verification of disability from a qualified medical doctor. 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. Accrued sick pay may be taken at the option of the Employee 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. 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 shall 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 re-employment rights shall be handled in accordance with applicable federal law.
4. **OJI Leave** -- OJI Leave shall be granted to Employees in accordance with Article Thirteen, Section Two.
5. **Union Employment Leave** -- Union Employment Leave shall be granted to Employees in accordance with paragraph G., below.

D. **Return From Leave.** An Employee hereunder returning from an authorized leave of absence or extension thereof shall 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 return to the Company prior to his return.

E. **Restricted Duty.** An Employee will be granted one (1) to eight (8) weeks of continuous restricted duty assignment contiguous with a leave due to an illness, non-occupational injury or pregnancy upon written notice from a qualified doctor. Restricted duty will be applied as follows:

1. **Assignments.** Because each injury/illness/pregnancy will have unique limitations, requests for assignments to restricted duty will be reviewed on an individual basis and made in accordance with written orders from a qualified doctor. An Employee on restricted duty may not perform work covered by another collective bargaining agreement, or perform work covered by this agreement outside of their job title. An Employee on restricted duty may perform work within the scope of their job title, or perform work that is not covered by a collective bargaining agreement. Should an Employee on restricted duty not be able to return to his regular job duties after restricted duty, a Leave of Absence will be granted in accordance with this article.
2. **Voluntary.** The Restricted Duty Program is set up on a voluntary basis. Employees do not have to participate in the program if they do not wish to do so. If an Employee chooses not to participate, a Leave of Absence will be granted in accordance with this article.

3. **Overtime/Shift Trades.** An Employee on restricted duty will be ineligible for voluntary or mandatory overtime assignment with the exception of a mandatory shift extension of no more than thirty (30) minutes. An Employee on restricted duty will be ineligible for shift pickups or shift trades, but will be eligible for shift giveaways or LWOP.
 4. **Reduced Hours.** Reduced hours will be allowed for Employees on restricted duty as a result of illness or pregnancy upon written notice from a qualified doctor. Employees with reduced hours may opt to receive sick pay or LWOP hours for scheduled hours affected. Employees on restricted duty must be able to work a minimum of one half of their regular scheduled shift. Hours worked on restricted duty must be during an Employee's regularly scheduled shift.
 5. **Status.** Employees on restricted duty are considered active Employees and shall continue to bid their work schedules, freedays/FTO Days, and vacations as outlined in this agreement.
- F. **Failure to Return.** Employees failing to return to duty from an authorized leave of absence or an authorized extension thereof shall be deemed to have quit their employment and shall forfeit all seniority rights.
- G. **Union Employment.** Employees accepting full-time employment with the Union or the International Union shall be granted a leave of absence for the term of their elected office(s) and/or employment. Employees so affected shall continue to accrue seniority in their last classification prior to the change and shall 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.

ARTICLE THIRTEEN

SICK AND OCCUPATIONAL INJURY PAY

SECTION ONE

SICK PAY PLAN

A. **Accumulation.** 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 non-occupational injury which prevents the Employee from performing his assigned duties. Sick pay is accrued at the rate of (i) eight (8.0) hours sick pay for full-time Employees and (ii) six (6.0) hours sick pay for part-time Employees 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 two thousand four hundred hours. All Employee's accrued sick days or any part thereof may be used in the event of a prolonged illness.

B. **Charges Against Account.** Charges against sick pay credit will be made only for those days on which an Employee is scheduled to work, including days scheduled as a result of shift trades or voluntary overtime assignments as stated in Article 7.1.1. The maximum for which an Employee will be paid is one shift on any day. Normal attendance rules will apply.

C. **Compensation.** Sick pay compensation will 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 will not be paid during the Employee's first regularly scheduled work day of such absence unless the Employee has twelve (12) days or more of accrued sick pay to his credit. In order to receive sick pay for more than three (3) consecutive days, an Employee must substantiate his absence with a doctor's certificate.

D. **Unpaid Absences.** Appointments for routine dental care, eye examination, periodic physical examination, etc. are expressly excluded from sick pay coverage and will be treated as unpaid absences.

E. **Outside Employment.** The Company will not be obligated to grant sick leave or sick pay for any incapacity which has been due to employment of the Employee by a firm or person other than the Company.

F. **Unused Sick Pay.** All unused credit and accumulated sick pay will be automatically canceled when an Employee's service with the Company terminates, provided, however, that, upon retirement from the Company, an Employee may trade his accumulated sick pay for medical coverage as provided in Article Twenty-Six of this Agreement.

SECTION TWO

OCCUPATIONAL INJURY PAY

A. **Verification.** Occupational injury pay and required time off will be granted on account of occupational injury upon written verification of disability from a qualified medical doctor.

B. **Salary Continuation.** The Company will make up no less than the difference between the amount paid by Worker's Compensation and the amount the Employee would have earned (after tax withholding) if he had worked a 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 non-appealable order, that the claim for occupational injury is compensable under the applicable Worker's Compensation law, or alternative program adopted in lieu of Worker's Compensation. Until the claim has been deemed compensable under the applicable Worker's Compensation law and a definite rate has been established, the Employee will be paid his normal base pay on each regular pay day. Unless, and to the extent, limited by applicable law, the Company may include the indemnity benefit payment due to the Employee pursuant to applicable law in the payment of salary continuation. To the extent, if any, that such inclusion results in excess withholding from such salary continuation, the Company will remit such excess to the Employee after such excess is determined.

C. **Company/Examination.** The Company may, at its expense, require the injured Employee to submit to a physical examination by a qualified medical doctor of the Company's choosing at any time. Using OJI leave or OJI pay for a purpose other than that intended constitutes abuse and will warrant immediate termination.

D. **Neutral/Physical Exam.** In case of conflict between the Company doctor's and the Employee's personal doctor's examinations, the Employee will have the right to an examination by a qualified medical doctor agreed upon by the Union and the Company. The maximum cost of such examination will be set by the Union and the Company, and the costs will be borne equally by the Employee and the Company.

E. **Termination of Salary Continuation.** Payments by the Company under this Section may be terminated if the Employee refuses to submit to the physical examination required by Paragraphs C or D, above, fails to comply with prescribed treatment, or if the Employee is found fit to perform work, including available work as provided for in Section 2.1. below.

F. **Utilization.** In any event, payments under this policy will terminate at the end of twelve (12) calendar weeks. If the Employee remains unfit to work at the end of such twelve (12) calendar weeks, he may use accumulated sick pay.

G. **Maximum Limits.** If the Employee has not returned to duty by the end of a thirty-six (36) consecutive month period, the Employee will be dropped from employment and all seniority rights will be forfeited.

H. **After Care.** Once released to return to work the Employee will be allowed three (3) hours or less for any doctor recommended after care appointments/treatment related to the occupational injury without affecting his regular pay. The Employee will notify his Supervisor of all appointments at least twenty-four (24) hours in advance and will provide documentation of the appointment upon his return to work.

I. **OJI Return to Work Program.** So long as the Employee is not being prescribed a drug by his treating physician that would impair his ability to safely perform classification duties, the Company may offer temporarily amended duties under Southwest Airlines' OJI Return to Work (RTW) program for a period not to exceed eight (8) calendar weeks to Employees who cannot yet perform all of their required job duties but have been released to return to work with restrictions. While working temporarily amended duties, Employees will not be permitted to work overtime (voluntary or mandatory), pick up shift trade/time trades, or perform work beyond their restrictions.

ARTICLE FOURTEEN VACATIONS/DAT/FTO DAYS

A. **Schedule.** All Employees who have been with the Company for less than one (1) year as of any January 1 during the term of this Agreement shall be entitled to a vacation in accordance with the following schedule:

Months of Service
as of January 1:

1 Month -- 1 Day
2 Months -- 2 Days
3 Months -- 3 Days
4 Months -- 4 Days
5 Months -- 4 Days
6 Months -- 5 Days
7 Months -- 6 Days
8 Months -- 7 Days
9 Months -- 8 Days
10 Months -- 9 Days
11 Months -- 9 Days
12 Months -- 10 Days

B. **Accrual.** All Employees shall receive two (2) weeks vacation beginning in the year following their first anniversary with the Company. All Employees shall receive three (3) weeks vacation beginning in the year following their fifth anniversary with the Company. All Employees shall receive four (4) weeks vacation beginning in the year following their tenth anniversary with the Company. All Employees shall receive five (5) weeks vacation beginning in the year following their eighteenth anniversary with the Company.

C. **Formula.** Vacations shall be adjusted to begin in conjunction with days off and shall take precedence over personal leaves of absence. The formula for determining the beginning of vacations is as follows: Vacations shall be bid with Monday-Friday as scheduled work days. If actual days off are Wed./Thurs., Thurs./Fri., or Fri./Sat., vacation days shall be adjusted backwards. If actual days off are Sun./Mon., Mon./Tues., or Tues./Wed., the vacation days shall be adjusted forward.

D. **Block/DAT/FTO Declaration.** An initial vacation declaration round will be held prior to the first round of block week bidding. The purpose of the declaration round is for agents to declare the number of block and/or DAT weeks, Freeday or FTO days for the coming year. The declaration round shall be open for at least ten calendar days and will close at least five calendar days before the first round of block week bidding begins. The declaration round will

begin on or after October 1st and no later than October 15th of each year. During the vacation declaration round, Employees will be able to elect either a freeday option or flexible time off day option. Employees who fail to make an election will be awarded freedays. Employees who fail to bid vacation during the declaration round will automatically be given all DATs. Vacation periods for the following year, as determined by the declaration round, shall be posted for bid no later than November 1 of each year. The Employee's vacation period shall be determined by bidding by classification seniority within his job classification. The bidding process will be completed no later than December 15. 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.

1. **Block week formula.** The Company shall determine the number of blocks available each week in each classification at each location by dividing the number of block weeks bid in the declaration round for each classification at each location by 52 and rounding to the nearest whole number, with a guarantee of a minimum of one block week per week. In cases where the number is rounded down, the number of additional weeks will be determined by multiplying the remainder by 52 and rounding up. This number of weeks will be made available on the bid. The bid will also include as many extra weeks as is operationally feasible.

E. **Bidding Procedures.** Vacations shall 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) days, except for the day at a time option outlined in Paragraph F of this Article), provided the Employee makes a request in writing to the Employee's department manager prior to the close of the bid period. The Employee, after making a choice of his first period, shall not make a second choice until all first choices in his job classification have been awarded. However, if an Employee is unable to take his vacation due to a medical leave, on the job injury, or a Company request to defer vacations that is agreed to by the Employee, such vacation shall be rescheduled. If it cannot be rescheduled, the Employee shall be paid for this time.

F. **Day at a Time (DAT) Vacation/Flexible Time Off (FTO) Days.** The following guidelines shall control DAT vacations/FTO Days:

1. DATs/FTOs will be set aside during the vacation declaration round.
2. If less than five (5) days of vacation are accrued, DATs may be taken.
3. Each bid of work schedules provided in Article Six, Section 1, Paragraph D, shall include an appropriate number of days available for DAT vacations/FTO Days. The appropriate number of DAT/FTO days shall be calculated by dividing the total number of DAT/FTO days after the completion of the vacation declaration by

three hundred sixty-three (363). The resulting number (rounded up to the nearest whole number) will be the DAT/FTO days available per day.

4. DAT/FTO bids shall be awarded based on classification seniority.
5. Employees may request a DAT/FTO day at any time after the bid closes, but DAT/FTO days in excess of the allotted daily amount or DAT/FTO days requested with less than 24 hours notice shall be awarded at the discretion of management.
6. Payment for DAT days not taken shall be permitted for one five day block of DAT days per year, provided the Employee gives two (2) weeks written notice prior to the closing of the next pay period. DAT day payouts for part-time agents will be based on the agent's bid work schedule hours the week prior to the request.
7. All remaining DAT/FTO days not taken shall be paid on the last pay period of the year.

G. **Compensation Allowance.** Employees leaving the Company shall be paid all unused, accrued vacation so long as the Employee gives two (2) weeks notice of resignation.

H. **Beneficiary Allowance.** When an Employee dies, all unused, accrued vacation shall be paid to the surviving spouse or the Employee's estate.

I. **Advance Payment.** Employees can obtain their vacation pay in advance if they make application to their manager at least two (2) weeks prior to starting their vacation.

J. **Established Schedules.** Once vacation schedules are established, they shall not be changed, except by mutual agreement between the Company and the Employee.

K. **Vacation Protection.** The Company shall not mandatory an Employee to work on his days off immediately prior to, during, or immediately after his vacation (excluding FTO days).

L. **Compensation.** An Agent on vacation time off from work will be paid for his entire shift based on his awarded bid work schedule hours for the day(s) he is on vacation, regardless of his status (part-time or full-time) at the time of accrual.

M. **Vacation Vacancy Bids.** When an Employee vacates his bid vacation week(s) the Company will open that week(s) vacation for bid to all Employees in that bid location. The vacancy will be allowed to be bid on the next monthly DAT/FTO day bidding cycle after being vacated. The vacation vacancy bid will be open in conjunction with the DAT/FTO day bid and close in the same bid period.

**ARTICLE FIFTEEN
SECTION ONE
REDUCTION IN FORCE**

A. **Notification/Reverse Seniority.** A reduction in force ("RIF") shall be in reverse order of classification seniority. Employees shall be given at least two (2) weeks notice of any RIF except when such notice is prevented by an Act of God, a strike, Employee work stoppage, or other circumstances over which the Company has no control.

B. **Impacted Employees.** Employees impacted by a RIF may elect to:

1. **Same Classification.** Fill a vacancy elsewhere in the system in the same classification or, if no such vacancy exists, displace the most junior Employee in the system in the same classification.
2. **Other Classifications.** Fill a vacancy in another classification in which they hold seniority or, if no such vacancy exists, displace the most junior Employee in that classification at that location if senior enough, or, if not senior enough, displace the most junior Employee in the system in that classification.
3. **Furlough.** Accept a furlough at their location.
4. **Severance.** Resign from the Company and receive severance pay in accordance with Section Two of this Article.

C. **Moving Expenses.** The Company shall pay the moving expenses of an Employee who is required to move due to a RIF.

D. **Preferential Bids.** The furlough notification given to the impacted Employees 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 impacted shall be in a position to exercise the options described in Paragraph B of this Article. The impacted Employees shall file a preferential bid, listing, in order of the Employee's preference, relocation, reduction, or furlough 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 Vice President of the appropriate department. Furloughed Employees shall have preference over permanent bids for any vacancies in their classifications.

E. **Relocation by Seniority.** The Company shall examine all preferential bids filed by impacted Employees and resolve the relocations in order of seniority and preferences expressed.

F. **Change of Address.** An Employee who has been released due to RIF shall file his address in writing with the Vice President of the appropriate department and shall thereafter promptly advise the Vice President of the appropriate department of any change in address by certified mail with return receipt requested.

G. **Recall Requirements.** Employees shall not be entitled to recall preference under the following conditions:

1. If they do not comply with the requirements of Paragraph F of this Article.
2. If they do not give notice of their intention to return to the service of the Company within seven (7) days following the Company's sending of proper notice of recall from furlough.
3. If they do not return on the date specified, which date shall not be less than fifteen (15) days after notice to return is sent by certified mail or telegram to the last address filed with the Company.

H. **Recall/Return Rights.** Employees furloughed/relocated shall be recalled in the order of their seniority at the time of reduction in force. No vacancy shall be considered to exist at a location until all furloughed Employees eligible to fill the vacancy at that location have been recalled and all Employees required to relocate from there because of the reduction have been afforded the opportunity of returning. Employees on furlough who desire to be considered for recall at other than the city from which furloughed must file a permanent bid for that location with the appropriate Vice President.

I. **Seniority Accrual.** Employees furloughed due to a RIF shall continue to accrue seniority.

J. **Pass Privileges.** Employees impacted by a RIF who were not offered employment and who desire to seek employment elsewhere shall, upon application, be furnished space available passes to any point desired on the Company system for a period of one hundred twenty (120) days.

K. **Recall Time Limits.** All recall rights shall expire at the end of five (5) years from the effective date of the reduction in force.

L. **Part-Time Status.** An Employee transferring because of a RIF who is required to or elects to accept a part-time position shall continue to accrue seniority as a full-time Employee until a full-time position becomes available.

SECTION TWO SEVERANCE PAY

A. **Allowance Accrual.** Employees affected by a RIF who elect severance pursuant to Paragraph B. 4. of Section One of this Article shall receive two (2) 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. **Furlough Conversion.** An Employee who elects the furlough option can exercise the severance option within the time limits outlined for furlough. The severance pay shall be based upon the Employee's seniority at the time of the RIF notification. Any Employee that receives severance pay shall forfeit all rights with the Company.

C. **Disqualification Conditions.** Employees shall receive no severance pay if any one or more of the following conditions exist:

1. They exercise their seniority in order to remain in the employ of the Company.
2. They accept any other employment with the Company or refuse to accept a job in their own comparable work classification at their 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 lay off 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. They are dismissed for just cause, resign, or retire.
6. There is a temporary cessation of work because of circumstances beyond the Company's control.

ARTICLE SIXTEEN TEMPORARY ASSIGNMENTS

- A. **Utilization.** Covered Employees may be utilized for the purpose of temporarily filling positions caused by shortages or circumstances beyond the Company's control.
- B. **Assignments.** If more than the required number of Employees volunteer, the most senior Employee(s) shall be awarded the assignment.
- C. **Bidding.** Employees shall be allowed to exercise their seniority concerning overtime and freeday/Flexible Time Off day bids, if applicable, at the location to which they are temporarily assigned.
- D. **Expenses.** Employees shall receive \$35.00 per day while on temporary assignments. A single hotel room shall be provided at the Company's expense during the assignment. Laundry and transportation (to and from work) expenses shall be provided if needed and reasonable and must be substantiated with receipts.
- E. **Travel.** The Company shall provide positive space passes to those Employees traveling to and from temporary assignments. The need for must ride passes shall be at the discretion of the Company.

ARTICLE SEVENTEEN SAFETY AND HEALTH

A. **Scope.** Safety and health of the Employees shall be protected. The Company shall provide the necessary training for Employees to safely perform their duties. The Company and the Employee shall maintain safe, sanitary, and healthful conditions at all stations. The Company and Employee shall comply with all applicable Federal, State, and Municipal safety and sanitary regulations.

B. **Safety Committee.** Safety Committee composed of Union and Company Representatives shall be established at each station. Committee members shall be afforded reasonable and necessary time during working hours without loss of pay to:

1. Meet once a month and maintain a written record thereof. The minutes will be signed and reviewed by designees from both parties for accuracy. Prior to the monthly meeting, Management and TWU Local Safety Representative will perform a station walk around to evaluate and focus on current areas of concern. In the spirit of cooperation, the purpose of such walk around is to identify safety issues.
2. Review all job related accidents, injuries, complaints, and safety recommendation reports regarding unsafe conditions. Prior to the monthly safety meeting, the Union Safety designee will be provided with a written review of all job related accident and injury reports.
3. Recommend corrective action to reduce injuries and safety concerns. All recommendations will be considered by the company.
4. Observe OSHA inspections when feasible.

C. **Work Area Requirements.** Buildings, offices, and other work areas used by Employees shall be kept in good repair. Suitable lunch rooms, rest rooms, and individual lockers shall be provided for Employees, where possible.

D. **First Aid Equipment Requirements.** The Company shall provide adequate and accessible first aid equipment to meet the needs of Employees in case of minor accidents. The Employees recognize their duty and responsibility to assist the Company in maintaining the equipment and supplies.

E. **Safety Reporting Requirement.** The Company and the Union agree that the safe operation and condition of equipment shall be maintained. Employees shall promptly report malfunctioning and/or inoperative tools or equipment to the Company, who shall cause such

tools or equipment to be inspected and, if appropriate, withdrawn from service until the necessary repairs are made and documented by the Company.

F. **Company Provided Equipment.** The Company shall furnish, without cost to the Employees, all safety equipment such as, rain gear, ear protectors, gloves, knee pads, high visibility garments and headsets. The Employees shall use or wear such devices in performing their work.

G. **Investigation Rights Pertaining to Safety and Health.** An Employee who believes that a condition exists that puts the Employee's safety or health in jeopardy shall promptly notify his Supervisor/Manager and have the matter promptly investigated by the Manager and when available, a Local Union Safety Committee member. All accident/injury investigations will also include a Union Safety Committee member, when available. No Committee member will suffer any loss of pay due to the above investigations.

H. **Outside Consultant.** In the event the Company and the Union agree to have an outside expert on safety and health perform a survey or a study of a particular health or safety hazard, the cost shall be borne equally by both parties.

I. **Company Required Physical.** The Company may, at its expense, require an Employee to submit to a physical examination at any time by a doctor of the Company's choosing.

ARTICLE EIGHTEEN GENERAL AND MISCELLANEOUS

- A. **Monthly meetings** will be scheduled between the TWU Local 555 President or Designee and Vice Presidents of Ground Ops and Provisioning or their Designee to discuss and attempt to resolve ongoing issues. Agendas will be exchanged between the parties prior to the meetings in order to facilitate the discussions.
- B. **Tobacco Use.** Reasonable tobacco use and refreshments during hours of duty shall be permitted in designated areas where available. Designated smoking areas shall be determined in accordance with applicable regulations.
- C. **Exit Letter.** Employees leaving the service of the Company shall, upon request, be furnished with a letter setting forth the Company's record of their job classifications, stating their length of service and rate of pay at the time of leaving the Company.
- D. **Bulletin Board.** The Company agrees to provide the Union with a bulletin board at each station, and, where there are separate facilities, for each department, marked "Ramp Operations and Provisioning Union," where Union notices of interest to the Employees may be posted. No political, inflammatory, or derogatory material attacking the Company or its representatives shall be permitted thereon.
- E. **Copy of Agreement.** The Company shall provide each Employee covered by this Agreement with a copy of the Agreement, printed and bound in a booklet with reasonable print size, bearing the Union logo. The Company shall also supply the Union Office with fifty (50) extra copies.
- F. **Airline Passes.** Airline trip passes shall be issued to qualified Employees in accordance with Company policy.
- G. **LTD Insurance.** The Company shall make available long-term disability insurance to replace forty percent (40%) of an Employee's earnings, with the availability to purchase up to an additional twenty percent (20%) at the Employee's expense.
- H. **Personal Business Request.** Employees who request to leave work for personal business may do so only if they receive permission from the appropriate supervisor on duty. When an emergency situation occurs, the Employee shall notify any supervisor at work, or a senior agent if no supervisor is available.
- I. **Change of Address.** 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 Company via SWALife as soon as possible.

J. **Bereavement Benefits.** Employees shall be granted four (4) days off with pay for death in the immediate family of the following: mother, father, brother, sister, spouse, Committed or Registered Partners or children (including stepchildren and children of a committed or registered partner) and step-parents. Employees shall be given three (3) days off with pay for the death of mother-in-law, father-in-law, parent of a committed or registered partner, grandchildren and grandparents. 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 13C (first sick day compensation shall not be paid unless the Employee has 12 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 Policy.

K. **Bomb Threat Insurance.** The Company shall provide additional insurance coverage for those Employees involved in a bomb threat investigation. The recommended number of covered Employees shall be three (3) Employees searching at any one time. Bomb threat searches shall be conducted by volunteers only. The coverage which shall be provided shall be:

Max Per Employee		Max Per Incident
Death	\$400,000	\$1,200,000
Loss of two limbs	\$400,000	
Total loss of sight	\$400,000	
Total loss of limb	\$200,000	
Total loss of sight-1 eye	\$200,000	
Temporary disablement--Worker's Compensation		

L. **Railway Labor Act Compliance.** It is the intent of the parties to this Agreement that the procedures herein shall serve as a means of amicable settlement for all disputes that may arise between them. During the life of this Agreement, the Company shall not lock out any Employee, and the Union shall not cause, support or authorize its members to cause, nor shall any member of the Union take part in, any sit down, stay in, slow down, or strike in any station, until the bargaining procedures outlined in and provided for in the Railway Labor Act have been exhausted.

M. **LWOP Based on Seniority.** "LWOP", as outlined in Article Four, Paragraph F, shall be awarded to the senior Employee on the basis of seniority; however, this provision is not subject to the grievance procedure (Article Twenty).

N. **Approval and Providing of Passes.** The Company and the Union agree that, in order to administer the terms of this Agreement, the Company shall, upon request to the appropriate Department Head, supply the Union with a reasonable amount of positive space or must ride

passes, whichever is appropriate. It is understood and agreed that must ride passes are at the sole discretion of the Company.

O. **The Company will provide** office space for local 555 Representatives, at stations where available. If the Company has needs to reclaim the office space, it will attempt to do so with 30 days notice.

ARTICLE NINETEEN UNIFORMS

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

B. **Ramp/Provisioning Uniforms.** When Employees are hired/placed into a Ramp/Provisioning Agent classification, they shall receive five (5) uniforms. On the first day of the month following each anniversary date, the Employee will receive a \$317.50 contribution to their Uniform Account.

Ramp/Provisioning Agents may utilize their uniform accounts to purchase uniform pieces, including optional pieces, and safety shoes. Ramp/Provisioning Agents will accrue up to \$635.00 in the Uniform Account if unused. This account is not refundable to the Ramp/Provisioning Agents upon termination of employment.

C. **Winter Coats.** Winter coats shall be furnished to Employees who are regularly required to work outside during periods of extremely low temperatures. The coats must be requested by the Employee no later than September 15 of each year. The coats shall remain the property of the Company. The Employee is responsible for cleaning and maintaining the coat.

D. **Operations/Freight Uniforms.** When an Employee is hired/placed into an Operations Agent classification, he shall be provided, at no cost, the initial required uniform. On the first day of the month following their anniversary date, all Operations/Freight Agents will receive a Uniform Account contribution in the following amounts:

Length of Classification Service and Uniform Account Contribution

0-36 months	\$177.50
37-48 months	\$266.25
49 months and thereafter	\$355.00

Operations/Freight Agents may utilize their uniform accounts to purchase uniform pieces, including optional pieces. Operations/Freight Agents will accrue up to \$710.00 in the Uniform Account if unused. This account is not refundable to the Operations/Freight Agents upon termination of employment. In addition, Freight Agents may utilize their uniform account to purchase safety shoes.

E. **Cost Increase.** If at any point, for the duration of this contract, the price of our current uniforms increase, the Company will meet with the Union to discuss protection of the buying power of the Employee's allotment to determine the adjustments that will be made.

- F. **Seasonal Requirements.** The Company shall continue to determine the seasonal periods when specific uniform components shall be worn.
- G. **Changes.** In the event the Company changes the uniform, the Company shall pay the entire cost of such new uniform items. In the event the Company selects replacement uniforms (other than special promotional uniforms), the Company shall give the Union at least six (6) months notice of the intent to replace its uniforms.
- H. **Company Insignia.** The Company shall furnish, on a loan basis, Company insignia required to be worn by the Employee, at no cost to the Employee.
- I. **Maternity Wear.** The Company shall lend Employees three (3) maternity uniforms which must be returned in usable condition, cleaned and pressed, when the Employee takes medical leave.
- J. **Lost Item Replacement.** Employees shall be responsible for replacing, at their own expense, any item lost that has been issued or purchased.
- K. **Accessories.** Accessory items worn with the Operations Uniform (i.e., shoes and belts) may be purchased by Employees at a store of their choice and shall conform closely to the color and style established by the Company.
- L. **Union Insignia.** Employees shall be allowed to display Union insignia, not to exceed one (1) inch in diameter.

**ARTICLE TWENTY
GRIEVANCE / SYSTEM BOARD / ARBITRATION
DISCHARGE and DISCIPLINE**

**SECTION ONE
PROCEDURES**

- A. **Purpose.** No Employee who has passed his probationary period shall be disciplined to the extent of loss of pay or discharge without just cause.
- B. **Representation Requirements.** The Union and the Company shall be represented at each location. These representatives shall be empowered to settle all local grievances without setting precedent of any kind. The Local Representatives for the Union shall be selected from members of the Union who qualify under Article Two. The Local Representative for the Company shall be the Manager or his designee. Neither party shall be represented by legal counsel through and including the System Board. Legal representation shall be permitted in the case of Arbitration.
- C. **Cost of Arbitration.** It is understood and agreed that the cost of arbitration shall be borne by the losing party.
- D. **Witness Pay.** Any Employee called as a witness shall suffer no loss of pay at any step in this Article. Cost of witnesses, if any, shall be paid by the party who has called them.
- E. **Time Frames.** For the purpose of this Article, a working day shall be defined as Monday through Friday, excluding all Company recognized holidays. It is expressly understood and agreed that, if any of the time frames set forth in this Article are violated by the Company, the Employee shall be awarded the desired settlement without precedent. Furthermore, if the time frames set forth are violated by the Union the grievance shall be considered withdrawn. Determination of time frame violation issues shall take precedence over consideration of any other issue, and, if upheld, no further determination shall be appropriate.
- F. **Extension of Time Frames.** It is understood and agreed that, at any step of the factfinding or grievance procedure, the time limits set forth may be extended by mutual agreement between the Company and the Union, in writing. Further, in the event either party, due to circumstances beyond the reasonable control of such party, does not become aware of, or is prevented from disclosing, facts or circumstances which would give rise to either a factfinding or a grievance, the time frame for pursuing such factfinding and/or grievance shall be extended as appropriate. If an Employee makes himself unavailable (other than on his regularly scheduled days off) to work his full shift on his last scheduled workday within the time frames under the fact finding procedures and paragraph H of this article, the Company may issue the notice/letter to the Employee upon his first full day returned to work.

G. **Fact-Finding Procedures.** No covered Employee shall be subject to discipline involving loss of pay or discharge without first having the benefit of a factfinding, with the right to have a Union representative present, in accordance with the following procedures:

1. **No Suspension.** In circumstances where no suspension is imposed:

- a. The Employee shall be advised, in writing, with a copy to the local representative of the Union, of the nature of the factfinding not later than ten (10) calendar days from the time the Company becomes aware of the incident concerning which the factfinding shall be convened.
- b. The factfinding shall be held within five (5) calendar days from the date such notice is given to the Employee and the local representative of the Union; and
- c. The Company shall render its decision (inclusive of any discipline), in writing to the Employee, within five (5) working days after completion of the factfinding, and a copy of the decision shall be delivered to the local representative of the Union.

2. **Suspension.** Notwithstanding the foregoing, the Company may suspend a covered Employee pending a factfinding and/or until such time as the decision of the Company resulting from the factfinding is rendered, subject to the following conditions:

- a. The suspension shall be a paid suspension;
- b. The basis for the suspension shall be reduced to writing and presented to the Employee and the local representative of the Union within two (2) working days of the suspension;
- c. The factfinding shall be held within five (5) working days of the presentation of the written notice of the basis for suspension; and
- d. The Company shall render its decision (inclusive of any discipline), in writing to the Employee, within five (5) working days after completion of the factfinding, and a copy of the decision shall be delivered to the local representative of the Union.

H. **Other Disciplinary Procedures.** Letters of warning or reprimand not involving loss of pay or discharge shall be issued no later than five (5) working days from the time the Company has full knowledge of the incident.

I. **Retention.** All letters of reprimand or warning as well as discussion logs and any records of verbal counseling relating to performance and/or conduct (including supporting documentation), will be null and void and the letters of discipline shall be removed from an Employee's file after twelve (12) months of active status have elapsed from the date of such letter or discussion log or verbal counseling.

J. **Administrative Discharge.**

1. The Company will notify, in writing, any Employee failing to return to duty from a thirty-six (36) month leave of absence, that he is deemed to have resigned his employment and forfeited all seniority rights.
2. Any Employee who is absent without calling in for three (3) consecutive days shall be terminated without the benefit of a factfinding. The Employee shall be considered unavailable and shall be notified of his termination by certified mail, return receipt requested, to the Employee's last known address on file, with a copy to the Union. The Employee shall be deemed to have received such notice three (3) working days after such notice is sent.

K. **Representative Grievance Investigations.** Local Representatives shall be permitted, after reporting to local management, a reasonable amount of time during working hours to investigate or present grievances, provided that work assignments shall have priority. Union representatives shall not suffer a loss of pay as a result of investigating or presenting grievances at the representative's home station. The Union shall compensate representatives for time spent at stations other than the representative's home station.

L. **Interpretation/Application of Agreement.** In the event of a grievance arising over the interpretation of, or application of, this Agreement ("Contractual Grievances"), or in the event of a grievance involving disciplinary action other than discharge ("Disciplinary Grievances"), the following steps shall apply. However, in the event of a grievance involving discharge or a Union grievance concerning a change in Work Rules ("Discharge/Work Rule Grievances"), it shall proceed to sub-paragraph 3, below. Decisions made pursuant to Steps 1 through 3, below, shall not constitute precedent of any kind unless agreed to, in writing, by the Union and the Company. If a termination is grieved, insurance benefits will continue until all grievance procedures have been exhausted and a final decision has been rendered. Employees are required to continue to pay the premiums when they are due; failure to do so will result in termination of insurance benefits.

1. **Step 1/Department/Assistant Manager ("Manager").** If an Employee is unable to resolve his grievance through his supervisor, within ten (10) calendar days of the occurrence of the circumstances in question, the grievance shall be summarized in writing and presented to the manager or his designee. At any

meeting to discuss same, the Employee may be accompanied by his local representative. The manager or his designee shall issue a written decision upholding or denying the grievance within five (5) working days.

2. **Step 2/Station/Provisioning Manager ("Manager").** If the decision of the Department/Assistant manager is unsatisfactory, the Employee or his representative may appeal the grievance to the Manager, or in the event of his absence his designee, within five (5) working days. The appeal of the grievance shall be signed by the Employee and his elected representative and presented to the Manager. The Manager shall issue a written decision upholding or denying the grievance within five (5) working days. Copies of the Manager's decision shall be forwarded to the Employee and the Union Office.
3. **Step 3/Labor Relations or designee.** If the decision of the Station/Provisioning Manager is unsatisfactory, the District Representative/designee of the Union may appeal the grievance to Labor Relations or designee, provided that such appeal is presented, in writing, within ten (10) working days after receipt of the Station Manager's decision. The grievance shall be answered, in writing, to the District Representative/designee of the Union by Labor Relations or designee within ten (10) working days of receipt of the grievance.
4. **System Board of Adjustment.** If the decision of Labor Relations or his designee is not acceptable to the District Representative/designee of the Union, the Union shall notify the Company in cases involving Contractual and Discharge/Work Rule Grievances, within ten (10) working days of receipt of Labor Relations' or his designee's decision, of its intent to have the grievance reviewed by the System Board of Adjustment. It is understood and agreed that the decision of the System Board of Adjustment shall be final and binding on both the Company and the Union.
5. **Mediation/Arbitration.** If the decision of Labor Relations or his designee is not acceptable to the District Representative/designee of the Union, the Union shall notify the Company in cases involving Disciplinary Grievances, within ten (10) working days of receipt of Labor Relations' or his designee's decision, of its intent to have the grievance heard through the Mediation/Arbitration process described below. It is understood and agreed that if no settlement is reached through Mediation, the decision of the Mediator/Arbitrator shall be final and binding on both the Company and the Union.
6. **System Board/Function and Jurisdiction.** 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 its terms. It shall have jurisdiction only to determine

issues involving the interpretation or application 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 recommendation. 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 were disciplined for just cause. If the Board finds that the penalty assessed by the Company was arbitrary or unreasonable, it may modify or remove that penalty.

7. **System Board Time Frames.** The System Board of Adjustment shall convene within fifteen (15) working days from the time the Union notifies the Company.
8. **Make-up of Panel.** For purposes of this Article, the System Board of Adjustment panel shall consist of four (4) members, two (2) of whom are selected by the Company and two (2) of whom are selected by the Union.
9. **Panel Member Cost.** It is expressly understood and agreed that the cost of each panel member of the Board of Adjustment shall be borne by the party who selected him. Any witnesses who may be required to be present at the hearing shall be released from their duties with no loss of pay. A witness shall be compensated for loss of pay by the party who has called him as a witness.
10. **Agreeable Location.** All System Board hearings shall be convened in Dallas or at a mutually agreeable location. The Company shall provide positive space passes for all necessary Employees.
11. **System Board Results.** The System Board of Adjustment shall send its decisions, in writing, to the Union Office and the appropriate department Vice President within three (3) working days.
12. **System Board Deadlock.** Should the System Board of Adjustment deadlock or fail to make a decision, the President/designee of the Union shall notify the Company, within five (5) working days of such deadlock or such failure, whether Arbitration is requested. If the System Board of Adjustment deadlocks or fails to make a decision on the determination of a time frame violation and arbitration is subsequently requested, the entire case shall proceed to arbitration. The Arbitrator shall hear and rule upon the time frame issue first and, if applicable, decide the remainder of the case without remand to the System Board of Adjustment.

13. **Arbitration List/Dates.** A panel of Arbitrators is hereby established for the purpose of adjusting and deciding disputes or grievances which may arise under the terms of this Agreement and which are properly submitted following a System Board of Adjustment. The following rules and procedures shall apply:
- a. The panel will consist of eight (8) Arbitrators, four (4) to be selected by each party. Arbitrators will be set in order, and used in turn as cases are requested. If the Arbitrator scheduled to hear the case is not available within sixty (60) calendar days from the arbitration request, the next Arbitrator up on rotation will be contacted to hear the case. This procedure shall continue until an Arbitrator is available within the aforementioned time constraints.
 - b. Once the Union notifies the Company of the request for arbitration, within three (3) working days, the Union will request in writing, with copy to the Company, a list of available dates from the next Arbitrator in the rotation. After the Arbitrator provides the list of dates, the Union and the Company will alternately strike dates until one date remains, which will be the date of the hearing. The first strike will go to the side that did not place the Arbitrator on the panel. The process will not take more than five (5) working days after receipt of dates from the Arbitrator. If the Arbitrator scheduled to hear the case has fewer than three dates available within the specified time frames, the next Arbitrator up on rotation will be contacted to hear the case.
 - c. Arbitrators selected for the panel shall serve for the duration of the Agreement; however an Arbitrator may be removed from the panel by a unilateral decision of either of the parties to the Agreement. Should any member be removed, or be unable to serve for the remainder of the length of the Agreement, the party who originally selected the Arbitrator will name a replacement. The replacement Arbitrator may not be removed by either party until he has heard at least one case. Once an Arbitrator is removed from the panel he cannot be returned to the panel for the duration of this Agreement.
14. **Expedited Arbitration.** By mutual consent of the Union and the Company, expedited Arbitration may be used as follows:
- a. The Arbitrator shall be selected from the panel in turn within five (5) working days of the expedited arbitration request;

- b. A hearing shall be convened within fifteen (15) working days of the selection of the Arbitrator;
 - c. No post hearing briefs shall be filed;
 - d. A decision shall be rendered within ten (10) working days of the close of the hearing; and
 - e. If the Arbitrator selected to hear the case advises that he is unable to comply with the requirements under this paragraph, the next Arbitrator up on the rotation will be contacted to hear the case. This procedure shall continue until an Arbitrator advises that he is able to comply with the requirements of this paragraph.
15. **Arbitration/Function and Jurisdiction.** The functions and jurisdiction of the Arbitrator shall be as fixed and limited by this Agreement. He shall have no power to change, add to, or delete its terms. He shall have jurisdiction only to determine issues involving the interpretation or application of this Agreement, and any matter coming before the Arbitrator which is not within his jurisdiction shall be returned to the parties without decision or recommendation. In the event any disciplinary action taken by the Company is made the subject of proceedings, the Arbitrator'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 were disciplined for just cause. If the Arbitrator finds that the penalty assessed by the Company was arbitrary or unreasonable, he may modify or remove that penalty.
16. **Mediation/Arbitration Process.** In Disciplinary Grievances, there will be no System Board of Adjustment or Arbitration as described above. Instead, after Step 3, all Disciplinary Grievances will proceed to Mediation/Arbitration as the final and binding step. The only exception is Disciplinary Grievances involving loss of pay (i.e., disciplinary days off). In those cases, either side will have the option to take the case directly to Arbitration by notifying the other side within ten (10) days of receiving the Step 3 decision from Labor Relations or his designee. By mutual agreement, the parties can also have any Contractual or Discharge/Work Rule Grievance heard in this Mediation/Arbitration process.

During the Mediation/Arbitration Process the parties will present a series of Disciplinary Grievances to a Mediator/Arbitrator. After hearing the cases, the Mediator/Arbitrator will first act as a mediator and assist the parties towards a resolution of the Disciplinary Grievances on a precedent setting basis, unless the parties mutually agree to make the settlement of any Disciplinary Grievance non-precedent/non-referable. If any of the Disciplinary Grievances cannot be settled

during the mediation phase, the Mediator/Arbitrator will have the power to render a final, binding and precedent-setting decision similar to an arbitration award in accordance with the limitations set forth in Paragraph #17 below. Such decision(s) shall be rendered verbally to the parties at the conclusion of the Mediation/Arbitration session and in writing not to exceed one page in length per case within seven (7) calendar days from the conclusion of the Mediation/Arbitration session. Each day of Mediation/Arbitration shall last no longer than eight (8) hours unless the parties mutually agree to extend the time and no more than ten (10) Disciplinary Grievances shall be heard per day unless mutually agreed otherwise. The Union will advise the Company of which Disciplinary Grievances will be heard in the Mediation/Arbitration session at least ten (10) business days prior to that session. The parties recognize and understand that the purpose of this Mediation/Arbitration process is to obtain resolution of Disciplinary Grievances in the most expeditious and cost-effective manner possible.

17. **Mediation/Arbitration Function and Jurisdiction.** The functions and jurisdiction of the Mediator/Arbitrator in the Mediation/Arbitration process described above shall be fixed and limited by this Agreement. He shall have no power to change, add to, or delete its terms. He shall have jurisdiction only to determine issues involving Disciplinary Grievances unless the parties mutually agree to have Contractual Grievances or Discharge/Work Rules Grievances resolved through this Mediation/Arbitration process. Any matter coming to the Mediator/Arbitrator which is not within his jurisdiction shall be returned to the parties without decision or recommendation. In the event any disciplinary action taken by the Company is made the subject of the Mediation/Arbitration process, the Mediator/Arbitrator'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 were disciplined for just cause. If the Mediator/Arbitrator finds that the penalty assessed by the Company was arbitrary or unreasonable, he may modify or remove that penalty.
18. **Mediation/Arbitration Time Frames.** By October 1 of each year, the parties will schedule three (3) days of Mediation/Arbitration in January, March, May, July, September, and November of the following year. However, for the first year following ratification only, upon written notification and thirty (30) days notice, either party may increase the number of days/months of Mediation/Arbitration.
19. **Make-up of Panel.** A panel of Mediators/Arbitrators is hereby established for the purpose of mediating, adjusting and deciding grievances in accordance with the terms of this Agreement. The following rules and procedures shall apply:

- a. The panel will consist of two (2) Mediators/Arbitrators, one to be selected by each party. Each Mediator/Arbitrator will hear three Mediation/Arbitration sessions each year (i.e., Union selection will hear cases in January, May, September and Company selection will hear cases the other three months).
 - b. Mediators/Arbitrators selected for the panel will serve for the duration of the Agreement; however, a Mediator/Arbitrator may be removed from the panel by a unilateral decision of either of the parties to the Agreement. Should any member be removed, or be unable to serve for the remainder of the length of the Agreement, the party who originally selected the Mediator/Arbitrator will name a replacement. Once a Mediator/Arbitrator is removed from the panel he cannot be returned to the panel for the duration of the Agreement.
20. **Mediation/Arbitration Costs.** It is expressly understood and agreed that the cost and expenses of the Mediator/Arbitrator shall be equally split by the parties. If any witnesses are required to be present, the witnesses will be released from their duties with no loss of pay. A witness will be compensated for loss of pay by the party who has called him as a witness and any costs or expenses associated with the witness will be covered by the party who called him.
21. **Agreeable Location.** All Mediation/Arbitrations will be convened in Dallas or at a mutually agreeable location. The Company shall provide positive space passes for all necessary Employees.

SECTION TWO MANAGEMENT GRIEVANCE

The Company has the right to file a grievance against the Union. Such grievance shall be proper when filed by the appropriate Vice President with the President of the Union, who shall provide a written answer within ten (10) working days. If the answer is unsatisfactory, the Company may appeal the grievance to the System Board of Adjustment within ten (10) working days following receipt of the Union's answer. In the event of a deadlock or if the System Board of Adjustment fails to render a timely decision, the grievance may be sent to arbitration, at the Company's option.

ARTICLE TWENTY-ONE MOVING EXPENSES

- A. **Transfer at Company Request.** Employees transferred as a result of the closing of an existing station or a reduction in force at a station shall be considered as being transferred at the Company's request. In order to avoid or lessen a reduction in force at an overstaffed station, the Company may first seek volunteers from that station to transfer to other stations designated by the Company. Any such volunteers shall be deemed, for the purposes of this Article, to have transferred at the Company's request.
- B. **Voluntary Bid Transfer.** An Employee transferred from one station to another station as a result of a voluntary bid or request for a vacancy shall be considered as having transferred at his own request. An Employee so transferred from one station to another station at his own request shall bear his own expenses. The Company shall make space available transportation available to the Employee and members of his immediate family, Committed or Registered Partner. The Company, within reason, shall allow comat shipments of personal effects, subject to Federal security regulations.
- C. **Household Effects.** Employees transferred at Company request shall be allowed actual moving expenses for household effects, including packing charges, up to a maximum of 15,000 pounds for self and spouse or Committed/Registered Partner, plus 500 pounds for each dependent, unless prior approval for more is obtained from the Department Head.
- D. **Moving Company.** The Company reserves the right to select which moving company shall move the household effects of the Employee.
- E. **Reasonable Travel Expenses.** Employees shall be allowed reasonable travel expenses for themselves and members of their immediate family, Committed or Registered Partner when properly substantiated by receipts. The travel period shall continue until the day the household effects arrive or until the end of the fifth day, whichever comes first.
- F. **Automobile Allowance.** One automobile per Employee may be driven between locations, and the Employee shall be reimbursed at the rate of thirty five cents (\$.35) per mile by the most direct AAA highway mileage.
- G. **Off-Line Passes.** In conjunction with opening new stations, the Employee and spouse, Committed or Registered Partner shall be furnished, to the extent such passes are available, round trip, space available, off-line transportation to locate living accommodations in cities not served by the Company after the Employee has been awarded a transfer to the new station.

ARTICLE TWENTY-TWO HOLIDAYS/FREEDAYS/FLEXIBLE TIME OFF DAYS

A. **Freeday/Flexible Time Off (FTO) DAY Allowance.** Each Employee covered hereunder will be granted one (1) day with pay free of the Company during each month from January through October of each year. During the vacation declaration round, Employees may elect either a freeday (FD) option or Flexible Time Off (FTO) day option. Employees who fail to make an election will be awarded freedays.

Employees who elect the FTO day option will be granted one FTO day off with pay free of the Company during each month January through October of each year. FTO days accrued may be banked and carried over month to month within a calendar year. Any unused earned and/or accrued Flexible Time Off days 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 days will be paid out at calendar year-end, same as vacation.

The day free of the Company (freeday) will be bid in conjunction with each shift bid. FTO days will be included in the monthly DAT day calculation and bid as outlined in Article 14. Days off when bid in conjunction with FTO days will not be protected from mandatory overtime assignments.

B. **Restrictions/Requirements.** Each day of the month will have at least one (1) A.M. and one (1) P.M. shift available for bid at each bid location and, where there are ten (10) or fewer Employees in a bid classification at a location, at least one (1) shift per day will be awarded based upon seniority. An Employee must have worked forty (40) hours, including LWOP time, during the month to qualify for a freeday. A new hire must have begun his employment prior to the 10th of the month and have worked forty (40) hours during the month to establish eligibility. An Employee who bids a freeday/FTO and becomes ill before working forty (40) hours in the month will be paid for the freeday, provided his accumulated sick pay is sufficient to encompass the scheduled freeday. No covered Employee will be required to work overtime on his freeday, but an Employee may elect to work on his freeday if he so desires.

C. For the year of ratification of the agreement, the FTOs will be awarded without the monthly 40-hour requirement as outlined in paragraph B. above. However, the year after ratification (and thereafter) the Company will perform a ten-month lookback to ensure that the monthly requirements of paragraph B. have been satisfied. In the event the Employee did not meet the monthly requirement of paragraph B., the applicable number of FTOs will be reduced from the bank. If Employee is terminated or resigns prior to meeting the requirements, the Company will recoup the amount of the FTO(s) from his final paycheck.

D. **Holidays.** The following holidays will be observed: Thanksgiving Day (November) and Christmas Day (December). These holidays will be that day generally recognized as that holiday. All Employees will 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 will 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. An Employee scheduled to work on a holiday who does not report for work will lose all pay for such holiday unless the absence is due to sickness or is excused.

E. **Additional Vacation Day.** If the Company-approved holiday (or day free of the Company) 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.

F. **Freeday Bid.** If any shift bid for more than one (1) calendar month is re-bid, Employees will be allowed to re-bid affected freedays.

ARTICLE TWENTY-THREE ATTENDANCE

A. **Purpose.** The Company and the Union recognize that habitual absenteeism and tardiness adversely affect operations and morale. The purpose of this program is to control the attendance of Employees in a constructive manner and within the framework of progressive disciplinary procedures. In order to avoid the accumulation of occurrences, it is recommended that, in the event Employees require time off, they should, to the degree possible, secure trades with other Employees, request vacation time, or, where appropriate, request a leave of absence. Using sick leave or sick pay for a purpose other than that intended constitutes abuse. Abuse of sick leave or sick pay shall warrant immediate termination.

1. **Reporting Procedure.** In all cases of absence or tardiness, the Employee shall call his supervisor. If the Employee is unable to call, he shall cause someone to call in his stead. Answering machines at the stations can also be utilized.

2. **Requirements of Reporting.** Call-ins must be made at least one-half (½) hour before the start of the Employee's shift on every day that the Employee shall be absent. Failure to report an absence at least one-half (½) hour prior to the start of the Employee's shift shall be treated as unreported. Failure to report a tardy before the beginning of a shift shall be treated as an Unreported Tardy. No tardiness shall be charged until two (2) minutes have passed from the Employee's scheduled starting time. If an unusual condition exists that would make it impossible for the Employee to report an absence or tardy within the required time frames before his shift, a valid reason must be furnished. If no valid reason is furnished, the penalty for an unreported occurrence shall be assigned. If an Employee can provide doctor's verification in advance of a specific duration of absence, the requirement to call in each day shall be waived by the appropriate manager.

SECTION I ATTENDANCE PROGRAM

DEFINITIONS

A. **No Show.** (Unreported Absence). Any Employee who is scheduled for regular work, overtime, training, trades, or holidays and does not report his absence as outlined in the "Requirements of Reporting" section of this program shall be charged with a No Show (Unreported Absence). Failure to report an absence, whether or not verified by a doctor's statement, shall be chargeable as a No-Show (Unreported Absence). The Employee shall not be allowed to work.

B. **Reported Personal Absence.** (Personal Business). Any Employee providing at least one hour prior notice that he shall not report to work for whatever reason, other than his personal illness, shall be charged with a Reported Personal Absence (Personal Business).

C. **Reported Illness.** (Non Chargeable). Four (4) doctor statements per calendar year shall be allowed for any Employee calling to report that he shall not report to work because of his personal illness/injury. No more than one (1) doctor statement shall be accepted for any Employee during the period from November 1 through and including January 3.

There shall be no charge to an Employee's attendance record in the event such Employee suffers a relapse of the same medical condition for which the Employee utilized a doctor's statement, provided:

- i. The verified relapse occurs no later than three (3) days following the Employee's return to work; and
- ii. Such absence is verified by the same doctor or medical facility who treated the Employee for the original illness/absence and which documents in the statement that the Employee has suffered a relapse.

The doctor's statement which confirms the relapse must be furnished to the Company on the Employee's first day back to work and will not be charged as one of the Employee's four (4) doctor's statements allowed annually.

1. **Doctor Statement.** An Employee utilizing a doctor's statement to excuse his absence must furnish it to local management on his first day back to work. Upon receipt of the doctor's statement on the Employee's first day back, if the Employee has not utilized his allowable number of doctor's statements under paragraph C. above, the absence shall be excused.

2. **Non Chargeable Occurrence.** If an Employee becomes ill and fails to complete his shift after working at least four (4) hours thereof, no charge shall be made to his record; however, he shall be charged for any similar failure within the succeeding six (6) month period.
3. **Statement Contents.** The doctor's statement for verification of an illness/injury must contain the following information or it shall be deemed unacceptable:
 - 1 - Inclusive date(s) of illness/injury (Must be included unless verified in writing by the doctor's office that the Employee contacted them and they were initially unable to treat due to scheduling)
 - 2 - Date(s) of treatment;
 - 3 - Date Employee can return to full duty; and
 - 4 - Doctor's signature.

D. **Reported Illness.** (Chargeable). Any Employee calling to report that he shall not report to work because of his personal illness/injury and who does not provide a doctor's statement on his first day back, shall be charged with a Reported Illness (Chargeable). An Employee who has utilized his allowable number of doctor's statements under paragraph C. above shall also be charged with a Reported Illness (Chargeable).

E. **Unreported Tardy.** Any Employee who reports to work within one-half (1/2) hour after the start of his shift and did not notify local management that he was going to be late prior to his shift beginning shall be charged with an Unreported Tardy.

1. **Within 1/2 Hour Window.** If the Employee did not notify the local management that he was going to be late prior to his shift beginning, but notifies the local management within one-half (1/2) hour after the beginning of his shift, the Employee shall be allowed to report to work, provided he reports to work within one hour and thirty minutes (1:30) past the beginning of his shift. Otherwise he shall be sent home without pay and charged with a No-Show (Unreported Absence).
2. **Outside 1/2 Hour Window.** If the Employee is more than one-half (1/2) hour late and has given no notice to the local management that he shall report late, the Employee shall be sent home without pay and shall be charged with a No-Show (Unreported Absence).

F. **Reported Tardy.** Any Employee who calls prior to the start of his shift and reports that he shall be late or any Employee who calls within one-half (1/2) hour after the start of his shift because of an extreme or unusual circumstance shall be considered tardy. In this instance, the Employee should estimate the time he shall arrive at work. However, in no event shall the Employee be permitted to report more than two (2) hours after the start of his shift.

1. **Two (2) Hour Period/Fails to Report.** If an Employee calls reporting that he shall be late and fails to report to work within two (2) hours from the start of his shift without further notification to the local management of his intended absence, he shall be charged with a No-Show (Unreported Absence).
2. **Two (2) Hour Period/Reports.** If however, the Employee provides notification to local management within this two (2) hour period, he shall be charged with a Reported Personal Absence.

SECTION II CONTROL PROCEDURES

A. **Recorded Occurrences.** Absences and tardiness on scheduled workdays, overtime, training, trades, or holidays shall be recorded in the following manner:

No-Show (Unreported Absence)	2	
Reported Personal Absence (Personal Business)	1	
Reported Illness (Non Chargeable)	0	
Four (4) doctor's statements per calendar year, but no more than one (1) November 1 - January 3		
Reported Illness (Chargeable) (No doctor's statement or after utilizing allowable number of doctor's statements for Non Chargeable Reported Illness)	1	on the first day and ½ for the third consecutive day, and ½ point for each day thereafter, to a maximum of 2 per single continuous illness
Unreported Tardy	1	
Reported Tardy	½	

B. **Point Accumulation.** The Company shall be responsible for notifying an Employee receiving a chargeable occurrence for absenteeism/tardiness of the following disciplinary action as the occurrences accumulate:

Less than 1 point	No action taken
1-2 ½	Letter of Instruction
3-4 ½	Warning letter
5-5 ½	Final warning
6 or more	Termination

C. **Excused Time Off.** No points will be recorded for approved absences, i.e., personal leave, medical leave, OJI leave, military leave, bereavement leave, jury duty, Union leave, and shift giveaways.

D. **Record Improvement.** For each non-cumulative ninety-day (90) period during which an Employee works without any chargeable occurrence, two (2) points shall be deleted from the Employee's accumulation until the total reaches a maximum of minus 7 (-7).

E. It is noted that nothing contained in this Attendance Program negates Article Eight, Paragraph H, Sub-paragraph 3; Article Twenty, Section One, Paragraph J.2; nor precludes Company action under Article 13, Section 2, Paragraph C, nor Paragraph A of this Article.

F. **Earned Award Program.** An Employee with -4 or fewer points as of the end of February (beginning February 2016) and who was absent for any reason (other than jury duty or bereavement leave) less than three (3) days during the prior twelve (12) month period shall be awarded two (2) paid nonchargeable personal days ("Earned Award Days"), which may be utilized during the following twelve (12) months, subject to the following terms:

1. A minimum of one (1) and a maximum of five percent (5%) of shifts shall be available at each bid location per day for use of such Earned Award Days.
2. Earned Award Days cannot be used during the week of Thanksgiving (Monday through Sunday) nor during the period from December 16 through and including January 3.
3. Earned Award Days shall be awarded on a "first come, first served" basis, with at least 24 hours advance request by the Employee.
4. If any paid Earned Award Days are not used within twelve (12) months of award (by the end of the following February), the Employee will be paid for the unused Earned Award Day(s).

ARTICLE TWENTY-FOUR 737-800 SERIES AIRCRAFT

737-800 Series Aircraft. The Union and the Company agree that management is responsible for securing the necessary assistance for the process of loading and unloading aircraft bins. In the 737-800 rear bin, a minimum of two Employees will be required for loading and unloading the aircraft. In the event only one Employee is available, the Employee will advise a Supervisor of the need for assistance. A Supervisor may provide assistance as one of the two Employees in the bin in accordance with Article 2.B.

The above paragraph will not apply in the following situations:

- When mechanical means are available and utilized for the on and offload of the 737-800 aircraft
- When only bins E and F are utilized
- Late bags arriving at aircraft that can be loaded into bin E or F
- Transfer bags arriving at the aircraft that can be loaded into bin E or F
- Jetway checked bags

ARTICLE TWENTY-FIVE
SAVINGS CLAUSE

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-SIX 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, conditions, and cost as such plans are made available to any other group of Company Employees. Any future increase in cost borne by the Company for Employees not covered by this Agreement shall be borne by the Company for Employees covered hereunder.

B. Employees covered under this Agreement who retire after attaining age sixty-one and one-half (61½) with ten (10) years of service with the Company, or at age sixty (60) with twelve (12) years of service with the Company, may continue to receive benefits under Medical Plan C and Basic Dental from the date they retire until age sixty-five (65) by the payment of premiums which will not exceed the pure actuarial cost of providing such coverage as determined by the Administrator of the Company's Health Plans in effect at that time. Coverage under this paragraph shall extend to persons covered under the Health Plan as Eligible Family Members at the time of the Employee's retirement unless they cease to be an Eligible Family Member during the period of coverage for the retired Employee. If the retired Employee covered under this paragraph dies before age 65, his spouse and/or dependent may continue coverage up to the date the retired Employee would have reached age 65. The retired Employee will be given the option to change coverage level at each subsequent Health Plan enrollment period. The Employee may choose to take, or not to take, Basic Dental.

C. An Employee covered under this Agreement may retire at or after Age 55 with at least 15 years of service with the Company and purchase coverage under Medical Plan C for the entire duration of retirement coverage to age 65. The Employee shall pay for such coverage first through the exchange of sick leave at the rates below and, once all accrued sick pay is exhausted, then by the payment of premiums which will not exceed the age banded actuarial cost of providing such coverage as determined by the Administrator of the Company's Health Plans. Accrued sick leave will be exchanged at the following rates:

1. If the Employee retires with at least seven hundred and twenty (720) credited hours of sick leave available, he may exchange at the following rates:
 - a. One (1) month of coverage for each twelve (12) hours of accrued sick leave for Employee only coverage.
 - b. One (1) month of coverage for each sixteen (16) hours of accrued sick leave for Employee plus one dependent (child/spouse coverage).

- c. One (1) month of coverage for each eighteen (18) hours of accrued sick leave for Employee plus family coverage.
2. If the Employee retires with between five hundred (500) to seven hundred nineteen (719) credited sick hours available, he may exchange one (1) month of coverage for each eighteen (18) hours of accrued sick leave.
3. If the Employee does not have a minimum sick leave available of at least five hundred (500) hours, he may not exchange accrued sick leave.

D. An Employee covered under this Agreement may retire at or after Age 60 with at least 15 years of service with the Company and purchase coverage under the Benefits Plus Plans to age 65. The retired Employee must continue at the same coverage option and coverage level as the Employee was receiving on the day prior to retirement until the next Health Plan enrollment period. Each year thereafter, during the Health Plan enrollment period, the retired Employee will be eligible to elect a coverage option under the Benefits Plus Plan portion of the Health Plan. The Employee shall pay for such coverage first through the exchange of sick leave at the rates below and, once all accrued sick pay is exhausted, then by the payment of premiums which will not exceed the age banded actuarial cost of providing such coverage as determined by the Administrator of the Company's Health Plans. Accrued sick leave will be exchanged at the following rates:

1. One (1) month of coverage for each twelve (12) hours of accrued sick leave for Employee only coverage.
2. One (1) month of coverage for each fourteen (14) hours of accrued sick leave for Employee plus one dependent (child/spouse) coverage.
3. One (1) month of coverage for each sixteen (16) hours of accrued sick leave for Employee plus family coverage.

E. An Employee electing coverage under paragraphs C and D may opt to take Basic Dental at age banded rates. Coverage under paragraphs C and D shall extend to persons covered under the Health Plan as Eligible Family Members at the time of the Employee's retirement until they cease to be an Eligible Family Member during the period of coverage for the retired Employee. If the retired Employee covered under this paragraph dies before age 65, his spouse may continue coverage up to the date the retired Employee would have reached age 65 or, if earlier, until the spouse reaches age 65.

F. Employees covered under this Agreement who are retiring may utilize any provision in the current contract for which he is eligible.

ARTICLE TWENTY-SEVEN PROFIT SHARING

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

It is recognized that the Ramp, Operations, Provisioning and Freight Agents rely on the profit sharing plan to provide a significant portion of their retirement.

Should the Southwest Airlines Board of Directors take action to terminate the Plan, this CBA will be reopened for the limited purpose of negotiating a plan to replace the Profit Sharing Plan.

ARTICLE TWENTY EIGHT WAGE RULES

A. Employees shall be paid twice per month, based on the following schedule:

<u>Pay Period</u>	<u>Regular Pay</u>
1st through the 15th	20th of the month
16th through the end of the month	5th of the next month

If a Regular Payday falls on Saturday, paychecks will be distributed on the preceding Friday (or the preceding Thursday, if such Friday is a holiday). If a Regular Payday falls on Sunday, paychecks will be distributed on the following Monday (or the preceding Friday, if such Monday is a holiday). If a Regular Payday falls on a Monday holiday, paychecks will be distributed on the following Tuesday; otherwise, if a Regular Payday falls on a holiday, paychecks will be distributed on the preceding day. Examples of known events during the term of this Agreement when distribution of paychecks will be affected by a Monday or Friday holiday include:

Monday Holiday	Circumstance	Payday
September 5, 2016(M)	Regular Payday on Monday Holiday	September 6, 2016 (T)
January 21, 2019(M)	Monday Holiday following Sunday Payday	January 18, 2019(F)

B. 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.

C. Where there is a shortage equal to one-half (1/2) a day's pay or more in the pay of an Employee, the Employee shall be reimbursed from the General Office for such shortage within three (3) working days.

D. Pay checks shall include an itemized statement of all hours, wages, adjustments, and deductions for the pay period.

E. Employees leaving the service of the Company shall 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 shall be computed as follows: changes occurring from the 24th day of the month to the 8th day of the following month shall be effective beginning on the 1st of the following month and changes occurring from the ninth to the 23rd of any month shall become effective beginning on the 16th day of the month.

Seniority Date

24
25
26
27
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29 Changes Effective
30 1st of the Month
31
1
2
3
4
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8

Seniority Date

9
10
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13
14 Changes Effective
15 16th of the month
16
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23

G. An inconvenience shift premium of \$80.00 per month 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 at or after 12:00 noon and before 5:00 A.M.

H. A multiple starting time premium shall be added to the base pay during each month based on the following schedule.

1. Employee is scheduled to work two (2) shifts within his work week whose starting times vary by more than twenty-nine (29) minutes within the work week - \$20.00 per month.
2. Employee is scheduled to work three (3) shifts within his work week whose starting times vary by more than twenty-nine (29) minutes within the work week - \$45.00 per month.
3. Employee is scheduled to work four (4) shifts within his work week whose starting times vary by more than twenty-nine (29) minutes within the work week - \$75.00 per month.
4. Employee is scheduled to work five (5) shifts within his work week whose starting times vary by more than twenty-nine (29) minutes within the work week - \$100.00 per month.

I. An Employee reclassified to a higher rated position under this Agreement shall enter such new higher rated position at the pay scale to which he is entitled in accordance with his Company seniority. An Employee reclassified to a position with equal rates of pay shall enter the new classification with his pay unaffected.

J. Nothing in this Agreement shall prevent the Company from paying to an individual Employee hereunder a higher rate of compensation than the rate established in this Agreement.

K. 1. Upon completion of the first six (6) months of service with the company an Employee shall advance to the 6 Month Step. Upon completion of the first year of service with the Company an Employee shall advance to Step One (1) of the progressive pay scale. Thereafter, on the anniversary of such Employee's date of hire the Employee shall advance to the next step and so on until they reach the top of the pay scale.

2. Effective the first full pay period after date of ratification, and thereafter on the anniversary of that date, all Employees shall be paid at the following hourly rates of pay:

Ramp/Provisioning Agents Rates of Pay								
Step	Current	3/1/2016	9/1/2016	3/1/2017	3/1/2018	3/1/2019	3/1/2020	3/1/2021
New Hire	\$10.28	\$12.00	\$12.00	\$12.00	\$12.61	\$12.93	\$13.22	\$13.52
6 Month	\$11.12	\$12.48	\$12.48	\$12.79	\$13.11	\$13.44	\$13.74	\$14.05
Step 1	\$11.47	\$12.98	\$12.98	\$13.30	\$13.63	\$13.97	\$14.28	\$14.60
Step 2	\$11.94	\$13.50	\$13.50	\$13.84	\$14.19	\$14.54	\$14.87	\$15.20
Step 3	\$13.36	\$14.04	\$14.04	\$14.39	\$14.75	\$15.12	\$15.46	\$15.81
Step 4	\$15.09	\$15.84	\$16.54	\$16.95	\$17.37	\$17.80	\$18.20	\$18.61
Step 5	\$16.36	\$17.18	\$17.94	\$18.39	\$18.85	\$19.32	\$19.75	\$20.19
Step 6	\$17.61	\$18.49	\$19.30	\$19.78	\$20.27	\$20.78	\$21.25	\$21.73
Step 7	\$18.49	\$19.41	\$20.26	\$20.77	\$21.29	\$21.82	\$22.31	\$22.81
Step 8	\$19.34	\$20.31	\$21.20	\$21.73	\$22.27	\$22.83	\$23.34	\$23.87
Step 9	\$20.22	\$21.23	\$22.16	\$22.71	\$23.28	\$23.86	\$24.40	\$24.95
Step 10	\$21.09	\$22.14	\$23.11	\$23.69	\$24.28	\$24.89	\$25.45	\$26.02
Step 11	\$25.97	\$27.27	\$28.47	\$29.18	\$29.91	\$30.66	\$31.35	\$32.06

Operations/Large Agents Rates of Pay								
Step	Current	3/1/2016	9/1/2016	3/1/2017	3/1/2018	3/1/2019	3/1/2020	3/1/2021
New Hire	\$10.63	\$12.35	\$12.35	\$12.65	\$12.96	\$13.28	\$13.57	\$13.87
6 Month	\$11.52	\$12.83	\$12.83	\$13.14	\$13.46	\$13.79	\$14.09	\$14.40
Step 1	\$11.87	\$13.33	\$13.33	\$13.65	\$13.98	\$14.32	\$14.63	\$14.95
Step 2	\$12.32	\$13.85	\$13.85	\$14.19	\$14.54	\$14.89	\$15.22	\$15.55
Step 3	\$13.74	\$14.39	\$14.39	\$14.74	\$15.10	\$15.47	\$15.81	\$16.16
Step 4	\$15.47	\$16.19	\$16.89	\$17.30	\$17.72	\$18.15	\$18.55	\$18.96
Step 5	\$16.74	\$17.53	\$18.29	\$18.74	\$19.20	\$19.67	\$20.10	\$20.54
Step 6	\$18.00	\$18.84	\$19.65	\$20.13	\$20.62	\$21.13	\$21.60	\$22.08
Step 7	\$18.87	\$19.76	\$20.61	\$21.12	\$21.64	\$22.17	\$22.66	\$23.16
Step 8	\$19.71	\$20.66	\$21.55	\$22.08	\$22.62	\$23.18	\$23.69	\$24.22
Step 9	\$20.60	\$21.58	\$22.51	\$23.06	\$23.63	\$24.21	\$24.75	\$25.30
Step 10	\$21.48	\$22.49	\$23.46	\$24.04	\$24.63	\$25.24	\$25.80	\$26.37
Step 11	\$26.35	\$27.62	\$28.82	\$29.53	\$30.26	\$31.01	\$31.70	\$32.41

3. One-Time Bonuses:

The Company will provide a one-time lump sum bonus for those Employees who have completed initial probation and are working under the TWU Local 555 Agreement as of the Date of Ratification (February 19, 2016) and must be employed at Southwest Airlines five (5) business days prior to date of payment.

Ratification Bonus	\$42,000,000	
Profitability Bonus	\$15,000,000	Provided the Company has achieved a ROIC of 25% or Greater in 2015
401K Gap Payment	\$23,000,000	

Provided this Agreement is ratified no later than February 29, 2016, the Company will pay the following lump sum payments to eligible employees within 90 days of February 19, 2016. Bonuses will be distributed based on Southwest Airlines 401(k) eligible earnings, while working under the TWU Local 555 Agreement, from July 1, 2011 to June 30, 2015 as provided for in the table below.

July 1, 2011 to June 30, 2015 Total Southwest 401(k) eligible earnings		Lump Sum Bonus (Ratification, Profitability & 401(k) Gap)
From	To	
\$1.00	\$10,000.00	\$509.00
\$10,000.01	\$20,000.00	\$1,016.35
\$20,000.01	\$30,000.00	\$1,522.04
\$30,000.01	\$40,000.00	\$2,026.09
\$40,000.01	\$50,000.00	\$2,528.51
\$50,000.01	\$60,000.00	\$3,029.28
\$60,000.01	\$70,000.00	\$3,528.43
\$70,000.01	\$80,000.00	\$4,025.97
\$80,000.01	\$90,000.00	\$4,521.88
\$90,000.01	\$100,000.00	\$5,016.18
\$100,000.01	\$110,000.00	\$5,508.88
\$110,000.01	\$120,000.00	\$5,999.98
\$120,000.01	\$130,000.00	\$6,489.48
\$130,000.01	\$140,000.00	\$6,977.37
\$140,000.01	\$150,000.00	\$7,463.70
\$150,000.01	\$160,000.00	\$7,948.44
\$160,000.01	\$170,000.00	\$8,431.61
\$170,000.01	\$180,000.00	\$8,913.20
\$180,000.01	\$190,000.00	\$9,393.24
\$190,000.01	\$200,000.00	\$9,871.71
\$200,000.01	\$210,000.00	\$10,348.61
\$210,000.01	\$220,000.00	\$10,823.98
\$220,000.01	\$230,000.00	\$11,297.80
\$230,000.01	\$240,000.00	\$11,770.09
\$240,000.01	\$250,000.00	\$12,240.83
Over	\$250,000.00	\$12,724.96

* For Purposes of the Profitability Bonus, ROIC is the Company's "Return On Invested Capital" as defined and reported in the Fourth Quarter and Annual Earnings Release.

**ARTICLE TWENTY NINE
DURATION AND AMENDMENTS**

This entire Agreement shall remain in full force and effect as of the date of ratification through and including February 18, 2021, and thereafter shall be subject to change as provided in Section Six of the Railway Labor Act, as amended.

ARTICLE THIRTY RETIREMENT

The Employees covered hereunder shall continue to be included in the Southwest Airlines Co. 401(k) plan, subject to the terms thereof, to which the Company shall agree to make a matching contribution in the amount set forth below. Effective January 1, 2019, with respect to all Employees covered hereunder, the Company agrees to contribute one dollar (\$1.00) for each one dollar (\$1.00) of the Employee's pre-tax contribution, not to exceed nine and three/tenths percent (9.3%) of the Employee's compensation, as defined in the 401(k) plan. But until January 1, 2019, the Employees covered hereunder shall continue at the current 8.3% match rate. In the event that any portion of an Employee's pre-tax contribution to the 401(k) plan shall be distributed to the Employee, as a result of the failure of such 401(k) plan during any plan year to pass the actual deferral percentage test, such distribution shall not affect the amount of matching contribution payable with respect to such Employee; rather, the matching contribution shall be calculated by reference to the entire pre-tax contribution of the Employee, prior to any such distribution. The determination of whether or not the 401(k) plan has failed the actual deferral percentage test for any plan year, and of the amount to be distributed to an Employee in order to correct such failure, shall be made by the Company, whose determination in that regard shall be binding on all parties hereto.

ARTICLE THIRTY ONE UNION MEMBERSHIP

A. Any Employee of the Company covered by this Agreement who fails to voluntarily join and maintain membership in the Union shall be required, as a condition of employment, beginning thirty (30) days after the effective date of this Agreement or one (1) full month after the completion of his probationary period, whichever is later, to pay the Union semi-monthly membership dues as a service charge for the Union's administration of this Agreement and representation of such Employee.

B. If any Employee of the Company covered by this Agreement becomes delinquent in the payment of dues, the Union shall attempt to notify such Employee by certified mail, return receipt requested, with a copy sent to such Employee by regular U.S. Mail and to the appropriate department Vice President, that he is delinquent in the payment of such dues, as specified herein, and is subject to discharge as an Employee of the Company. Such letter shall also notify the Employee that he must remit the required payment within a period of fifteen (15) days or be discharged.

C. If, upon the expiration of the fifteen (15) day period, the Employee remains delinquent, the Union shall certify in writing to the appropriate Vice President, copy to the Employee, that the Employee has failed to remit payment within the grace period allowed and is, therefore, to be discharged. The Company's Vice President shall thereupon take steps to promptly discharge such Employee from the service of the Company.

D. A grievance by an Employee who is to be discharged as the result of an interpretation or application of the provisions of this Article shall be subject to the following procedure:

1. An Employee who believes that the provisions of this Article have not been properly interpreted or applied must submit his written request for review within five (5) days from the date of his discharge from the Company pursuant to Paragraph C, above. The request must be submitted to the Vice President, or his designee, who shall review the grievance and render his decision, in writing, no later than five (5) days following receipt of the grievance.
2. The Vice President or his designee shall forward his decision to the Employee, with a copy to the Union. Said decision shall be final and binding on all interested parties, unless appealed as hereinafter provided. Either the Employee or the Union may appeal the decision within ten (10) days from the date of the decision. Such appeal shall be direct to a neutral referee, to be agreed upon by the Employee and the Union, within ten (10) days after notice of appeal. In the specified period, either the Employee or the Union may request the National Mediation Board to name such neutral referee. The decision of the neutral

referee shall be rendered within ten (10) days after his appointment. The decision of the neutral referee shall be final and binding on all parties to the dispute. The fees of such neutral referee shall be borne equally by the Employee and the Union.

E. During the period a grievance is being handled under the provisions of this Article, and until final award by the department Vice President, his designee, or the neutral referee, the Employee shall not be discharged from the Company nor lose any seniority rights because of noncompliance with the terms and provisions of this Article. A decision shall be deemed final when time for appeal has expired.

1. An Employee discharged by the Company under the provisions of this Paragraph shall be deemed to have been "discharged for just cause," within the meaning of the terms and provisions of this Agreement.
2. It is agreed that the Company shall not be liable for any time, wage, or other claims of any Employee discharged by the Company pursuant to a written order by any authorized Union representative under the terms of this Paragraph.

F. Provided the Company has received the "check-off form," prepared and furnished by the Union and executed by the Employee, the Company shall deduct the Employee's dues, as determined by the Union, from the Employee's wages and remit same to the Union.

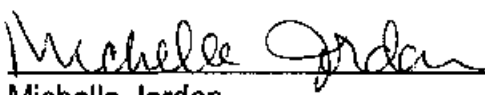
EXECUTION PAGE

Signed this 16th day of March, 2016.

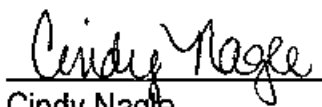
For Southwest Airlines Co.:

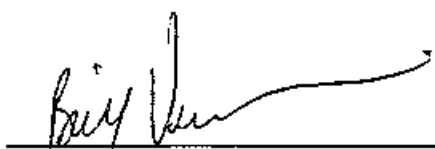

Randy Babbitt,
Senior Vice President Labor Relations


Mike Ryan,
Vice President Labor Relations

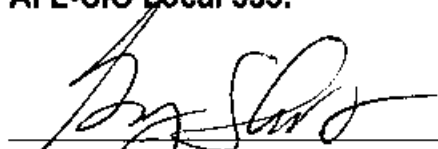

Michelle Jordan

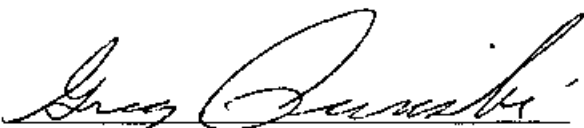

Kevin Mincher


Cindy Nagle

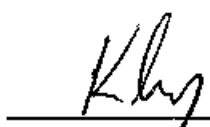

Bill Venckus

**For Transport Workers Union of America,
AFL-CIO Local 555:**


Gary Shults, International Representative


Greg Puriski, President


Alfonso Santoyo
Negotiating Committee Member


Kevin Carney
Negotiating Committee Member


Phil McNally
Negotiating Committee Member


Mike Aron
Negotiating Committee Member


Curtis Cleveland
Negotiating Committee Member



Mike Roach
Negotiating Committee Member



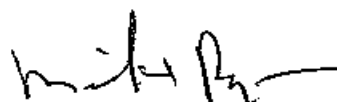
Mark Waters
Negotiating Committee Member

**SIDE LETTER OF AGREEMENT
NUMBER ONE**

This will confirm the understanding reached during negotiations leading up to the Agreement between the Company and the Union regarding the application of Article 20, Section 1.G.1.a. In cases involving allegations of matters involving harassment, intimidation, threats, Customer complaints, or criminal activity, it is understood that an internal investigation may be required before the Company will become aware of the incident concerning which the fact-finding shall be convened. If such an investigation is required, it will be conducted in an expeditious manner.

Signed this 16th day of March, 2016.

For Southwest Airlines Co.

A handwritten signature in black ink, appearing to read "Mike Ryan", written over a horizontal line.

Mike Ryan, Vice President
Labor Relations

For Transport Workers Union of America
AFL-CIO Local 555

A handwritten signature in black ink, appearing to read "Greg Puriski", written over a horizontal line.

Greg Puriski, President

**SIDE LETTER OF AGREEMENT
NUMBER TWO**

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

Upon ratification of this agreement, designees from both parties will meet to update the Work Rule Interpretations. Both parties agree that any difficulties arising from such update will be resolved by the undersigned or their designees.

Signed this 16th day of March, 2016.

For Southwest Airlines Co.

For Transport Workers Union of America
AFL-CIO Local 555

A handwritten signature in cursive script, appearing to read "Mike Ryan", written over a horizontal line.

Mike Ryan, Vice President
Labor Relations

A handwritten signature in cursive script, appearing to read "Greg Puriski", written over a horizontal line.

Greg Puriski, President

**SIDE LETTER OF AGREEMENT
NUMBER THREE**

This will confirm the understanding reached during negotiations leading up to the agreement between the Company and the Union regarding meetings with the Southwest Airlines Co. Profit Sharing Committee:

Upon request of the Union, before and after the normally scheduled meetings of the Southwest Airlines Co. Profit Sharing Committee, the Company agrees to meet with the Union to provide updates on any investment decisions made by the Committee and discuss any suggestions the Union may present.

Signed this 16th day of March, 2016.

For Southwest Airlines Co.

For Transport Workers Union of America
AFL-CIO Local 555



Mike Ryan, Vice President
Labor Relations



Greg Puriski, President

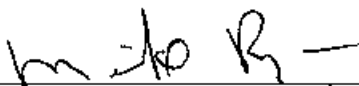
SIDE LETTER OF AGREEMENT NUMBER FOUR

This will confirm the agreement between the Union and the Company, reached during discussion, regarding "EFT", "FIDS", and "ACARS" system. The following are in compliance with the language and the intent of our Collective Bargaining Agreement, specifically Article Five

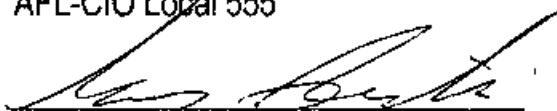
- Operations Agents will be required to enter Flight Arrival and Departure times for all flights.
- In regards to the "Auto Posting" feature proposed in the EFT/FIDS system, Operations Agents will be required to "Approve" or "Modify" all updates to the estimated time of departure and estimated time of arrival postings. Operations Agents will have the ability to "Approve" or "Modify" times from either the Coordinators position, or if necessary, at the gate.
- Operations Agents will continue to communicate via radio directly from the Stations to the Aircraft as needed in the daily performance of their job duties.

Signed this 16th day of March, 2016.

For Southwest Airlines Co.


Mike Ryan, Vice President
Labor Relations

For Transport Workers Union of America
AFL-CIO Local 555


Greg Puriski, President

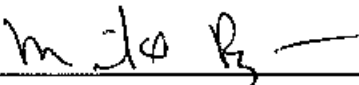
**SIDE LETTER OF AGREEMENT
NUMBER FIVE
HUMAN REMAINS**

This Letter of Agreement will confirm the agreement between the Union and the Company, reached during discussions regarding the movement of Human Remains.

The Company and the Union agree that if an Agent expresses to his immediate Supervisor that he does not wish to help with the shipment of Human Remains, the Company will make an effort to find other Employees who will help with the shipment. In the event that the Company is unable to identify another Employee to help with the shipment, the Company and the Union agree that Management Employees will help with the shipment.

Signed this 16th day of March, 2016.

For Southwest Airlines Co.

A handwritten signature in black ink, appearing to read "Mike Ryan", written over a horizontal line.

Mike Ryan, Vice President
Labor Relations

For Transport Workers Union of America
AFL-CIO Local 555

A handwritten signature in black ink, appearing to read "Greg Puriski", written over a horizontal line.

Greg Puriski, President

**SIDE LETTER OF AGREEMENT
NUMBER SIX
HEAVY FREIGHT**

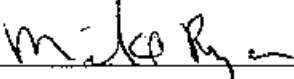
This Letter of Agreement will confirm the agreement between the Union and the Company reached during discussion, regarding the Maximum 200 pound cargo weight limit.

The Company agrees that it will not initiate a greater weight limit than the current 200 pounds without first discussion and coming to agreement with the Union.

This agreement leaves in place the Southwest Airlines Co. Contract of Carriage – Cargo, page 8 number 6. Shipments Subject to Advance Arrangements.

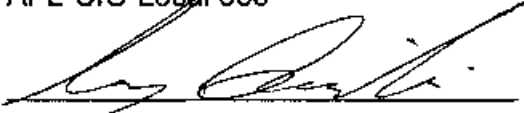
Signed this 16th day of March, 2016.

For Southwest Airlines Co.



Mike Ryan, Vice President
Labor Relations

For Transport Workers Union of America
AFL-CIO Local 555



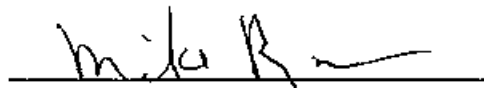
Greg Puriski, President

**SIDE LETTER OF AGREEMENT
NUMBER SEVEN
RATIFICATION POINT ADJUSTMENT**

This will confirm the understanding reached during negotiations leading up to the agreement between the Company and the Union regarding a ratification attendance point adjustment. Within 45 days of ratification, all Employees covered under this agreement will have their point accumulation reduced by three (3) points to a maximum of (-7) points.

Signed this 16th day of March, 2016.

For Southwest Airlines Co.

A handwritten signature in black ink, appearing to read "Mike Ryan", written over a horizontal line.

Mike Ryan, Vice President
Labor Relations

For Transport Workers Union of America
AFL-CIO Local 555

A handwritten signature in black ink, appearing to read "Greg Puriski", written over a horizontal line.

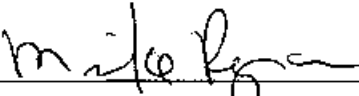
Greg Puriski, President

**SIDE LETTER OF AGREEMENT
NUMBER EIGHT
ATTENDANCE NOTIFICATION BY EMAIL**

This will confirm the understanding reached during negotiations leading up to the agreement between the Company and the Union regarding attendance discipline notification by email. The Company will notify Employees by Company email of the issuance of a Letter of Instruction. There will be a six-month trial period. At the conclusion of six months, the Company and the Union will meet to evaluate the success of this program. At that time, either party may suspend this trial.

Signed this 16th day of March, 2016.

For Southwest Airlines Co.



Mike Ryan, Vice President
Labor Relations

For Transport Workers Union of America
AFL-CIO Local 555



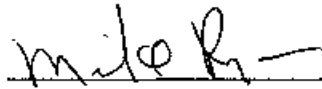
Greg Puriski, President

**SIDE LETTER OF AGREEMENT
NUMBER NINE
ELECTRONIC MEANS**

This will confirm the understanding reached during negotiations between the Company and the Union regarding electronic means which includes the following: bidding for shifts, vacation, Freedays, DATs and FTOs, shift trades, overtime, permanent bids, temporary assignments and vacation vacancy bids. Once electronic means are available, the parties will meet to discuss the implementation schedule.

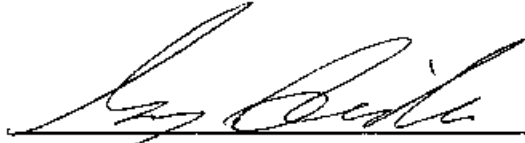
Signed this 16th day of March, 2016.

For Southwest Airlines Co.



Mike Ryan, Vice President
Labor Relations

For Transport Workers Union of America
AFL-CIO Local 555



Greg Puriski, President

100

DATE: _____

WITNESSED BY: _____ Initials

Con't With OT: The Employee will indicate either, "B" for before scheduled shift, "A" for after scheduled shift or "X" for both.

Note: When the Overtime Call Book is closed, underline in red the last name in the book at the time. Time and initial this red line and have witnessed. In order to be eligible for overtime, all information must be completed in ink and be correct.

Page ____ of ____

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