

Agreement  
Between  
**Continental Airlines, Inc.**  
And  
**The Fleet Service Employees**  
In the Service of  
**Continental Airlines, Inc.**  
As Represented By

**The International Brotherhood of Teamsters**



December 31, 2010 – July 1, 2013



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## Article 1- Recognition and Status of the Agreement

- A. The Company hereby recognizes the International Brotherhood of Teamsters as the exclusive representative and sole collective bargaining agent with respect to rates of pay, rules and working conditions for all employees covered under this Agreement composing the craft or class of Fleet Service Employees in the job classifications set forth in Article 3, for purposes of the Railway Labor Act, pursuant to the certification issued by the National Mediation Board on February 16, 2010, in Case No. R-7228.
- B. Fleet Service Employees performing work as directed by the Company will be covered by this Agreement and subject to the rates of pay, rules and working conditions contained in this Agreement, as well as applicable laws and Company policies. All work performed directly by the Company involving the work of the classifications set forth in Article 3 of this Agreement is recognized as coming within the jurisdiction of the Union and is covered by this Agreement.
- C. Employees covered by this Agreement may be assigned to perform work of other crafts and/or classifications as directed by the Company and to work with other employees of the Company in coordination and to share work as the needs of the service require.
- D. The Company reserves the right to contract out work heretofore customarily contracted out and to transfer or contract out other work within the scope of this Agreement. The Company will provide a reasonable business justification for its decision to transfer or contract out work. Before any work currently being performed by employees covered by this Agreement is transferred or contracted out, the Company will notify the Union of its intent and if such transferring/contracting indicates that any employee covered by this Agreement will be reduced from their current job classification, transferred or furloughed as a result, either party may serve notice, within ten (10) days, of its desire to negotiate for the continuation of the work, or the procedures to be followed and the protections to be afforded employees affected. Negotiations under this provision will be initiated within ten (10) days from receipt of the notice of desire to negotiate and no employees affected will be reduced, transferred or furloughed less than sixty (60) days after the Company first notifies the Union of its intent to transfer or contract out work. The Company will be excused from these requirements in the event of circumstances beyond the control of the Company, such as a war, emergency, revocation of an operating certificate, grounding of aircraft, a strike or other cessation of work.
- E. Except as specifically restricted by the express terms of this Agreement, the Company has the sole and exclusive right to manage and operate its business and working forces. This includes, but is not limited to: the rights to hire, discipline, suspend and discharge employees for just cause; to hire, promote, demote and transfer employees, and maintain discipline and efficiency in the Company's facilities; determine where and when to operate scheduled or unscheduled flights, determine the type of facilities, equipment and aircraft it will utilize; to sell or discontinue all or part of the business, sell or lease aircraft or facilities, determine its marketing methods and strategies, enter into code sharing, affiliation or marketing agreements with other carriers, invest (including equity investments) in other business

entities including, without limitation, other air carriers. The exercise of any right reserved herein to management in a particular manner, or the non-exercise of such right, shall not operate as a waiver of the Company's rights hereunder, or preclude the Company from exercising the right in a different manner. The rights enumerated above shall not be deemed to exclude other preexisting rights of management, except as expressly provided in this Agreement.

- F. The Union, including its directors, officers, representatives and agents, will not engage in, promote, or cause any strike or work stoppage at the Company, including but not limited to sympathy strikes or recognition of picket lines at the Company, and the Union will not otherwise support picket lines (except the legally-established picket lines of other IBT members) established at the Company, or cause any other organized job action from the effective date of a fully ratified Collective Bargaining Agreement through thirty (30) days following the date, if any, the parties are released from mediation by the National Mediation Board in connection with negotiations for a successor Agreement.
- G. No employee covered by this Agreement will be interfered with, restrained, coerced or discriminated against by the Company, its officers or agents because of membership in or lawful activity on behalf of the Union.
- H. Successorship And Mergers
  - 1. This Agreement shall be binding upon any successor or assign of the Company unless and until changed in accordance with the provisions of the Railway Labor Act, as amended. For purposes of this paragraph, a successor or assign shall be defined as an entity which acquires all or substantially all of the assets or equity of the Company through a single transaction or multi-step related transactions which close within a twelve (12) month period.
  - 2. No contract or other legally binding commitment involving the transfer of ownership or control pursuant to a successorship transaction, whether by sale, transfer or lease of the Company or substantially all of its assets, will be signed or otherwise entered into unless it is agreed as a material and irrevocable condition of entering into, concluding and implementing such transaction that the rates of pay, rules and working conditions set forth in this Agreement will be assumed by the successor employer, and employees on the then current Fleet Service seniority list will be employed in accordance with the provisions of this Agreement. The Company shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, or assignee of the operation covered by this Agreement or any substantial part thereof. Such notice shall be in writing with a copy to the Union, at the time the seller, transferor, or lessor executes a definitive agreement with respect to a transaction as herein described.
  - 3. In the event of a merger of airline operations between the Company and another air carrier the Company will require, as a condition of any such operational merger that provisions be included requiring that the surviving carrier provide for fair and equitable integration of the pre-merger Fleet Service seniority list in accordance with Sections 3

and 13 of the Allegheny Mohawk LPPs.

4. In the event of a merger of airline operations, this Agreement and any and all subsequent agreements shall be considered to be amendable as provided in the Duration Article and Section 6 of the Railway Labor Act. Integration of the Fleet Service work groups shall not occur until the applicable seniority lists are merged pursuant to procedures as described above, and agreement is reached over rates of pay, rules, and working conditions for the post-merger craft or class. Prior to such agreement, the terms and conditions of this Agreement and any and all subsequent agreements shall continue to apply to the employees whose names appear on the Company's Fleet Service seniority list.
5. The following additional requirements shall be applicable in the event of a merger, purchase or acquisition involving the Company, regardless of the identity of the surviving carrier or whether formerly separate operations are to be integrated.
  - a. Unless and until any operational merger is finally effectuated, the Union will continue to be recognized as the representative of the pre-merger Company Fleet Service Employees, so long as such recognition is consistent with the Railway Labor Act and any applicable rulings or orders of the National Mediation Board. Recognition of a post-merger representative shall be governed by the Railway Labor Act and by any applicable rulings or orders of the National Mediation Board.
  - b. Subject to applicable securities and other laws and regulations, the Company will review with the Union the details of any material agreements relating to successorship transactions in a timely manner, provided that no financial or other confidential business information need be disclosed unless suitable arrangements are made for protecting the confidentiality and use of such information.
  - c. In advance of any operational integration, the Company or surviving carrier, if different than the Company, will accept the integrated seniority list accomplished in accordance with Sections 3 and 13 of the Allegheny Mohawk LPPs.
  - d. The fleet service operations of the Company and those of the other air carrier shall be kept separate unless and until the processes described in paragraphs H.3 and H.4 above are completed. During such time of separate operations, Fleet Service Employees shall not be interchanged without the Union's written consent.
  - e. Until the processes described in paragraphs H.3 and H.4 above are completed, no employee covered by this Agreement shall be reduced in status or pay category as an effect of the merger, purchase or acquisition. Status as used in this paragraph does not refer to full-time or part-time status.
  - f. The Company or surviving carrier, if different than the Company, shall meet promptly with the Union upon request to negotiate the implementation of the requirements of this paragraph.

I. Review Committee

A "Review Committee" consisting of equal numbers of Company and Union representatives, with a maximum of three (3) each, shall meet annually (or as frequently as appropriate) for the purpose of discussing the Company's current practice and future plans for performing fleet service work, including opportunities for contracting out such work and efficiently and economically performing or increasing performance of work done by employees covered by this Agreement. The Company will provide the Review Committee with information necessary to facilitate these discussions. Proprietary, sensitive or confidential information will be reviewed under standard confidentiality agreements at the Company's request.

J. The Company and Union agree to arbitrate any grievance alleging violation of this Article on an expedited basis directly before the Board of Arbitration sitting with a neutral arbitrator acceptable to both parties. If a mutually agreed upon arbitrator cannot be selected within three (3) days of the grievance filing, an arbitrator will be selected by alternate strike form a list of seven (7) arbitrators provided by the National Mediation Board. The dispute shall be heard and decided as soon as reasonably possible, unless the parties agree otherwise in writing.

K. Status Of The Agreement

1. It is understood, wherever in this Agreement employees or jobs are referred to in the male gender, it shall be recognized as referring to both male and female employees.
2. It is the intent of the parties that they be and remain in compliance with all applicable laws and regulations. In the event that it is discovered that any provision of this Agreement or any Company policy or practice which pertains to a mandatory subject of bargaining is in violation or potential violation of any applicable law or regulation, the parties will, in a timely manner, meet and confer for the purpose of curing the violation or potential violation in a way which requires the least change, disruption of the existing circumstances, and additional cost as is possible while minimizing any negative impact on the employees.

## Article 2 - Union Security and Representation

- A. It shall be a condition of employment that all employees of the Company covered by this Agreement, shall on the effective date of this Agreement, become and remain members in good standing of the Union or, in the alternative, render the Union a monthly sum equivalent to the standard monthly dues required of the Union members, such sums to be recognized as "Service Fees."
- B. It shall be a condition of employment that all employees of the Company covered by this Agreement and hired on or after its effective date shall on or before the sixtieth (60th) day following the beginning of the initial seniority date, become and remain members in good standing in the Union, or, in the alternative, render the Union a monthly sum equivalent to the standard monthly dues required of the Union members, such sums to be recognized as "Service Fees."
- C. The Company will deduct from the wages of any employee covered by this Agreement said employee's initiation fees and dues as a member of the Union upon receiving the employee's voluntary and individual written authorization for the Company to make such deductions, signed by the employee. Such authorization form will be provided by the Union. The Company will pay over to the proper officers of the Union the wages withheld for such initiation fees and/or dues. The amount so withheld shall be deducted from the appropriate paycheck, reported and paid to the Union monthly. The employee's Social Security number, full name, dues rate, rate of pay and status of employment will be transmitted with the monthly fees/dues.
- D. The Union agrees that it shall indemnify the Company and hold the Company harmless from any and all claims which may be made by the employee or employees against the Company by virtue of the wrongful application or misapplication of any of the terms of this Article.
- E. In the event of termination of employment there shall be no obligation upon the Company to collect dues until all other deductions have been made.
- F. The Union shall give the Company at least thirty (30) days written notice before requesting the removal of employees from employment for failure to maintain membership in good standing in the Union in accordance with Section A of this Article.
- G. The Company will advise the Union of the name(s), hire dates, and addresses of any new hires and the names and dates of all other employees covered by the Agreement who have been terminated, laid off, retired, transferred, changed status, or recalled at the time the Company turns over the monies to the Union per paragraph B above.
- H. It shall be the responsibility of any employee who is not on a dues deduction program to keep his membership current by direct payments of monthly dues to the Union.
- I. Should a deduction be missed, or in the event an insufficient amount is deducted the proper adjustment will be made the following month.

J. Bulletin Boards

1. Glass enclosed lockable bulletin boards (maximum dimensions 3' x 5') acceptable to the Company will be provided by the Company at each work area. Each Board will be labeled as "Union." The Union and the Company will determine the location of the bulletin boards by mutual agreement. Keys will be issued only to the Shop Steward and to the local management designee.
  2. Union notices of interest to the employees may be posted on the bulletin boards. No political, inflammatory, controversial, or derogatory material will be permitted thereon.
- K. The Company agrees to admit to its bases the officially designated representative(s) of the Union and to sponsor said representatives in obtaining appropriate credentials (S.I.D.A. Badge) to transact business as is necessary for the administration of this Agreement. Such business shall be transacted in as short a time as possible and shall not interfere with the operations of the Company.
- L. The Union shall elect or appoint its shop steward(s) and shall notify the Company in writing of their election, appointment, or removal.
- M. Effective upon signing of this Agreement, the Company will assume the cost of fifteen hundred (1500) hours of straight time pay per month to be used by shop stewards or other employees authorized by the Union for the purpose of administration of this Agreement. Shop stewards or other employees authorized by the Union must give prior notice and report all time spent on Union business to the designated management representative.
- N. At locations where there are no full-time stewards available, the company will make stewards reasonably available during working time to attend grievance meetings and hearings at the station where the incident occurred. The parties agree to work with each other in good faith to ensure both that: (1) employees are reasonably represented in grievances and (2) the operation continues to operate without undue delay.
- O. The Union will provide the Company with the names, addresses, and phone numbers of its official Business Representatives at each base.
- P. Any employee covered by this Agreement who is required to be present at a Company hearing or investigation involving the employee which could reasonably result in discipline will be entitled to Union representation at such hearing or investigation and shall be so notified by the company. Such meetings will be held during the employee's normal working hours if possible, if not, the employee will be compensated at the applicable rate.
- Q. All new or transferring employees shall be afforded an opportunity during orientation or initial training to meet with the Local Business Agent or his designee.

## R. Union Leave

1. Upon forty-eight (48) hours written notice by an authorized Union representative, the Company will grant to an employee covered by this Agreement a Union Leave of Absence for up to seven (7) days, without loss of pay. No more than one (1) employees may take such leave at any station at any time, except two (2) employees may take such leave at the station at the same time at stations where the Company employs one thousand (1000) or more active employees covered by this Agreement. The Union will reimburse the Company for the cost of wages and benefits paid to the employee(s) while on such leave.
2. Upon fourteen (14) days written notice the Company will grant an extended Union Leave of Absence. Employees on Union Leave of Absence will be considered to be continuously employed by the Company for purposes of participating in the Company health and welfare plans, seniority accrual, and other benefit programs established by this Agreement. The Union shall pay the wages or salary, inclusive of fringe benefits, of an employee on extended Union Leave and shall reimburse the Company for any cost of participation in the benefits established by this Agreement.
3. Employees accepting full-time positions with the Union as representatives of the employees covered by this Agreement shall be granted an indefinite leave of absence by the Company. An employee on leave for this purpose shall retain and continue to accrue Company and Craft Seniority.
4. An employee must advise the Company at least ten (10) days in advance of his intention to return from any of the foregoing Union Leaves of Absence. Upon his return he shall be reinstated to the position he held when the leave was granted. If the position is no longer available he may choose to fill any other open position in his classification. If there are no open positions in the employee's classification and status, he may exercise his seniority to displace the junior employee in his location, classification and status, if necessary.

## Article 3 - Job Classifications

- A. This Agreement covers employees in the Fleet Service Agent Craft and Classifications listed herein. If the Company determines that a new Classification or Craft coming within the scope of this agreement is necessary, the Company agrees to meet and confer with the Union with respect to the duties, job descriptions and job requirements for the new Classification or Craft prior to its implementation.
- B. New hires, employees bidding permanent vacancies, employees filling temporary vacancies, employees exercising seniority in a reduction in force must meet the qualifications/tests, and other requirements, as outlined by the Company, except that an employee who has worked in that classification in the prior twenty-four (24) months shall be deemed qualified, subject to any applicable qualifying or job trial period. All employees who have previously worked in the Fleet Service Employee craft shall be deemed qualified to hold positions in the Customer Service Agent and Cargo Agent classifications, subject to physical requirements and restrictions.
- C. Employees covered by this Agreement are recognized as being in the classifications set forth below, with the following brief, non-exclusive, non-comprehensive basic job duties and responsibilities, which the Company reserves the rights to add to, delete and modify without restriction, except the Company will give the Union reasonable notice of a significant change in any job description:
  - 1. Customer Service Agent (CSA) - Responsibilities include but are not limited to loading and unloading, servicing, guiding, directing and towing of aircraft into and out of gate areas, transporting bags, mail, and freight/commodities, receiving and recording customer baggage, airfreight, airmail, COMAT and Quickpak as required.
  - 2. Cargo Agent / Cargo Sales Agent - Responsibilities include but are not limited to all warehousing activities; transporting cargo, mail, COMAT, Quickpak, animals, identifying, issuing and recording proper paperwork.
  - 3. Hub Operations Coordinator / Ops Coordinator - Responsibilities include but are not limited to coordinating and communicating aircraft gate assignments/flight delays/flight information, flight planning and other related functions, and may include International HOC duties.
  - 4. Aircraft Appearance Coordinator - Responsibilities include but are not limited to administering and coordinating all aircraft cleaning activities.
  - 5. Move Team - Responsibilities include but are not limited to aircraft movement on airfield, deicing / PAD operations, assisting delayed flights (removal of customers, pets, and supplies), assisting with charters, monitoring equipment, updating T.O.C.S. and C.C.M., staging support equipment for aircraft in remote areas, etc.
  - 6. Lead Agent / Team Leader - Responsibilities include, but are not limited to: planning, leading, directing, coordinating, instructing, on-the-job training and delegating, the work

of his assigned group. Leads must possess such qualifications as required for the position as determined by the Company.

- D. Work areas will be designated by the Company for each Classification, and employees will bid shifts by work areas within their Classification, pursuant to Article 4.K.2.

## Article 4 - Hours of Service

- A. Employees will be scheduled by a bid process that covers all of the available positions and work shifts in the craft within the job classifications and work areas at each location and provides a minimum rest period of at least eight (8) hours between shifts.
- B. The normal full-time workweek consists of five (5) consecutive workdays, followed by two (2) consecutive days off. The normal workday is eight (8) hours of work with a thirty (30) minute unpaid meal period. A separate fifteen (15) minute rest period will be given during the first half of the shift and another fifteen (15) minute rest period will be given during the second half of the shift.
- C. An alternative full-time workweek consists of four (4) workdays of ten (10) hours per day, followed by three (3) days off with a minimum of two (2) consecutive days off. The alternative ten (10) hour workday includes an unpaid thirty (30) minute meal period. A separate fifteen (15) minute rest period will be given during the first half of the shift and another fifteen (15) minute rest period will be given during the second half of the shift.
- D. Alternative full-time schedules of more than (ten) 10 hours but no more than thirteen and one-half (13.5) hours may also be utilized. Such schedules might include (but are not limited to) workweeks consisting of three (3) twelve (12) hour days plus one (1) four (4) hour day and/or two (2) thirteen and one-half (13.5) hour days and one (1) thirteen (13) hour day. These schedules may include one or two days of less than eight (8) hours but no fewer than four (4) hours. Such alternate schedules will provide a minimum of three (3) consecutive days off. Break schedules will provide for a fifteen (15) minute rest period for every four (4) full hours of work.
- E. Day shift is any shift which begins at or between 0400 and 1159. Day shift will be considered the first shift of the day. The swing shift is any shift that begins on or between the hours of 1200 and 1959. Swing shift will be considered the second shift of the day. Graveyard shift is any shift which begins on or between 2000 and 0359. Graveyard shift will be considered the third shift of the day.
- F. At no time will the Company schedule a full-time employee for less than forty (40) hours in a week. However, the Company may alter the above to eighty (80) hours of work in each two (2) week pay period, except as required by law, as a result of adjustments in outage relief shifts and between shift bids.
- G. All scheduled meal periods are unpaid. Eight (8) hour shifts will have a scheduled meal period between the end of the third (3rd) and the end of the sixth (6th) hour of the shift, unless otherwise mutually agreed upon. Ten (10) hour shifts will have a scheduled meal period between the end of the fourth (4th) and the end of the seventh (7th) hour of the shift, unless otherwise mutually agreed upon. Alternative workday schedules of more than ten (10) hours will include an unpaid thirty (30) minute meal period. Meal periods will fall between the end of the fourth (4th) hour and the end of the eighth (8th) hour of the shift, unless otherwise mutually agreed upon. In work areas where it is not feasible for employees to take a meal period due to regular operational requirements (e.g., move team, operations control center), employees will be scheduled for a straight eight (8) or ten (10) hour shift at the Company's discretion.

- H. A part-time week will consist of a minimum of twenty (20) hours and a maximum of thirty (30) hours of work, with a minimum of two (2) consecutive days off. Part-time employees will be given one (1) fifteen (15) minute rest period for every four (4) hours worked. The minimum daily schedule will be four (4) hours without a meal period. Part-time employees scheduled for more than five (5) hours in a day will be scheduled an unpaid meal period not to exceed thirty (30) minutes between the end of the second (2nd) and end of the fourth (4th) hour of the shift, unless otherwise mutually agreed upon. Employees scheduled to work a shift of five (5) hours or less will not be scheduled a meal period.
- I. Split shift schedules will be offered in accordance with the needs of the service in stations with one thousand (1000) total or less Fleet Service employees. No more than 5% of the employees will be scheduled on split shifts. All scheduled split shifts will be completed within twelve (12) hours. Split shifts will be scheduled to have a minimum of two (2) and a maximum of four (4) hours between shifts. The employee working a split shift will not be scheduled a meal period. Split shifts will not be used on shifts of less than eight (8) hours. A split-shift pay differential will be paid to the employee actually working both shifts of a scheduled split shift, but will not be paid where any portion of the split shift is traded or not worked.
- J. Employees who do not receive a scheduled meal period due to operational needs will be either:
  - 1. Paid the applicable rate of pay for the length of the meal period, or
  - 2. Allowed to leave work thirty (30) minutes early and be paid at the straight time rate of pay for the meal period.
- K. Work schedules will be bid through the following “shift bid” process:
  - 1. Shift bids will be conducted locally no less than two times per year. Notice of an upcoming shift bid will be posted at least thirty (30) days before the effective date of the bid. The Company will post actual shift schedules for bid no later than ten (10) days in advance of the commencement of bidding. Bidding will be conducted under locally established procedures.
  - 2. The awarding of specific positions (where they exist), work areas, shifts and days off will be determined by Craft Seniority. Where employees are assigned bid times, an employee who does not bid during his assigned time may bid on the remaining available slots after the employee currently bidding completes his bid. If an employee does not submit a bid, he/she will be assigned a remaining shift in a work area.
  - 3. An employee on an occupational injury, sick or medical leave who desires to participate

4. The Company will designate certain work areas within a job classification that require specialization or performance skills. Shifts within these work areas will be available for bid only by employees selected through a posting and interview process, and will be listed as restricted positions on the shift bid. Other interested employees may request training for these work areas and positions, which will be awarded based on the size and needs of the operation and, if successful, such qualified employees may participate in overtime, day trades and outage relief in these work areas and positions.
5. The results of the shift bid will be posted no later than seven (7) days prior to the effective date of the bid.
6. At the discretion of the Company, when a bid line(s) becomes available between shift bids, the Company may: (a) post and award the bid line to the senior interested employee in the classification and status; (b) conduct a limited one-time open bid line bid; or (c) staff or not staff the bid line(s) in accordance with the needs of the operation.
7. An employee on an extended leave of absence at the time of the bid may select any open line upon return to work, or if no open lines exist, will be assigned a schedule at the discretion of the Company.
8. Probationary employees during their first six (6) months, and non-probationary employees during their first sixty (60) days in a new position, may be assigned to training shifts, which may vary by days of week, start times and work areas based on training needs. If, during the employee's sixty (60) day qualifying period, there is a shift bid, the employee will participate. Once the employee's qualifying period is completed he or she will assume the schedule awarded in the shift bid.
9. Employees will be paid at straight time rates and may be scheduled to work more than four (4) or five (5) consecutive days (depending on shift) or eight (8) or ten (10) hours within a twenty-four (24) hour period during the transition to a new shift/day off schedule or on a relief shift, subject to state or local laws.
10. If a shift adjustment becomes necessary, the Company will solicit volunteers for the shift adjustment. If a sufficient number of volunteers are not available, shift start times may be adjusted by a maximum of sixty (60) minutes without a new bid, provided the Company notifies employees at least seventy-two (72) hours in advance. Shift adjustments will only be made in response to temporary changes in operational needs.
11. Employees transferring, relocating or returning from a leave of absence, other than employees on occupational injury, sick or medical leave pursuant to paragraph J.3 above, may be assigned vacant shifts until the next shift bid occurs. Employees returning from Temporary Duty assignments (TDY) in another station will be permitted to participate in the shift bid provided he/she is scheduled to return within sixty (60) days of the start of

the bid. The employee returning from TDY is responsible to stay in touch with his/her home station administrative personnel to be aware of bid timelines. Employees returning beyond sixty (60) days from the start of the bid may be assigned vacant shifts until the next shift bid occurs.

- L. Relief shifts may be bid on a monthly basis (identified as such on the shift bid) and will be scheduled as follows:
  - 1. Employees working relief shifts will have at least four (4) days off in a pay period (or a two-week period for those stations that are paid on a weekly basis). Two (2) of the four (4) days off will be consecutive.
- M. Authorized Unpaid Time Off (AUTO) will be awarded based upon operational activity and staffing. AUTO may be available in advance on a daily or extended basis and will be awarded in the following order:
  - 1. Advance AUTO may be granted up to thirty (30) day in advance and will be awarded in Bid Seniority order by shift times, work area and classification.
  - 2. A "Day of AUTO" list will be posted prior to the beginning of the shift with a designated removal time. Day of AUTO will be awarded by shift times, work area and classification by Craft Seniority. All requests received after the AUTO list removal time will be considered on a first come, first serve basis.
  - 3. Day of AUTO will be awarded to those employees working an overtime shift first, followed by those working a base shift.
  - 4. Advance AUTO may be granted in increments up to thirty-one (31) days. Advance and Day of AUTO will be awarded after known and awarded (1) Floating Holidays, (2) Day- at-a-time-Vacation ("DATV"), and (3) deferred holiday requests are granted.
  - 5. Employees trading off may request AUTO for the portion of the shift overlapping with the employee picking up the shift up to thirty (30) minutes, which may be granted based on the needs of the service.
- N. Day and Shift Trades
  - 1. Employees may modify their work schedules through day or shift trades. A day trade occurs when one or two employees work the scheduled shift of another employee. A shift trade occurs when two employees who are scheduled to work on the same day exchange shifts.
  - 2. Day and shift trades cannot be submitted less than twenty-four (24) hours or more than thirty (30) days in advance without management approval. Verbal trades are not permitted. Employees who have personal emergencies who are unable to submit a day trade request twenty-four (24) hours or more in advance, may request emergency AUTO,

DATV, deferred holiday or floating holiday, which will be awarded at the discretion of management.

3. The employee who signs up electronically or otherwise for a shift or day trade agrees to work the indicated shift and becomes responsible to work the shift or day trade hours identified. An agreed upon day or shift trade can be canceled only after acknowledgments from all involved parties have been obtained. An employee accepting the day or shift trade will clock/swipe in or date his/her time card and receive his/her hourly straight time wage for the trade hours worked, except for Company-recognized holidays.
4. Day and shift trades are allowed only between qualified employees. Probationary employees are not entitled to day trade "off," but may be awarded day trades "on" at the discretion of the Company.
5. Day and shift trades are paid at straight-time. Overrides will not be paid for day trades worked in non-override areas. No employee trading to a lower classification will be forced to work in a higher classification. Day Trade Off ("DTO") and AUTO will not count as hours worked toward the forty (40) hours in a week for the computation of overtime pay. Day Trade Worked ("DTW") will count toward the forty (40) hours in a week for the calculation of Company-requested overtime pay. Regular hours in a DTW will not count toward the calculation of daily overtime pay. An employee on a DTO cannot work voluntary overtime during their regular scheduled hours.
6. On a monthly basis, each employee must work a minimum of fifty percent (50%) of his/her scheduled hours (for purposes of this paragraph, worked hours include: overtime, scheduled training, vacation, paid sick time, paid occupational injury, AUTO and DTW).
7. A trade cannot involve more than three (3) employees. No more than two employees in addition to the line holder can work one shift. In cases where two employees work one shift, the employee working the majority of the shift is awarded the meal period. If the shift is shared equally, the employee who works the part of the shift where the meal period is scheduled is awarded the meal period.
8. An employee may submit a trade form for both day trade and shift trade for the same day and/or hours, provided the shift trade is submitted first. An employee normally scheduled to work on a holiday, who has requested and is granted the holiday off, may not trade to work during his/her scheduled shift hours. An employee who has been awarded a DATV may not trade to work during his/her scheduled shift hours.
9. Day trading "off" on a holiday is permitted for non-probationary employee. Full-time employees who day trade "off" on a holiday will receive eight (8) hours of holiday pay, unless the holiday is deferred. Part-time employees who day trade "off" on a holiday will receive four (4) hours of holiday pay, unless the holiday is deferred. Employees who day trade "on" for a holiday will receive the applicable rate of pay for the actual day trade hours worked plus his/her own applicable holiday pay. An employee who has a day trade

“off” will be allowed to day trade “on” if the day trade hours worked do not overlap the employee’s regularly scheduled hours for that day.

10. Employees who day trade off may utilize a DATV in conjunction with the day trade to receive pay for the day. This can only be used for shifts traded off in their entirety (including trades involving two other employees) but is not permitted for partial trades off. Employees requesting to have a DATV for the day traded off will not be subject to the DATV awarding process. All requests must be received no less than twenty-four (24) hours prior to the end of the pay period.
  11. Misuse/abuse of day and shift trade privileges may subject employees to corrective or disciplinary action.
- O. In any location, the Station Manager or his designee may declare an “Adverse Condition Day.” The Company shall establish a phone contact number that employees can call to determine the status of their specific work facility during adverse conditions. Upon contact, the employee will be given a definitive answer as to the current status of their facility during adverse conditions.

(Note: One facility may be Open while another is Closed even though both are in a single location that has been declared to be under Adverse Condition rules.)

When an Adverse Condition has been declared, absence from duty will be treated as follows:

1. Facility Open

- a. On an Adverse Condition Day an employee will be allowed to report for work up to sixty (60) minutes late with no loss of pay for absence/tardiness. An employee arriving later than sixty (60) minutes after the beginning of the shift will be paid only for the actual hours worked. In neither case will an employee be charged with an absence/tardiness.
- b. If an employee is unable to report to work, he will not be paid for that day, nor will he be charged with an absence, but where practical, will be allowed to make up the day within a period mutually agreed to by the employee and his supervisor or appropriate administration designee. This period to make up the day should not be greater than fourteen (14) calendar days, unless agreed to by the employee and his supervisor or appropriate administration designee.
- c. In departments that operate seven (7) days per week or allow day at a time vacation, an employee will be allowed to substitute any deferred or floating holidays or a vacation day to make up work missed when absent due to adverse conditions.
- d. An employee who is scheduled and does report to work on time will be entitled to full pay for the day unless the employee is not needed and voluntarily takes the day without pay (AUTO).

## 2. Facility Closed

- a. When the decision to close a facility is made before the start of a shift, the Company will try to notify employees not to report to work. An employee who misses work due to a facility closure will be paid for the regular scheduled hours missed for the first day. After the facility has been closed, the Company will determine when the facility can expect to reopen and how pay and/or make-up hours will be handled.
- b. At locations that have more than one (1) shift assigned to work, the decision to close may apply to only one (1) shift. When the decision is made to close a facility during a shift, an employee who is at work at the time of the decision will receive pay for the remainder of his regular shift.
- c. Absence due to a facility closure will not be treated as an absence for attendance purposes.

## Article 5 - Seniority

- A. The Seniority List(s) that were in effect on the date of National Mediation Board certification (February 16, 2010) will be recognized as the basis for all future discussions or challenges to Seniority.
- B. The parties recognize three (3) distinct types of seniority within the Fleet Service Employee craft: Company Seniority, Pay Seniority and Craft Seniority.
  - 1. **Company Seniority.** An Employee's Company Seniority, or "Company Service" date, begins on the date an employee is placed on the Company's payroll and reflects adjustments for certain periods of inactive service (i.e., adjusted service date). An employee's Company Seniority is based on total length of service within the Company or designated subsidiaries. The adjusted Company Service date is retained until the Employee is separated from Continental employment. Company Seniority will determine certain benefits eligibility and vesting in benefits programs such as retirement, unless otherwise provided by the terms of a specific benefit plan. It will also determine rate of vacation accruals, space available pass travel, boarding priority, and service pins/awards. Vacation, sick pay, and occupational injury pay accruals are adjusted based on the amount of active service in a given year.
  - 2. **Pay Seniority.** Pay Seniority will begin on the date the Employee is placed on the payroll within the Fleet Service craft, and is used to determine an Employee's rate of pay. Pay Seniority will be adjusted as applicable for periods of furlough, applicable leaves of absence, transfers and periods worked outside the Fleet Service craft.
  - 3. **Craft Seniority**
    - a. An employee's Craft Seniority date is established upon entering into the Fleet Service craft. Employees hired or transferred into a Craft will be placed on that Craft Seniority list on the first day they work in the craft, including training/ orientation days. For this purpose, Employees working the night/graveyard shift (with a starting time before midnight) are considered on the date on which they began their shift. Seniority will be adjusted for applicable leaves of absence and periods worked outside the Fleet Service craft.
    - b. When two or more employees hold the same Craft Seniority date, the most senior will be the employee with the lowest last four (4) digits of his/her social security number. If a tie still remains, seniority order will be determined by placing the employees in the order in which their birth dates fall in the calendar year, with the earliest date in the year being the most senior.
    - c. Craft Seniority will govern the bidding of shifts, vacations and holidays.
    - d. Craft Seniority is retained when moving to other classifications within the Fleet Service craft.

e. Craft Seniority is retained, but will not accrue for time spent outside the Fleet Service craft.

### C. Seniority Lists

1. The Seniority List(s), which are in effect on the date of the signing of this Agreement, will be posted and made available electronically and a one-time sixty (60) day period will be recognized for protests to the list.
  - a. An employee may only protest his/her own seniority.
  - b. All protests to seniority will only be accepted and reviewed from written submissions.
  - c. Seniority protests will be addressed through the grievance/arbitration process established under this Agreement.

The Company will maintain and keep current a system Seniority List by Craft Seniority, showing the name, Craft Seniority date and Company Seniority date for each employee, in the order of their Craft Seniority. In addition to the system wide list, the Company will also maintain and keep current a Station Seniority list with the same information as above, but listing only information for the current employees at that station. In addition to being made available to employees electronically and upon request, both lists will be posted fourteen (14) days before the posting of the Shift Bid in a central location in each Station. Such lists will be subject to correction upon protest for a period of seven (7) days. Protests prior to a shift bid concerning any seniority list / date will be limited to administrative errors. If no complaint is made within seven (7) days of the posting, the list as published will be assumed to be correct, and thereafter no changes will be made except under extraordinary circumstances. Seniority lists will also be provided to each affected Local Union office when they are posted. Electronic posting and transmission of seniority lists will be deemed sufficient to satisfy the posting and notice requirements of this Article.

### D. Probation

1. New employees shall be regarded as probationary employees for the first one hundred eighty (180) calendar days of active employment. Upon successful completion of their probationary period, employees will be retained on the Seniority List in order of their craft date.
2. An employee may be assigned and re-assigned to any shift and days off during their probationary period. Probationary employees will be allowed to bid for shift, work area and days off in accordance with Article 4.K.8 and the award of such bid will become effective after successful completion of the probationary period.
3. There is only one probationary period for each employee, except that an employee who leaves the service of the company for any reason and is later rehired, will be treated as a new hire, including the serving of another period of probation.

4. With the Union's concurrence, the Company may extend an employee's probationary period.
5. Probationary employees may be disciplined or discharged without cause, and they are not entitled to a fact-finding meeting or recourse to the grievance procedure. Probationary employees will have access to the grievance procedure for contractual disputes. Probationary employees are not eligible for:

- Split-shift premium
- Relief shift premium
- Paid holidays
- Vacation (including Buy/Sell Option)
- Paid sick leave
- Leaves of absence (except unpaid medical and military)
- Personal Emergency Time
- Company paid occupational injury time off

- E. Craft Seniority will be lost and the employee's name will be removed from the Seniority list for the following reasons:
  1. Resignation or termination.
  2. Retirement.
  3. Discharge for Just Cause.
  4. Failure to return to active service from a Leave of Absence, unless the failure to report was due to verifiable circumstances beyond the control of the employee.
  5. Failure to accept recall or expiration of recall.
  6. Failure to return from layoff status for six (6) years, or the employee's length of service, whichever is lesser.
  7. Voluntary transfer or promotion to an hourly or salaried job not covered by this Agreement (excluding management positions in Fleet Services below the Director level), unless such transfer is because of a reduction in force that affects the transferring employee, in which case that employee will retain and accrue Craft Seniority.
  8. The employee does not return from a Medical Leave of Absence within five (5) years or the employee's length of service, whichever is greater, or as specified by applicable law.

F. Supervisory or Special Assignment

1. Employees who are promoted on a permanent basis to any management or administrative position within the Fleet Service department below the Fleet Service Director level will continue to retain and accrue seniority in the Fleet Service Employee craft.
2. When employees in management or administrative positions desire to return voluntarily to the Fleet Service Employee craft covered by this Agreement, in which they retain seniority, they may use their Craft Seniority to bid for available vacancies in the craft, but in no event will an employee be furloughed or bumped from his location as a result of the return to the unit of a management or administrative employee.
3. When employees in management or administrative positions are involuntarily demoted, or reduced due to a Reduction-in-Force, they may exercise their Craft Seniority to return to vacancies in the Fleet Service Employee craft covered by this Agreement but in no event will an employee be furloughed or bumped from his location as a result of the return to the unit of a management or administrative employee.
4. Employees covered by this Agreement have priority to vacancies over those not covered by this Agreement, including employees in management or administrative positions who desire to return to a classification covered by this Agreement.

G. Seniority for Transferees - Employees transferring into the Fleet Service Employee craft will only be credited with Company Seniority.

H. One-time restoration – Former employees rehired after voluntarily terminating employment may receive a one-time credit for prior Company Service upon application if:

1. Not more than twelve (12) months have elapsed between the employee's separation and reemployment, and
2. Not more than twelve (12) months have elapsed between the employee's separation and reemployment, and
3. The employee has been reemployed for at least twelve (12) months, and
4. Written application for past credit is initiated by the employee within twelve (12) months of the eligibility date for restoration of credit.

\* The craft date for rehired employees will be the date of re-employment. Previous craft time will not be restored.

## Article 6 – Overtime

- A. Employees may not work beyond the end of their regularly scheduled shift without prior approval, unless not doing so will adversely impact customer service or Company operations.
- B. Planned overtime will be awarded and the results posted up to seven (7) days in advance of the time needed to be covered. Results of planned overtime awards will be posted in written or electronic format, and will include name, bid date, and hours awarded.
- C. An electronic or other Overtime Call Book will be used to allow employees to sign up for planned overtime. Information included in the Overtime Call Book shall be: employee name, employee ID number, contact phone number, shift and days off, seniority date, desired work area, hours available for a full-time shift, hours available for a part-time shift, and willingness to work multiple or split shifts. Electronic or other overtime call sheets will be maintained in the Overtime Call Book for the upcoming 30 days.
- D. The Company will maintain and make available upon request records of all overtime worked.
- E. Planned overtime is overtime that is posted and offered twenty-four (24) or more hours in advance of the start time of the overtime assignment. Planned overtime will be awarded in Craft Seniority order to qualified employees within the classification who sign up for overtime and are available to work the overtime, beginning with those employees who can work the entire overtime assignment at straight-time (1X) rate. If no employee at straight-time (1X) can work the entire overtime assignment offered, the overtime will be awarded in Craft Seniority order to those employees who can work the entire overtime assignment at time and one-half (1.5X). If no employee within the classification who is signed up for overtime can work the entire overtime assignment, the employee who can work the largest portion of the shift will be awarded the overtime, regardless of the rate of pay. For the purpose of this Article the Lead classification will be included in the overtime callout for the classification they lead and direct. If no employee within the department is available and signed up for overtime, the Company may offer the overtime to employees from other classifications within the Fleet Service workgroup. Each station may establish local overtime awarding procedures with the agreement of the local union.
- F. Planned overtime will be offered and awarded for minimum of four (4) hours.
- G. Once an employee is awarded overtime at straight-time (1X) rate, any modifications made by the employee to his schedule, including day trades worked (“DTW”) or cancellation of previously-scheduled day trades off (“DTO”), will not cause the overtime assignment to be paid at other than the straight-time (1X) rate, unless required by applicable state law.
- H. Once the overtime hours are awarded, it becomes the employee’s assigned shift, and cannot be cancelled and is the responsibility of the employee to work that awarded time. Awarded overtime cannot be traded away to another employee. Employees who have a day trade off will not be allowed to work voluntary overtime during their regular scheduled hours on that day. Voluntary overtime will be permitted during scheduled vacation at the applicable rate

and will be awarded based upon the normal overtime awarding priorities.

- I. An employee erroneously bypassed for overtime will be given the option to work the same number of hours at the same rate he originally would have received had they not been bypassed for planned overtime, by mutual agreement and during productive hours within the same pay period to the extent possible.
- J. Unplanned overtime is overtime that may be posted and offered less than twenty-four (24) hours in advance of the start time of the overtime assignment. Unplanned overtime will be awarded and assigned to employees who have signed up for overtime on the “DAY OF” overtime Call Book. Unplanned overtime of four (4) hours or more that is known eight (8) hours or more in advance of the start time of the assignment will be assigned to eligible employees based on the normal overtime awarding priorities in Craft Seniority order. Unplanned overtime that is known less than eight (8) hours in advance or unplanned overtime of less than four (4) hours will be assigned to employees who are at work in Craft Seniority order, regardless of the rate of pay.
- K. Employees may be required to work mandatory overtime as assigned to maintain the Company’s operation. An employee will not normally be required to work a mandatory overtime assignment which could require him to work more than a total of four (4) hours past his shift, in any twenty-four (24) hour period. Employees will not be required to work mandatory overtime until all qualified and readily available employees have been offered the opportunity to work the additional hours. “Readily available” means: (1) employees who are currently at work, and if there are an insufficient number of volunteers, then (2) employees who have previously indicated a desire to work through the Overtime Call Book.
  1. Mandatory overtime within a classification and work area will be assigned in reverse Craft Seniority order according to shift time. Every attempt will be made to notify employees on duty at least two (2) hours in advance. Once an employee is assigned mandatory overtime, every effort will be made to avoid assigning the same employee mandatory overtime the next day. Employees with the least Craft Seniority not assigned mandatory overtime the previous day will be the next in line. An employee’s days off preceding or following his vacation (not including DATV) will not be used for mandatory overtime. Employees working scheduled overtime will be last considered for mandatory overtime.
  2. All mandatory overtime hours will be paid at the time and one-half (1.5X) rate of pay. An employee who completes his scheduled shift(s), leaves the premises and is called back to work, or called to work on a scheduled day off, will receive the applicable overtime rate of pay for: (a) a minimum of four (4) hours worked, or (b) actual hours worked if he voluntarily chooses to leave before four (4) hours are completed.
  3. If a mandatory overtime assignment causes the employee to have less than eight (8) hours rest prior to the start of his next scheduled shift, the Company will adjust the employee’s schedule to provide eight (8) hours rest. If the employee does not receive eight (8) hours rest, he will be paid at the applicable rate of pay for hours worked that overlap the eight (8) hour rest period.

L. Overtime assignments (not including relief shifts) will be compensated as follows:

#### Daily Overtime

1. Employees regularly scheduled to work eight (8) base hours or less in a day will be paid time and one-half (1.5X) rate for any hours worked after the initial eight (8) hours are worked in a scheduled day.
2. Employees regularly scheduled to work more than eight (8) base hours will be paid time and one-half (1.5X) rate for any hours worked after the initial base hours are worked in a scheduled day.
3. Day trades worked (“DTW”) hours do not count toward the computation of daily overtime.

#### Weekly Overtime

1. Overtime will be paid at time and one-half (1.5X) rate provided the employee has already worked, or has already been compensated for Vacation or Holiday pay, a total of forty (40) hours that week.
2. DTW hours will count toward the forty (40) hour calculation of this weekly overtime (except to the extent already paid as daily overtime at time and one-half (1.5X) rate).

#### Relief Agents

1. Employees working relief shift schedules will be compensated for daily and weekly overtime assignments as provided above, on a look-back basis, and are considered for this purpose as scheduled and paid on a Sunday through Saturday basis.
- M. Employees working overtime in conjunction with their regular shift will be afforded, in addition to the rest and/or meal periods provided during their regular shift, the following rest and/or meal periods:
1. Employees scheduled for more than two (2) but four (4) or less hours of overtime shall receive one (1) fifteen (15) minute paid rest period at the applicable rate of pay;
  2. Employees scheduled for more than four (4) but less than eight (8) hours of overtime shall receive one (1) fifteen (15) minute paid rest period at the applicable rate of pay and either:
    - a. One (1) additional fifteen (15) minute paid rest period at the applicable rate of pay, if the sum of their regular shift and overtime shift is equal to or less than twelve (12) hours; or

- b. One (1) thirty (30) minute unpaid meal period, if the sum of their regular shift and overtime shift is greater than twelve (12) hours.
- 3. Employees scheduled for eight (8) or more hours of overtime shall receive two (2) fifteen (15) minute paid rest periods at the applicable rate of pay and one (1) thirty (30) minute unpaid meal period.
- 4. By mutual agreement, the employee working overtime who is entitled to an unpaid meal period may forego the meal period and be released from work one-half (1/2) hour early. At the employee's option, the employee working overtime may forego an unpaid meal period and be paid thirty (30) minutes at the applicable straight time (1X) or time and one-half (1.5X) rate of pay.

# Hours Overtime	15 Minute Paid Rest Period	15 Minute Paid Rest Period	30 Minute Unpaid Meal Period
2-4	✓		
Over 4-8	✓	✓ (If sum of shift + OT ≤ 12 hours)	✓ (If sum of shift + OT > 12 hours)
Over 8	✓	✓	✓

N. Field Trips

- 1. Employees may be required to travel away from their station to perform work (“field trip”) at the direction of the Company. Field trips may involve, but are not limited to:
  - a. Temporary Duty (“TDY”) assignment, filling a temporary or seasonal vacancy;
  - b. Accompanying a charter flight;
  - c. Emergency or relief work at another station;
  - d. Training of vendor personnel or new station openings.
- 2. The Company will determine the station, classification/status, work area and qualifications from which employees will be selected for field trips. The Company may post special qualification requirements for any field trip and award the assignment through interview or selection of volunteers. Field trip assignments not requiring special qualifications will be offered and awarded in seniority order to interested employees.
- 3. Employees on field trips will be paid for such work on the same basis as at their station, i.e., the applicable rate of pay for hours worked in accordance with Article 4.
- 4. Employees will be paid straight-time (1X) for all hours of travel from scheduled departure to actual block in; except that field trips accompanying charter flights will be paid at the applicable rate for all travel and work time.

5. Employees traveling away from their station will be paid per diem in accordance with Article 15 for all time away from base.
6. An employee assigned to a field trip may have his regular schedule of days and hours of work adjusted at the time of assignment; provided, however, that any full-time employee assigned to a full-time field trip will receive no less than eighty (80) hours of work in any two (2) week period.
7. When a hotel room is required while on a field trip, the Company will provide a single room to the employee at no cost.
- O. When computing overtime, the employee's straight-time (1X) compensation will include the base rate and any premiums and differentials that the employee normally receives for his regularly scheduled shifts.

## Article 7– Filling of Vacancies, Reduction-in-Force and Recall

- A. The term “vacancy,” as used herein, refers to a position to be filled through the bid process set forth below. A position to which an employee has recall rights is not considered a vacancy.
- B. Employees seeking to transfer to a different job classification or to change status (full-time/part-time) within any current job classification must submit a completed bid. All bids on file shall be discarded each December 31, and interested bidders may re-submit any bid. Any bids received during December shall be considered valid for the following year. Employees who are on a Termination Warning level of discipline are not eligible to use the bid file. Employees on leave status must be able to return to work on the effective date of the award in order to use the bid file.
- C. Vacancies in the Customer Service Agent and Cargo Agent classifications will be awarded to the employee bidding with the most Craft Seniority. Vacancies in the Cargo Sales Agent classification will be awarded to the employee with the most Craft Seniority who has a bid on file and who meets the posted objective qualifications for the classification established by the Company, as may be determined through review of work records and/or interview.
- D. Vacancies in all other positions will be awarded to the most senior employee who has a bid on file and who satisfies the objective and subjective qualifications for the position, following an application, interview and selection process.
- E. Absent extenuating circumstances, an employee who bids and is awarded a vacancy must report to the new position or lose all bid rights for the next twelve (12) months. Employees wishing to have their bid removed must submit their request either in writing or electronically, prior to the bid award.
- F. Employees awarded a vacancy must remain in their new position, status and location for at least twelve (12) months, unless affected by a reduction-in-force or transferring to a higher paying classification or status. Employees will be allowed one day of unpaid travel time for each 300 miles traveled, or a portion thereof, with a minimum of one day’s travel; travel must be completed within thirty (30) calendar days of the effective date of the transfer.
- G. Bids for all vacancies at newly established locations or departments will be posted at least thirty (30) days in advance to allow interested employees time to submit bids.
- H. An employee who is awarded a position in a new classification will be placed on a job trial qualifying period for sixty (60) days. During this period, the employee will receive all necessary training and be required to demonstrate his/her ability to learn and perform the work of the new assignment. If during the job trial qualifying period it is determined that the employee is not making reasonable progress in the new position, management will counsel the employee in writing on the specific areas that need improvement and allow a reasonable opportunity to monitor that improvement. Counseling will extend the job trial period by thirty (30) days.

1. If, following that opportunity, the employee is still not progressing satisfactorily, the employee will be deemed “not qualified” to perform the job and will be permitted to bid to his former classification, location and status if a vacancy is available and he is awarded the vacancy in Craft Seniority order. If awarded the vacancy, the employee will be restricted from further use of the bid file for a period of six (6) months.
  2. If no such vacancy exists or if the employee is not the most senior bidder for that vacancy, the employee will be permitted to bid any vacancy for which he is qualified. If he is unable to hold any such position, the employee will be furloughed with recall to his original position, but shall not be eligible for furlough notice or pay (including pay continuation) under the following provisions of this Article.
- I. When the need arises to reduce the number of employees, employees will be subject to reduction-in-force by location, job classification and status in reverse order of Craft Seniority. The Company shall maintain records reflecting system-wide staffing.
  - J. Beginning with the most senior employee affected by a reduction-in-force as provided in paragraph I above, affected employees may exercise their Craft Seniority in the following manner:

#### Step One

- a. Change status within current job classification and location - Full-time employees who are to be reduced but have more seniority than part-time employees in their current job classification and location may elect to downgrade to part-time, and part-time employees who are to be reduced but have more seniority than full-time team employees in their current job classification and location may elect to upgrade to full-time; or, at the employee's option -
- b. Displace to another job classification, if qualified, within current location - Employees may displace the junior Customer Service Agent or Cargo Agent within their current location in any status, except that full-time employees will not be required to displace part-time employees in order to exercise options under Step Two, below.

#### Step Two

- c. Fill an open position or displace a probationary employee within the system - Employees who cannot maintain a position after exercising seniority under (a) or (b) above, may fill an open position or displace a probationary employee in the system; or
- d. Full-time employees who are unable to maintain a full-time position after exercising seniority under (a) and (b) above, may elect to displace the junior full-time employees on the system up to the total number of full-time employees who elect to displace the

system, and will be awarded their preference among such positions/locations in Craft Seniority order; or

#### Furlough

- e. Employees (1) may voluntarily elect furlough in lieu of any of the foregoing, or (2) will be involuntarily furloughed if unable to maintain a position through the exercise of Craft Seniority.
- K. An employee exercising Craft Seniority to maintain a position will have fourteen (14) calendar days from notification of the award to report to the position. Employees failing to report to the position will forfeit all recall rights.
- L. Employees terminated or furloughed as a result of a reduction-in-force will receive no less than fourteen (14) calendar days notice or pay in lieu of notice. Pay will be determined by the number of scheduled work-days during the fourteen (14) calendar day notice period. Employees will not be entitled to notice or pay in lieu of notice if the reduction-in-force is due to circumstances beyond the control of the Company, such as a war, emergency, revocation of an operating certificate, grounding of aircraft, a strike or other cessation of work. Probationary employees affected by a reduction-in-force will be terminated.
- M. Furlough Pay
  1. An employee who has completed at least one (1) year of compensated service with the Company prior to being furloughed shall receive furlough pay, paid as pay continuation as provided by paragraph M.2 of this Article, but shall not receive furlough pay if any one (1) or more of the following conditions exist:
    - a. He exercises his seniority to remain in the employ of the Company.
    - b. He accepts any other employment with the Company or fails to exercise his seniority in any classification and status which would enable him to remain in the employ of the Company, pursuant to paragraph J above, except that failure to fill an open position in another location or displace into another location shall not prevent him from receiving furlough pay.
    - c. He is dismissed for just cause, resigns or retires.
  2. Furlough pay due under this Article shall be based on the length of actual straight time compensated service with the Company. A furloughed employee will receive one-half month of furlough pay for each year of accrued Craft Seniority, to a maximum of ten (10) years. A “month” of pay for purposes of this section is defined as the average monthly pay for the furloughed employee for the twelve (12) consecutive months immediately prior to the date of the furlough. “One-half month” of pay is a “month of pay” divided by two (2).

- N. An employee who is furloughed will receive full payment for unused vacation time credited from the previous year and, if required by law, vacation accrued up to the time of furlough.
- O. Employees retain recall rights to the job classification, status and location from which they were furloughed or displaced. An employee will not lose recall rights to the station or status from which he/she was furloughed if he voluntarily accepts a position at another station or in another status. Employees may remain on inactive furlough status for the lesser of six (6) years or the employee's length of service.
- P. When a position to which an employee has recall rights is to be filled, recall will be made in Craft Seniority order beginning with the most senior employee among those who have recall rights to the position. The recall procedures in this Article will be applied before a vacancy is posted and filled through the bidding procedures described above.
- Q. To maintain eligibility for recall, furloughed employees must keep a current address and phone number on file with the Company. An employee will be administratively terminated, absent extenuating circumstances, if written notice of recall is undeliverable at his last address of record (notification of recall will be mailed return receipt requested); if he fails to accept recall from furlough within fourteen (14) calendar days of notification; or if he fails to report to work within fourteen (14) calendar days after acceptance of recall, unless mutually agreed otherwise between the Company and the employee.
- R. An employee who does not accept recall within fourteen (14) calendar days of notification will forfeit all recall rights to that position. An employee on furlough status who does not accept recall will be deemed to have voluntarily resigned.
- S. An employee with recall rights will have the right to bid system-wide vacancies while on furlough status.
- T. An employee on furlough will continue to have employee pass privileges for six (6) months beginning with the effective date of the furlough.
- U. A furloughed employee's medical benefits will continue until the end of the month in which pay or pay continuation ceases.

## Article 8 – Leaves of Absence

- A. Military leave will be granted in accordance with the Uniformed Services Employment and Reemployment Rights Act.
- B. Family and Medical Leave will be available to eligible employees in accordance with applicable federal and state laws and regulations.
- C. Active and non-probationary employees may use up to two (2) instances of personal emergency leave per eligible family member during their period of employment.
  - 1. Personal emergency leave provides up to four (4) consecutive calendar days of leave for the employee to deal with the death or critical illness of a spouse/ same-sex domestic partner, child, parent, sister, brother, grandparent, grandchild, parents of the employee's spouse/same-sex domestic partner, or dependents living in same household as the employee.
  - 2. Employees who miss regularly scheduled hours of work during these four (4) consecutive calendar days will suffer no loss of pay.
- D. Unpaid personal leave may be granted to active and non-probationary employees upon approval from the Company, based on operational needs. Unpaid personal leaves may not exceed six (6) months, with consideration for one (1) extension of leave also not to exceed six (6) months or the employee's length of service, whichever is shorter.
- E. Company offered leaves of absence ("COLA") may be offered at the discretion of the Company or whenever a reduction in force situation exists. The Company will confer with the Union with respect to the terms and conditions of any COLA.
- F. The Company recognizes jury duty as a civic responsibility and will release employees for jury duty.
  - 1. Employees will be paid straight time for actual work time (base hours) missed due to reporting to jury duty (both pool and actual trial service). Employees may retain payment received for jury service. Pay will not be provided for voluntary Grand Jury service.
  - 2. An employee who gets a jury summons must submit a copy of it to his supervisor (or designee). An employee on jury duty for three full (3) days or more will be scheduled to work a day shift with Saturdays and Sundays off during jury service. If the employee is temporarily released from jury duty for a calendar week or more, his regular shift and days off will be reinstated. This provision will not prevent local stations from establishing rules and guidelines that best satisfy their individual needs.
  - 3. When jury service is completed, the employee must furnish his supervisor (or designee) with a court-validated statement of attendance indicating the dates he served on jury duty.

## Article 9 – Sick, Occupational Injury and Transitional Duty

- A. Full-time employees accrue paid sick leave at the rate of 8 hours per month while in paid status, up to a maximum of sick leave bank of 1600 hours. Part-time employees accrue paid sick leave at the rate of 4 hours per month while in paid status, up to a maximum of 800 hours. An employee will not accrue paid sick leave while in an unpaid status.
1. Paid sick leave is available to non-probationary employees who cannot perform regular duties because of illness or non-occupational injury, including pregnancy and maternity. Paid sick leave may also be utilized when an employee's presence at work would jeopardize the health of others due to a contagious disease. An employee whose dependability record is unsatisfactory will be so advised, furnished a copy of his record, and in normal circumstances will be given a reasonable opportunity for improvement before any disciplinary action is taken.
  2. Pay during a period of sick absence will be based on the employee's base rate of pay and regularly scheduled hours.
  3. Seniority for all purposes continues to accrue during paid sick leave. Company and Pay seniority will be adjusted for inactive service beginning on the 91st day of unpaid sick or medical leave.
  4. Up to three (3) days per rolling calendar year may be used for absences caused by the injury or illness of a spouse or dependent minor child.
- B. Leaves of absence due to occupational injury will be granted upon written verification from a qualified doctor in accordance with applicable state workers' compensation laws.
1. Full-time employees accrue eight (8) hours of occupational injury pay credits, for each month while in paid status, up to a maximum bank of seven hundred (700) hours. Part-time employees accrue four (4) hours of occupational injury pay credits for each month while in paid status, up to a maximum bank of 350 hours. For each hour of pay the employees receives (either from Continental or the Company's insurance carrier) an hour will be deducted from their occupational injury pay bank.
    - a. Occupational Injury Pay is pay to an eligible non-probationary employee who is unable to work because of an injury on the job at Continental. The injury must be one that is covered by the applicable state Worker's Compensation law, and must be verified in writing by the treating physician. Pay during a period of occupational injury absence will be based on the employee's base hours (as determined in the shift bid process). Pay received from the company for an occupational injury will be at a rate equal to the employee's rate of pay, reduced by the amount of Worker's Compensation temporary disability pay received by the employee from the company's insurance carrier, or the state.
  2. An occupational injury leave may not exceed the shorter of:
    - a. Period of disability
    - b. 6 years
    - c. Employee's total length of service (Company Seniority)

3. Company, Craft and Pay Seniority will continue to accrue for the length of the occupational injury leave. Pay Seniority will continue to accrue while the employee is receiving occupational injury pay. Pay Seniority will be adjusted for inactive service beginning on the 91st day of unpaid occupational injury leave.
4. Occupational injury time is provided to allow the necessary time off to recuperate from illness or injury. An employee on occupational injury leave may not accept new employment or receive pay for services from any other organization without prior written approval from the employee's Director and Human Resources. Occupational injuries may also qualify as serious health conditions under Family Medical Leave. Family Medical Leave runs concurrently with paid occupational injury leave, paid sick leave, unpaid medical leaves of absence.
5. Employees may not use occupational injury pay to extend paid sick time. After exhaustion of occupational injury pay, the employee may elect to use paid sick time, and, when it is exhausted, may elect to utilize available vacation time to extend his/her paid status. The employee must make the election to utilize vacation pay prior to commencement of inactive status (being placed on involuntary medical leave of absence); employee must contact his/her Leadership/administrative department to make this election.
6. When an employee exhausts all paid occupational injury time, the employee will be placed on involuntary unpaid medical leave of absence. An employee will not accrue sick or occupational injury leave while on an unpaid leave of absence.

C. Transitional Duty

1. It is understood that the Company is not required to establish, maintain or retain a particular level of transitional duty; however should the Company elect to provide this program, the following policies will apply. Transitional duty is a program providing temporary work assignments for up to 90 days to non-probationary employees when their medical restrictions prevent them from performing all of the essential functions of their regular positions. Transitional duty can encompass a number of options that allow the injured employee to work within his/her doctor's restrictions until the earlier of: (1) the time he/she is capable of returning to regular duty; (2) the time he/she reaches maximum medical improvement (medically or statutorily); or (3) the expiration of the maximum 90- day transitional duty period per injury. For example, transitional duty may include elimination of certain activities from an employee's regular duties. Transitional duty may involve having the employee perform his/her normal duties but work fewer hours than a normal shift. Transitional duty may also encompass a temporary reassignment of an employee to a new assignment with modified physical demands. If needed, the

employee may even be temporarily assigned to transitional duty in another department. Transitional duty is the gradual re-introduction of the injured employee into the work environment within the terms of his/her doctors' restrictions.

2. Transitional duty assignments are available only for non-probationary employees who sustain occupational injuries and are temporarily unable to perform their full duties. The employee must provide a treating and/or consulting physician's statement setting forth all restrictions and stating that the employee's physical limitations are not expected to restrict him/her from regular work duties for more than ninety (90) days. Work of economic benefit to the Company must be available. The employee must be capable of performing the work that is available within the doctor's written restrictions. Employees at Maximum Medical Improvement (MMI) are not eligible to work transitional duty.
3. Transitional duty assignments may last as long as ninety (90) days per injury. In addition, thirty (30) days extension may be allowed at the employee's request, with approval of the treating physician and the mutual agreement of the Union and Company. An employee whose restrictions are not removed by the completion of their transitional duty assignment will be returned either to sick pay, occupational injury pay or unpaid medical leave status.
4. Employee participation in transitional duty is mandatory if the treating and/or consulting physician releases the employee for restricted/transitional duty, work is available within the identified restrictions, and the Company elects to provide transitional duty for the employee. The Company will offer transitional duty assignments to the extent that appropriate work is available. Once the treating and/or consulting physician issues a release that allows the employee to perform the essential functions of his/her regular job, an employee on transitional duty must return to his or her regular job duties immediately.
5. An employee assigned transitional duty will be paid at his/her regular base rate of pay, even if the Company would otherwise pay a lower rate for the assigned work. No deductions are made from the employee's sick or occupational injury pay for hours actually worked while on the assignment. An employee on a transitional duty assignment will continue to retain and accrue seniority for all purposes. Vacation, sick and occupational accruals will be credited in the same manner as if the employee were performing their regular assignment. Overtime is not available to employees on transitional duty assignments.
6. An employee on transitional duty assignment is not permitted to use trade privileges. Employees will be held accountable for attendance and tardiness while on transitional duty assignments. Employees on transitional duty are expected to schedule medical and/or physical therapy appointments during non-working hours. The doctor may amend the transitional duty release to accommodate medical and/or physical therapy appointments. Employees are eligible to utilize their OI Bank for any hours amended by the doctor up to the employee's scheduled hours.
7. Employees on occupational injury status/transitional duty may not use their own or

another employee's pass privileges or reduced rate travel for personal travel unless medically necessary or due to serious extenuating circumstances validated with appropriate documentation. Written permission must be secured in advance of the travel from the Director/GM.

8. Eligible family members (and buddies if accompanied by the employee's spouse or other eligible family pass riders) are permitted to travel while the employee is in a paid status (i.e., occupational injury pay, sick pay, or regular pay while performing transitional duty). Eligible family members may continue to travel for 30 days from the date an employee's status changes to "unpaid" (e.g., an employee has exhausted sick/occupational injury pay) to allow time for family members to return from trips in progress or to be notified to make alternate travel arrangements.
9. An employee who has scheduled vacation while on occupational injury status or on a transitional duty assignment may re-schedule their vacation to an open vacation week. It is the responsibility of the employee to provide at least seven (7) days notice prior to the commencement of the vacation of their desire to re-schedule the vacation. Written notice must be provided to the respective station Leadership/administrative department. Employees who elect to take vacation or employees who have met the notice requirements but do not receive permission from Leadership/administration to move their vacation will be allowed to utilize their pass privileges during their vacation week if their physician determines they are medically able to travel. If the employee on occupational injury status elects to take the vacation he/she will receive vacation pay in addition to Workers' Compensation Temporary Disability Pay.

## Article 10 – Grievance Procedures

- A. If an employee or group of employees and/or the Union has a dispute concerning any action of the Company that concerns discipline or discharge or the interpretation or application of any term in the Agreement, the following procedures will apply:
1. The employee(s) and/or Union Representative will contact the employee(s)' direct supervisor or designee concerning the dispute the employee(s) may have with the Company within thirty (30) calendar days after the employee(s) and/or Union first knew or reasonably should have known of the event(s) giving rise to the dispute. The employee(s) and/or Union Representative shall present the facts and evidence that support the employee(s) dispute with the Company. The Company and the employee(s) and/or Union will make reasonable efforts to resolve the dispute.
  2. If the dispute is not resolved to the satisfaction of the employee(s) and/or Union, or if the Company has not responded to the employee(s) and/or Union within fourteen (14) calendar days, the Union shall submit a grievance in writing, signed by the employee(s) alleged to be effected and/or the employee(s)' authorized Union representative, to the appropriate direct supervisor or designee, within fourteen (14) calendar days of the Company's initial denial. The supervisor shall respond to the grievance, in writing, to the Union within fourteen (14) calendar days after receipt of the grievance.
  3. If the supervisor's decision is not satisfactory to the employee(s) and/or Union, the Union may appeal the decision to the Director of the department or his/her designee within fourteen (14) calendar days from the receipt of the decision.
  4. For matters concerning interpretation of the contract, if the Director's or designee's decision is not satisfactory to the employee(s) and/or Union, the Union's Airline Division Director or his designee may appeal the decision in writing to the System Board of Adjustment as referenced in Article 10.C, below, within fourteen (14) calendar days from the receipt of the decision. Such appeals shall be addressed to the Senior Vice President, Airport Services.
    - a. For matters concerning discharge or discipline involving loss of pay, if the Director's or designee's decision is not satisfactory to the employee and Union, the Union may appeal the decision in writing to the Board of Arbitration on an expedited basis, pursuant to Article 11.D, within thirty (30) calendar days from the receipt of the decision. Such appeals shall be addressed to the Senior Vice President of Airport Services.
    - b. For cases of discipline not involving discharge or loss of pay, the Union may submit an appeal in writing with evidence and argument, within fourteen (14) calendar days of the Director's decision, to the Senior Vice President of Airport Services seeking an executive review of the circumstances and facts leading to the discipline. The Company will respond to the Union within fourteen (14) calendar days after receipt of the appeal. If this decision is not satisfactory to the employee(s) and/or Union, the

Union may appeal to the Board of Arbitration within fourteen (14) calendar days after receipt of the decision.

## B. Discipline and Discharge

1. Employees withheld from service pending any investigation of disciplinary charges will incur no loss of pay, except that employees may be suspended without pay and benefits when withheld from service for: (1) any charge or arrest that relates to a serious criminal offense, including but not limited to any felony offense, whether or not the underlying conduct which resulted in the charge or arrest occurs on or off duty; (2) participation in an unlawful job action; (3) refusal or adulteration of a drug or alcohol test; (4) insubordination or refusal to participate in a Company investigation; or (5) when the Company has a reasonable belief that the continued presence of the employee in the workplace may endanger the safety/well-being of other employees.
2. In the event an employee is suspended without pay pending investigation under Article 10.B.1 above, and is subsequently exonerated of all charges, he/she will be paid for such lost time.
3. An employee that has completed his/her probationary period will not be disciplined or discharged from employment without just cause and will receive written notice from the Company of any such action and the reasons therefore.
4. An employee may designate a Union Representative to accompany him/her to any meeting with the Company for the purpose of (a) investigating matters that may reasonably lead to discipline or discharge and (b) any meeting concerning the employee's grievance and appeal.
5. The Company will provide reasonable notice and opportunity for an employee subject to any disciplinary investigation, discipline or discharge to secure the presence of a Union Representative of his/her choice if he/she so chooses. Employees of the Company may participate as representatives of the employee in such investigations, meetings or hearings during their scheduled work time, and their compensation shall be deducted from the bank of Union business time provided under Article 2.M or reimbursed by the Union. The Company will attempt to schedule or reschedule such investigations, meetings and hearings to accommodate the availability of a Union representative, upon notice and request from the Union or employee.

## C. System Boards

1. The parties will establish a System Board of Adjustment for the sole purpose of hearing properly submitted grievances that relate to matters of contract interpretation, and not for matters relating to discipline. The System Board of Adjustment shall be composed of two (2) members designated by the Company and two (2) members designated by the Union. The Board shall meet at Houston, unless another city is mutually agreed to. The

Board shall meet as needed. If the Board deadlocks, the Union may appeal the case to arbitration.

#### D. Expedited Arbitration for Cases of Discharge or Loss of Pay

1. The parties will confer every November and select quarterly dates for the following year for expedited arbitration of cases involving discharge or discipline resulting in loss of pay that are not resolved through the grievance procedure outlined in this Article. The parties will ensure that sufficient dates are scheduled to accommodate the resolution of pending and anticipated cases in an expedited manner. Such dates will be in addition to the Board of Arbitration dates scheduled under Article 11.
2. If the parties are unable to agree on arbitrators, they will request ten (10) lists of seven (7) arbitrators from the National Mediation Board, to be used to select arbitrators at the November meeting, using the alternate strike method. Each quarterly date(s) will have two arbitrators selected.
3. The arbitrators will be notified of their selection and queried for availability and willingness to participate in the expedited process. If the selected arbitrator(s) are unavailable or unwilling to participate, the parties will confer and either mutually agree to select another arbitrator or reuse one of the lists, to be selected by lot.
4. The cases will be presented at rate of one per day, per arbitrator unless otherwise agreed by all parties.
5. If the parties agree, they may choose to submit discharge and discipline cases to the Board of Arbitration pursuant to the normal, non-expedited procedures of Article 11.

#### E. General

1. The time limits contained herein may be extended by mutual agreement in writing at any step. If any decision of the Company is not grieved or appealed within the time limits set forth herein, the decision of the Company shall become final and binding. If the Company's decision on any grievance or appeal is not issued within the time limits set forth herein, it will be deemed denied on the date the Company's response was due, and the Union may proceed to appeal such denial within the time limits set forth herein. It is further agreed that no arbitrator shall have the authority to disregard these time limits and procedural requirements, and the consequences of failing to meet them, and no arbitrator may change, alter, or modify these time limits and the consequences of failing to meet them, which are intended to be strictly construed.
2. When the Company discharges an employee or issues discipline resulting in the loss of pay, the Company will provide the Union copies of all documents (which includes electronic and/or video documents, witness statements, etc.) and reports in the Company's possession upon which the disciplinary action taken was based. This

information will be provided at the same time the Company issues the letter of discipline or discharge.

3. Upon written or verbal authorization from the employee, the Company will provide the Union with access to the employee's personnel file at a time and location to be determined by the Company, and the Union will be entitled to any documents contained in the file.
4. An employee who serves as a witness and who is not released from his witness duty at least eight (8) hours prior to the start of his next regularly scheduled shift, efforts will be made to adjust the employee's schedule to provide eight (8) hours of rest. If the employee does not receive eight (8) hours rest, he/she will be paid at the applicable rate of pay for hours worked that overlap the eight (8) hour rest period. Release from duty will be deemed to be at block-in if required to fly to return to his home.
- F. The Company has a right to file a grievance against the Union. Such grievance will be filed by the Senior Vice President, Airport Operations, and submitted to the Union, which shall provide a written answer to the grievance within thirty (30) calendar days from the date the grievance was submitted. If the answer is unsatisfactory, the Company may appeal the grievance to the Board of Arbitration within fourteen (14) calendar days following receipt of the Union's answer, in accordance with Article 11.

## Article 11 – Board of Arbitration

- A. The parties shall, in November of each year, agree upon and select arbitrators and arbitration hearing dates to be scheduled in the following year; if unable to agree upon arbitrators, the parties shall request fifteen (15) lists of arbitrator panels from the National Mediation Board and shall, by alternate strike method, select fifteen (15) arbitrators that will compose that year's agreed-upon panel of arbitrators. The parties will jointly solicit dates from the agreed-upon arbitrators, and shall endeavor to schedule no less than four (4) days each month for hearing cases appealed to the Board of Arbitration. No later than sixty (60) days in advance of each hearing date, the parties shall mutually agree as to which case shall be heard; in the event the parties are unable to agree, the earliest-filed case remaining unresolved shall be heard.
- B. The Board of Arbitration shall consist of one (1) member selected by the Union and one (1) selected by the Company, and the impartial Arbitrator.
- C. The Board will have jurisdiction over disputes between any employee covered by this Agreement and the Company, or between the Company and the Union, growing out of grievances or out of the interpretation or application of any of the terms of this Agreement. The Board will consider any dispute properly submitted to it by the Union or Company when such dispute has not been previously settled in accordance with the terms provided for in this Agreement. The jurisdiction of the Board will not extend to changes in hours of employment, rates of compensation, or working conditions covered by existing agreements between the parties hereto. Decisions rendered pursuant to this Article may not add to, subtract from or alter in any way the Agreement, but may only interpret or apply it.
- D. The parties shall enter into a submission agreement, which shall clearly state the arbitrable issue or issues to be decided. If the parties are unable to agree on a joint statement of the arbitrable issue or issues to be decided by the arbitrator, the submission shall contain the written grievance and the Company's disposition of the same with notation that the parties could not agree upon a submission agreement. Either party may also submit its proposed version of the arbitrable issue or issues to be decided by the arbitrator.
- E. During the hearing, each Party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator shall be asked to render his findings and award in writing no later than sixty (60) calendar days after the conclusion of the hearing or receipt of the post hearing briefs. The decision of the impartial arbitrator shall be final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to or subtract from any of the terms or conditions of the Agreement.
- F. Disputes concerning interpretation and/or application of the contract, and any disciplinary matter not otherwise specified below, will be heard by the board of arbitration and held in Houston, unless another place is mutually agreed to by the Company and the Union. All arbitration hearings of disciplinary matters which include unpaid suspensions and/or discharge will be held in the hub location nearest to the city which the employee is stationed, unless another place is mutually agreed to by the Company and the Union.

- G. Each of the parties hereto shall assume the compensation, traveling expenses and other expenses of its witnesses called or summoned by it and each of the parties shall assume one-half (1/2) of the expenses of the arbitration, except that the employees of the Company who are necessarily summoned to serve as witnesses and the grievant, if not discharged or on suspension, will suffer no loss of pay as a result of participation in the arbitration proceeding.
- H. Witnesses who are employees of the Company and the grievant shall receive free transportation over the lines of the Company from their point of duty or assignment to the point at which they must appear as witness before the Board and return, to the extent permitted by law.
- I. It is understood and agreed that each and every witness summoned by the Board who is an employee of the Company shall be free to discharge his duties in an independent manner without fear that his individual relations with the Company or the Union may be affected by an action or by testimony given by him in good faith in his capacity as a witness.
- J. If a stenographic transcript is made of the arbitration proceeding, the party making the request shall bear its expense, unless the request is made by the arbitrator, in which case the cost of the transcript will be shared equally by the Company and the Union. In the event the party not requesting the transcript decides at the hearing or later to obtain a copy, the Company and the Union shall share the entire cost of the reporting and transcribing of the transcript equally.

## Article 12 – Compensation and Benefits

- A. Basic Hourly Pay Rates – Except as required by law, employees covered by this Agreement will be paid the basic hourly pay rates based on completed years of Pay Seniority as set forth below:

Completed Years of Pay Seniority	Effective 7/1/10	Effective 7/1/11	Effective 7/1/12	Effective 6/30/13
0-1 Yrs	\$10.40	\$10.65	\$10.92	\$11.19
1-2 Yrs	\$10.82	\$11.08	\$11.36	\$11.65
2-3 Yrs	\$11.84	\$12.13	\$12.44	\$12.75
3-4 Yrs	\$12.51	\$12.81	\$13.14	\$13.47
4-5 Yrs	\$12.60	\$12.91	\$13.24	\$13.57
5-6 Yrs	\$13.97	\$14.31	\$14.67	\$15.03
6-7 Yrs	\$14.68	\$15.04	\$15.42	\$15.81
7-8 Yrs	\$15.57	\$15.95	\$16.35	\$16.77
8-9 Yrs	\$16.26	\$16.66	\$17.08	\$17.51
9-10 Yrs	\$17.46	\$17.89	\$18.34	\$18.80
10 Yrs	\$21.22	\$21.75	\$22.29	\$22.85

- B. Effective 01/01/11, Longevity will be paid a longevity premium of four cents (\$0.04) for each year of completed service from years 11 through 20, for a maximum total longevity premium of forty cents (\$0.40) after twenty (20) years of completed pay seniority, for all hours paid.
- C. Shift premiums – Effective 1/1/11, employees working the afternoon shift will be paid a premium of \$0.48/hr, and employees the graveyard shift will be paid a premium of \$0.54/hr.
- D. Employees working split shifts and those whose schedules are adjusted in excess of thirty (30) minutes and notified at least seventy-two (72) hours in advance will be paid a premium of five dollars (\$5.00) per shift for each split or changed shift worked.

- E. Effective 1/1/11, in addition to the basic hourly pay rate, employees working in the classifications of Move Team, Leads/Team Leaders, Hub Ops Coordinators, and Ops Coordinators will be paid one dollar seventy-five cents (\$1.75) per hour for all hours worked in the classification and for all paid vacation, holidays, and sick/occupational injury leave hours, critical illness and imminent death leave, and jury duty leave for their regularly scheduled shifts.
- F. Market adjustment, in addition to the basic hourly pay rate, employees working at the following stations will continue to be paid a market adjustment of one dollar (\$1.00) per hour for all hours paid: ANC, BDL, BOS, EWR, JFK, LAX, LGA, PHL, SEA, SFO, SJC.
- G. Paychecks will include an itemized statement of all hours, wages, adjustments and deductions for the pay period, year to date wages, FICA and withholding taxes.
- H. Employees leaving the service of the Company will be paid for all the time due at the earliest possible time after separation and in compliance with State law.
- I. Increases are effective starting with the pay period which begins nearest the employee's anniversary date, or when technology permits, on the anniversary date.
- J. All employees covered by this Agreement who are required to perform work, attend training, or for any other reason be away from their base station shall receive an expense allowance (per diem) for time away from base, for each hour (or fraction thereof) from the scheduled or actual report time of departure, up to the time the employee returns to his base. The hourly per diem for domestic locations (including Canada, Central America, the Caribbean and Mexico) shall be one dollar and ninety-five cents (\$1.95) per hour. The hourly per diem for international locations shall be two dollars and fifty cents (\$2.50).
- K. Except as otherwise expressly provided herein, covered employees shall be eligible to participate in those benefit programs that have been established as Company-wide programs on the terms and conditions established in the benefit programs for the Fleet Service employees' participation. These benefit programs will not be altered or diminished for Fleet Service Employees unless done so on a Company-wide basis. Before any changes are made, the Company will notify the Union in writing in advance of the effective date of such change(s). Upon request by the Union, the Company will meet to explain the change(s).
- L. Company-wide benefit programs presently include:  
Continental Airlines, Inc. Consolidated Welfare Benefit Plan, which includes Health Care Plan for Employees, Dental Care Program, Vision Care Program,

Long Term Disability Program (the Company will pay 50% of premium), Group Life Insurance Program, Personal Accident Insurance Program, Group Travel Accident Program, and

Retiree Medical Program Continental Retirement Plan Continental Airlines, Inc. 401(k) Savings Plan Continental Airlines, Inc. Flexible Benefits Program

Continental Airlines Health Care Reimbursement Plan

Continental Airlines Child and Dependant Care Reimbursement Plan Pass Travel Privileges On-Time Bonus Program

- M. Notwithstanding the provisions of paragraph K. above, it is agreed that the aggregate amount of projected participant premiums for medical insurance for Fleet Service Employees each year will not exceed 20% of the projected total cost of coverage (aggregate projected Company contributions plus aggregate projected participant contributions). In addition, for the duration of this Agreement and thereafter, the Company will not increase the amount of office visit co-pays, specialty care visit co-pays, employee co-insurance, hospital visit co-pays, emergency visit co-pays, urgent care co-pays, deductible amounts, out-of-pocket maximums, and will not change the existing lifetime maximum (unlimited), for all plans or their equivalent in effect in calendar year 2010, provided, however, that changes in these areas may be made for “build your own” plan coverage.
- N. Covered employees will participate in the Continental Airlines, Inc. Profit Sharing Plan, as adopted on February 17, 2010, and as may be amended from time to time (the “PSP”), with such participation to begin effective with the Year (as defined in the PSP) beginning January 1, 2010 and to continue in accordance with the terms of the PSP. The Company has the unilateral right to alter, modify, revise or terminate the PSP. However, the PSP may not be altered, modified, revised or terminated for covered employees unless done so on a Company-wide basis.

## **OTHER ARTICLES – COMPREHENSIVE ECONOMIC PROPOSAL**

Sick Leave – Effective 1/1/11, increase sick leave accrual rate to eight (8) hours per month for full time, and four (4) hours per month for part time. Eliminate “Accelerated Replenishment” program.

Holidays – Effective 1/1/11, add one (1) additional floating holiday

Union representative hours – 1500 hours per month for union representation

It is agreed that the provisions of the retiree bridge medical plan that are currently in effect, and the employer contributions to the 401K savings plan will not be diminished during the term of this Agreement or thereafter.

Long Term Disability Insurance - Effective 1/1/11, company will contribute 50% of the required premium for Long Term Disability insurance.

OT Equalization LOA attached Amendable Date: 07/01/13

# Article 13 – Vacation

## A. Vacation Accrual

1. All employees will accrue vacation based on the twelve (12) month period from October 1 through September 30 (“the accrual year”). Non-probationary employees become entitled to pay for accrued vacation on January 1 of the following year (“the vacation year”); employees in a probationary status as of January 1 of the vacation year become entitled to pay for accrued vacation upon release from probation. No employee will suffer a loss of vacation accrual for calendar year 2012 due to the one-time change from prior vacation accrual policy.
2. Full-time employees who maintain active employment in a paid status (see Article 13.A.5, below) for twelve (12) months during the accrual year will accrue vacation based on the employee’s completed years of Company service (Company Seniority), as follows:

<u>Completed Years of Service</u>	<u>Vacation Weeks/Hours</u>
Less than 1 year	Up to 1 week/40 hours (prorated)
1 to 4 years	1 week/40 hours regular
5 to 9 years	2 weeks/80 hours regular
10 to 16 years	3 weeks/120 hours regular
17 to 24 years	4 weeks/160 hours regular
25 or more years	5 weeks/200 hours regular

3. Vacation accrual for part-time employees is calculated using the employee’s ratio of bid/scheduled work hours to a full-time forty (40) hour work week, completed years of service (Company Seniority) and the number of months the employee is in a “paid status” during the accrual year, as shown below:
4. Employees who change between full-time and part-time status or among different part-time shift schedules will accrue and be paid vacation in proportion to the scheduled hours (including daily AUTO) in each status.
5. Employees must be in a paid status (or on paid sick leave, paid occupational injury leave,

paid vacation, or AUTO) for more than one half of a month in order to accrue vacation for that month. Employees awarded monthly AUTO will not accrue vacation for that month.

Employees hired on or before the fifteenth (15th) of the month will receive vacation credit for that month. Those hired after the fifteenth (15th) of the month will received vacation credit beginning the first day of the following month.

An employee may defer up to five (5) holidays (excluding New Year's Day) in exchange for the equivalent vacation hours to be bid or designated as Day-at-a-Time Vacation ("DATV") in the following year.

Purchased vacation and/or deferred holidays will be treated as earned vacation for bidding purposes.

**B. Vacation Pay**

1. Vacation is earned and used in hours and will be paid at the employee's regular rate of pay in effect at the time the vacation is taken.
2. An employee who leaves the Company either voluntarily or involuntarily will receive full payment for unused vacation time and unused deferred holidays credited from the previous year and, if required by law, vacation accrued in the year of separation. An employee who has not completed six (6) months of Company service is not eligible for vacation pay upon termination.
3. Except as otherwise required under state law, vacation time may not be carried over into the following year, except as provided in paragraph E below.

**C. Vacation Bidding**

1. Employees will not bid DATV hours on the vacation bid. Employees will designate the number of hours to be taken as DATV in the following year, if any, following the second round of vacation bidding.
2. Members of the Military Reserve who will attend a two (2) week training assignment during the following year may set aside one (1) or two (2) weeks of accrued vacation to be taken during the employee's military leave period no later than October 1.
3. Vacation weeks for bid will be scheduled Sunday through Saturday. The Company will determine the number of employees who may be on vacation during any given week and will reasonably distribute the number of vacation weeks throughout the year; however, all classifications or bidding groups will post a minimum of one week for each week in the calendar year, unless the award of vacation in any particular week would result in scheduled staffing levels falling below established minimums for that week.

4. Vacation bidding will be conducted by location and classification. The vacation bid will be posted by October 15. Bidding will begin no later than November 1 and will be completed by November 30.
5. The Company will provide vacation bid forms or electronic access for employees to indicate their preferences for vacation weeks, unless another method is locally agreed. Confirmation will be provided to employees submitting pre-bids.
6. The award of vacation periods will be based on Craft Seniority. Vacation bids may be split into separate periods of no less than one week each. If less than one week is accrued, it must be bid and taken in one block. Multiple vacation weeks may be bid in any bid round if taken consecutively. Employees may bid one (1) continuous vacation period, which may include all or any portion of the vacation to which he/she is entitled. Remaining weeks will be bid and awarded in subsequent bid rounds in Craft Seniority order.
7. Once each employee has had the opportunity to bid, additional round of bidding will be permitted following the same procedure used on the initial round.
8. Employees failing to bid at the assigned time will be allowed to select vacation from weeks still available at the time they report to bid as long as that round is still open. Employees who miss three (3) or more rounds may be assigned weeks during the bid and/or any weeks remaining at the end of the bid, which will be assigned at the discretion of the Company.
9. An employee foregoing his/her vacation during the year at the request of the Company may be rescheduled or shall receive pay for the remaining vacation at his/her straight time rate of pay in January of the following year, at the employee's option.
10. Notwithstanding the Sunday-Saturday vacation week schedule, an employee's assigned vacation period will begin following his/her regularly scheduled days off with the majority of the days off falling in the original week bid, unless the employee requests otherwise and the Company approves.
11. Employees on vacation will be allowed to work day trades and overtime.
12. Employees will retain and carry with them their awarded vacation week(s) if they transfer to another location, classification or work area during the calendar year.
13. If an awarded vacation slot becomes open after the vacation bid period closes, it will be posted for bid if vacated thirty (30) days prior to the first day of the vacation slot, unless the award of that vacation week would result in scheduled staffing levels falling below established minimums for that week. An employee desiring to bid the vacated slot must exchange his/her awarded vacation slot that is scheduled to begin no less than thirty (30) days after the date of the bid.

14. The company commits to work toward an electronic bidding system in the future that will be uniform and transparent in purpose and application. In the interim the company will post all vacated vacation weeks. If the need arises for the company to withhold the bidding of a vacated week, the company will meet with a Union representative to discuss the staffing level for the week that is not being bid.

D. Day-At-a-Time-Vacation (“DATV”) and Eligibility

1. Employees eligible for at least two (2) weeks of vacation may designate one (1) week (maximum of forty (40) hours for full-time employees, or the equivalent for part-time employees) to be taken as DATV.
2. Employees eligible for at least three (3) weeks of vacation may designate two (2) weeks (maximum of eighty (80) hours for full-time employees, or the equivalent for part-time employees) to be taken as DATV.
3. Employees eligible for at least four (4) weeks of vacation may designate three (3) weeks (maximum of one hundred-twenty (120) hours for full-time employees, or the equivalent for part-time employees) to be taken as DATV.
4. Earned vacation, deferred holidays and purchased vacation will count toward the two (2) week minimum of vacation necessary to use DATV.
5. The award of DATV on a specific day will be based on operational need. DATV may be requested up to thirty (30) days in advance, and will be awarded in Craft Seniority order, following the award of any floating holiday requests, but prior to the award of deferred holidays (see 5.M.4). Awards will be made no later than seven (7) days prior to the date requested for DATV.
6. Within seven (7) days, any available DATV will be awarded on a first-come, first-served basis, and such requests will be approved or denied within twenty-four (24) hours from the time the request was made, based on known operational needs.
7. DATV cannot be requested on any Company-recognized holiday. Employees may request to take multiple days of DATV consecutively; however, each day of DATV is an individual request and will be awarded on a day-by-day basis.
8. Employees awarded a day of DATV will be allowed to work a day trade, however the day trade must not overlap with the employee’s normally assigned shift.
9. Employees may utilize a DATV in conjunction with day trades off.
10. DATV will pay and deduct from the vacation bank(s) the number of hours in the full shift. No partial shifts will be awarded.

E.

Variable Use Options

1. Employees may convert up to eighty (80) hours of unused vacation per year into their sick bank, up to the maximum sick bank accrual, for the purpose of funding sick pay for a planned upcoming significant medical event (e.g., maternity, major surgery or course of treatment).
2. The maximum vacation contribution for any year will be that amount that leaves two (2) full weeks of vacation remaining to be taken.

# Article 14 - Holidays

## A. Holiday Pay and Scheduling

1. All non-probationary employees covered under this Agreement are eligible for the following paid holidays:

New Year's Day    Labor Day

Memorial Day    Thanksgiving Day

Independence Day    Christmas Day

Two (2) Floating Holidays

2. Floating holidays will be scheduled as follows:
  - a. Employees may request a floating holiday off, paid at the straight-time (1X) rate. Floating holidays will be awarded first, followed by DATVs and deferred holidays (see Article 4.M.4), in seniority order seven (7) days or more in advance. Within seven (7) days, requests will be awarded on a first-come, first-served basis, regardless of seniority.
  - b. Once a request has been made and approved, the floating holiday(s) must be taken as scheduled unless agreed otherwise by the employee and the Company.
  - c. Floating holidays may not be scheduled on any other holiday as listed in Article 14.A, above.
3. Employees will be paid holiday pay at eight (8) straight-time hours for full-time and four (4) straight-time hours for part-time for all holidays, regardless of whether they are scheduled to work or not.
4. Employees may opt to defer holidays as outlined in Article 14.B, below.
5. Employees working on a holiday will receive their holiday pay plus the applicable rate of pay for hours worked. Overtime hours worked will be paid at applicable rates.
6. When fewer employees are required on a holiday than are scheduled to work, the estimated number of employees who can be released will be posted fifteen (15) days before the holiday. The posting will be closed (10) ten days before the holiday and awarded in Craft Seniority order (7) seven days prior to the holiday. If an insufficient number of employees respond to the posting, employees scheduled to work that day may be assigned to work outside their normal work area.
7. When the Company closes a facility (e.g., Cargo) or a subsection of a facility (e.g., Mail Sort/Cargo Sales or a particular airport terminal/concourse) on a holiday, employees may be required to take the holiday day off without regular pay.

8. If a holiday falls during an employee's vacation period, the employee may elect to add a day either at the beginning or the end of the vacation, or to be paid for the holiday in addition to the vacation pay at the straight-time rate. Employees must notify management of their preference at least seven (7) days before the scheduled vacation. If no notification is received, then the employee will be paid for the holiday. If the employee has deferred the holiday to the following year, the employee will not have the option to take an additional day at the beginning or end of the vacation. The employee may request AUTO for those days.
9. If an employee calls in sick on a holiday that he/she is scheduled to work, he/she will receive holiday pay, but will not receive any sick pay nor will any time be deducted from his/her sick bank.
10. If an employee is scheduled to work a holiday and does not report, other than for reasons of sickness, holiday pay will not be paid.
11. If an employee calls in sick on a verified deferred holiday, he/she will not receive any sick pay, nor will any time be deducted from his/her sick bank.

#### B. Deferred Holidays

Employees have two options to defer holidays:

1. Employees may defer five (5) holidays (excluding New Year's Day) in exchange for an equivalent number of paid vacation hours, which may be bid in the following year;
2. Employees scheduled to work a holiday may defer holidays on an individual basis to be taken within the same year (excluding those holidays deferred to the following year as provided for above). A holiday deferred to the same calendar year may be used up to thirty (30) days in advance of the holiday, but must be used before the end of the calendar year.

## Article 15 – General and Miscellaneous

- A. Safety is Continental's most important priority and is the responsibility of both management and of every employee. In furtherance of this priority, all employees are expected to help maintain a safe, sanitary, clean and healthful working environment. Each employee has the responsibility to work in a safe manner and remove equipment or eliminate conditions or unsafe acts within the employee's control that create a hazard.
1. To ensure a safe environment, employees are required to comply with the Company's safety policies and procedures and employees are expected to immediately report unsafe conditions, equipment, tools and practices to a supervisor in the affected work area.
  2. The Company will maintain emergency first aid equipment accessible to employees on all shifts.
  3. The Company will provide all required personal protective equipment. A complete list of required personal protective equipment, including hearing protection and safety vests, will be available at each location. Non-required personal protective equipment (e.g., knee pads for employees working in aircraft bins) will be provided on an as needed basis, up to two (2) pairs per year.
  4. The Company will provide clean drinking water that is accessible to all employees.
  5. The floors of rest rooms and toilets will be kept in good repair and in a clean, dry, and sanitary condition. Employees will cooperate in maintaining these conditions and report any issues or concerns to their immediate supervisor.
  6. Break rooms, locker rooms, and restrooms will be lighted, heated and cooled in the best possible manner.
  7. The Company will comply with all federal, state and local laws, rules and regulations applicable to providing a safe work place for employees.
- B. Employees and their eligible family members will be provided the same free and reduced rate travel privileges as are extended to other major non-management work groups in accordance with Company policy as may be amended by the Company.
- C. Where the Company requires employees to wear uniforms, each employee will be provided a bank to purchase uniform items.
1. The Company will provide new hire employees an initial bank of two hundred (200) dollars to purchase uniform items. In addition, an annual allocation of two hundred (200) dollars will be deposited into an employee's uniform account each January 1. Employees may rollover 50% of their unused annual allotment of uniform dollars to be used in the following years. With the rollover dollars, the annual allotment maximum is four hundred (400) dollars. The allotment of uniform dollars and the cost of uniform items

will remain fixed for the duration of the Agreement.

2. An employee transferring from one classification to a classification requiring any different uniform garment will use his/her remaining uniform dollars to purchase required uniform items that are associated with the new classification. If the employee does not have uniform dollars remaining to purchase required uniform items, the Company will provide the appropriate number of required/replacement items.
  3. The Company will provide the initial issue of required additional non-optional uniform pieces.
  4. The Company will bear the cost whenever there is a complete uniform change-over.
  5. Employees are responsible for maintaining the uniform in a clean and presentable manner.
  6. Employees will be permitted to wear one official Union pin on their uniform. The Union pin will be the approximate size of a U.S. quarter.
  7. Where an employee's uniform piece is damaged beyond repair during the performance of his duties, due to unusual circumstances or factors outside the employee's control, the Company will bear the cost of replacement up to the fair value of the item in its existing (undamaged) condition.
- D. All employees will be subject to drug and alcohol testing as required by federal, state, local law and/or Company policy. The drug and alcohol testing will be conducted in accordance with the applicable federal, state, local law and/or Company policy.
- E. The Company and the Union agree to make it a matter of record in this Agreement that in accordance with the established policy of the Company and the Union, the provisions of the Agreement will apply equally to all employees regardless of age, citizenship, color, disability, gender, gender identity, genetic information, national origin, pregnancy, race, religion, sexual orientation or veteran status (or any other protected category under applicable law). The Company shall not discriminate against any employee because of his membership in or lawful activity on behalf of the Union.
- F. The Company will print and distribute to each employee a copy of this Agreement and will provide the Teamsters Airline Division five hundred (500) copies.
- G. Employees of the Union will be furnished transportation over the lines of the Company for the purpose of administering this Agreement at the level and to the extent such passes are provided to officials of other unions representing other Company work groups.

- H. It is understood and agreed that all formal agreements, amendments, deletions and additions to this Agreement must be approved by the Director of the Airline Division – International Brotherhood of Teamsters and the Company’s Vice President, Labor Relations, or their designees.
- I. Training
1. Training is part of an employee’s job duties. The Company is responsible to provide adequate training.
  2. On-the-job training will be accomplished during the employee’s working hours.
  3. The Company will schedule employees for any formal training event scheduled for more than sixty (60) minutes, either within the employee’s regular working hours or, if that is not practical, then in conjunction with a regular shift or through adjustment of his regular schedule, without loss of pay.
  4. Completion of web- or computer-based training assignments scheduled for sixty (60) minutes or less (modules may be assigned to be completed in groups) will be the responsibility of the employee. Management will coordinate with employees in scheduling of available time in order to complete their training, and the Company will provide training facilities to allow employees to complete training with minimum disruption to the operation. However, in the event an employee is unable to complete such training at least fourteen (14) calendar days prior to the deadline through no fault of his own, the employee and his shop steward will confer with the Company designee regarding the obstacles and/or opportunities to complete the training, and by mutual agreement thereafter will designate the manner in which the training shall be accomplished.
  5. When attending training away from base, all scheduled training hours, including travel time (for air travel – scheduled departure to actual block in), will be compensated at straight-time (1X) rates. Employees will be provided with online Company business positive space passes for travel in conjunction with training. The Company will provide single hotel rooms for an employee when attending training away from base. Employees will receive per diem expenses for all hours away from base.

## Article 16- Duration

This Agreement shall become effective on December 31, 2010, and shall remain in full force and effect through July 1, 2013, and shall renew itself without change for successive one-year periods thereafter, unless written notice of intended change is served in accordance with Section 6, Title I of the Railway Labor Act as amended by either party hereto within one hundred and twenty (120) days prior to the renewal date.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this 31st day of December, 2010.

For Continental Airlines, Inc.:

For the International Brotherhood of Teamsters:

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Mike Bonds  
Executive VP, HR & Labor Relations  
United Continental Holdings, Inc.

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Captain David Bourne Director, Airline Division  
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Dan Smith International Representative

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Scott Dolan  
Senior VP, Airport Operations  
United Continental Holdings, Inc.

-----  
Fernie Lopez  
VP, Airport Operations  
United Continental Holdings, Inc.

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Jeff Wall Senior Director, Labor Relations

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Hermes Pineda Managing Director, Human Resources

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Clint Stephen Managing Director, Labor Analysis

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Louis Smilanich Director, Terminal Ops

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Pete Merrin Manager, Cargo Operations

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Jim Servedio Manager, Staffing Coordination

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Tracy Lawson Regional Manager, Human Resources

December 31, 2010

Captain David Bourne Director,  
Airline Division International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W. Washington, DC 20001

Dear Captain Bourne:

This will confirm our conversations regarding furlough protections for Fleet Service Employees of Continental Airlines represented by the International Brotherhood of Teamsters ("IBT").

In addition to the protections contained in Article 1 of the IBT-CAL Fleet Service collective bargaining agreement, the Company agrees that it will not transfer or contract out any work presently performed by Fleet Service Employees in any station or classification if such transfer or contracting out would result in the furlough of any employee then actively employed and whose name appears on the Fleet Service Employee System Seniority List as of January 1, 2011. This furlough protection would continue to, and terminate on, December 31, 2011.

Sincerely,

/S/

Scott Dolan Senior Vice President, Airport Operations  
Agreed, this 31st day of December, 2010

/S/

Captain David Bourne Director, Airline Division International Brotherhood of Teamsters

December 31, 2010

Captain David Bourne Director,  
Airline Division International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W. Washington, DC 20001

Dear Captain Bourne:

This will confirm our conversations regarding the continuation of discussions between the Union and the Company with respect to the Fleet Service Employee's collective bargaining agreement.

We have agreed that, notwithstanding the ratification, execution and duration of the current collective bargaining agreement, the Company and the Union will continue to meet and confer to explore alternative processes and procedures for the assignment and distribution of overtime. The parties agree to consider alternatives to current provisions of the collective bargaining agreement and Company practices, including but not limited to the equalization of overtime opportunities. Such discussions will be conducted in good faith in an effort to reach a mutually beneficial result that furthers the interests of the employees, the Union and the Company.

We have further agreed that such discussions will not be considered a continuation of bargaining under Section 6 of the Railway Labor Act, that the collective bargaining agreement will not be considered "open" or "amendable" by either party, and that neither party will portray or represent these discussions as subject to the Railway Labor Act or the jurisdiction of the National Mediation Board. However, if the parties are unable to reach agreement on a plan to equalize overtime opportunities on or before July 1, 2011, they agree to submit any outstanding issues upon which they cannot agree to an interest arbitrator to construct an overtime equalization plan that satisfies to the greatest degree possible the goals of Continental management and the Union. Any such plan shall not change the substantive provisions of overtime scheduling and compensation, or materially increase the Company's costs. The parties will agree to an arbitration process and agree that such arbitration will be completed, and a decision issued, on or before October 1, 2011, unless an extension is mutually agreed.

Subject to the above understandings, the Union and the Company agree to amend the current collective bargaining agreement to implement any agreement that may result from these discussions or from such arbitration. Sincerely,

/S/

Scott Dolan Senior Vice President, Airport Operations  
Agreed, this 31st day of December, 2010

/S/

Captain David Bourne Director, Airline Division International Brotherhood of Teamsters

