

INTERIM AGREEMENT

between

CONTINENTAL AIRLINES, INC.

and the

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

1. This Interim Agreement (“the Agreement”) provides for the recognition by Continental Airlines, Inc. (“the Company”) of representatives designated by the International Brotherhood of Teamsters (“the Union”) pursuant to the certification by the National Mediation Board on February 16, 2010, in NMB Case No. R-7228 of the Union to represent the craft or class of Fleet Service Employees (hereinafter “Fleet Service Agents” or “Agents”), the participation Union representatives in Company disciplinary investigations and hearings, and the establishment of a grievance and arbitration process for the handling of disciplinary disputes as defined herein.

2. The Union and the Company (collectively, “the Parties”) agree that this Agreement is entered into as a mutual convenience to the Parties, on an interim basis pending negotiation of a collective bargaining agreement pursuant to the Railway Labor Act, as amended, 45 U.S.C. § 151 et seq. (“the RLA”). The Parties agree that this Agreement shall not be deemed to constitute a collective bargaining agreement or an agreement concerning rates of pay, rules or working conditions, or the *status quo* with respect to such terms, within the meaning and procedures of Sections 2, 5 and 6 of the RLA (45 U.S.C. §§ 152, 155, 156), and shall be terminable according to the terms of Paragraph 11, below. The Parties further agree that they have no legal obligation under the RLA to enter into this Agreement or reach agreement on the specific matters addressed herein prior to final execution of a comprehensive collective bargaining agreement concerning rates of pay, rules and working conditions pursuant to Section 2, First and Seventh of the RLA. Notwithstanding the foregoing, the Parties agree that the establishment of the grievance and arbitration process herein fulfills any and all obligations which may be asserted under Section 184 of the RLA to establish a board of adjustment in the absence of final execution of a comprehensive collective bargaining agreement.

3. The Company agrees to recognize and treat with officials, agents, stewards and other representatives designated by the Union to represent Fleet Service Agents at locations where they are employed by the Company (“Union representatives”) with respect to investigations and hearings that may reasonably lead to discipline/discharge and the grievances/appeals of such employment actions.
 - a. An Agent may designate one (1) Union representative to accompany him/her to meetings called by the Company for the purpose of (1) investigating matters that may reasonably lead to discipline/discharge and (2) considering grievances and appeals.


- b. The Company will provide reasonable notice and opportunity for an Agent subject to investigation to secure the presence of a Union representative of his/her choice, provided such choice is reasonably available. Employees of the Company may not participate as representatives in such investigations, meetings or hearings during their scheduled work hours.
 - c. The Union representative will not interfere or obstruct the Company's investigation; the Union representative will have an opportunity to provide a brief statement on behalf of the Union and/or the Agent during the meeting.
 4. An Agent who has completed his/her probationary period will not be discharged, disciplined or suspended to the extent of loss of pay by the Company without receiving notification in writing by the Company of any such action and the reason(s) therefore. The Company's decision to impose discipline or discharge will not be arbitrary, capricious or discriminatory.
 - a. Agents withheld from service pending investigation of disciplinary charges will suffer no loss of pay, except that Agents may be suspended without pay when withheld for: (1) any act constituting a criminal offense, on or off duty; (2) any conduct deemed to constitute an unlawful job action, slowdown, refusal to work, insubordination, or the incitement or encouragement of such conduct; (3) refusal or adulteration of a drug or alcohol test; or (4) failure to cooperate with a Company investigation, including providing false or misleading evidence or statements during an investigation.
 - b. The Company reserves the right to establish, as well as the right to modify at any time, its policies with respect to discipline and discharge, including but not limited to any corrective action or progressive disciplinary policies.
 5. Agents who are disciplined to the extent of loss of pay (i.e., "unpaid disciplinary suspension") or imminent jeopardy to their continued employment (i.e., "termination warning level of discipline") or discharge on or after February 16, 2010, will have the right to grieve such discipline or discharge subject to the grievance procedure set forth in this Agreement. Other forms of corrective or disciplinary action will be handled in accordance with the appeal process set forth in the Fleet Service Agent Work Rules, which is not considered incorporated into, or subject to, this Agreement. Probationary Agents shall not be entitled to the use of the grievance procedure.
 - a. The grievant may submit a written grievance to the member of management who issued the discipline/discharge within ten (10) calendar days after the discipline/discharge is imposed. The written grievance will include a statement explaining why the grievant believes the discipline/discharge is not appropriate and the remedy sought.

- b. The Company will consider the grievance and may, at its sole discretion, hold a hearing to ascertain additional information from the grievant. The Company will respond to the grievance in writing within thirty (30) calendar days from the date the written grievance was submitted.
 - c. If the Company's decision is not satisfactory to the Union, the Union may appeal the decision to the Director of the department or his/her designee within ten (10) calendar days from the date of the decision.
 - d. The Director or designee will respond to the appeal in writing within thirty (30) calendar days after the date of the appeal.
 - e. If the Director's or designee's decision is not satisfactory to the Union, it may appeal such decision in writing to the System Board of Adjustment established under paragraph 6, below, within ten (10) calendar days from the date of the decision. Such appeals will be addressed to the Senior Director, Labor Relations.
6. The System Board of Adjustment will have jurisdiction only over disputes between the Company and the Union as set forth in paragraph 5, above. The Board will have no jurisdiction whatsoever over disputes over the interpretation or application of work rules or Company policies, or proposals or disputes relating to general changes in hours of work, rates of pay, rules or working conditions, or other terms not specifically set forth in this Agreement.
- a. In the event of such appeal, the Company and the Union by mutual agreement will select a neutral arbitrator. The Company and the Union each will select one representative of their own choosing to sit with the neutral and together with him will constitute the System Board of Adjustment.
 - b. In the event that the Company and the Union are unable to agree upon the neutral arbitrator, either party may jointly request from the National Mediation Board a panel of seven (7) neutrals having substantial experience in the airline industry, and the Parties will designate the neutral through an alternate strike method.
 - c. Each Board member will be free to discharge his duty in an independent manner without fear that his individual relations with the Company or with the Union may be affected in any manner by any action taken by him in good faith in his capacity as a Board member.
 - d. The System Board of Adjustment will meet at a neutral location in Houston, Texas, unless mutually agreed otherwise. The Company and the Union agree to share equally the compensation and expenses of the neutral arbitrator, the cost of hearing facilities and the cost of any stenographic record.


- e. Scheduled hearings may be cancelled or postponed by mutual agreement of the Parties. In the absence of mutual agreement, the cancelling or postponing party will bear all accrued charges and all cancellation fees for the compensation and expenses of the neutral arbitrator, the cost of hearing facilities and the cost of any stenographic record.
 - f. Each party will assume the compensation, travel expenses and other expenses of the Board members selected by it and the witnesses called or summoned by it. The Company will provide positive space transportation within its domestic mainline and regional network (excluding alliance or code-share partners) for Board members and witnesses who are employees of the Company from the point of duty or assignment to the point at which they must appear, to the extent permitted by law.
 - g. The Company and the Union may be represented at the hearing by such person or persons as they may choose. Evidence may be presented either orally or in writing or both. A stenographic record of the hearing may be taken if requested by either party. The Board will hear and rule on the dispute promptly, and will issue a decision in writing, which shall be final and conclusive upon the Company and the Union.
7. 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 limit prescribed herein, the decision of the Company will become final and binding. If the Company's decision on any grievance or appeal does not issue within the time limit prescribed herein, it will be deemed denied on that specific calendar day, and the Union may proceed to appeal such denial within the time limit set forth herein. It is further agreed that no arbitrator shall have authority to disregard these time procedural requirements, time limits and the consequences thereof, or to alter or change these express terms, which are intended to be strictly construed.
8. Designated Union representatives who are actively employed as Agents by the Company will have access to the premises of the Company's operations for the purposes of investigating grievances or other matters directly connected with the discipline or discharge of Agents under this Agreement and its procedures for the settlement of disputes. No such activities will be undertaken or engaged in during the Agent's working hours, and any violation of this restriction will subject the Agent representative to disciplinary action. Employees who are not Agents and other non-employee Union representatives will be permitted access to the Company's premises, including secured areas (with an escort), upon reasonable and specific notice, request and approval of the local department Director or General Manager, which will not be unreasonably withheld. The Company has no obligation to provide unescorted access to Union representatives to secured areas within its operations or the airports at which it operates, or any obligation to assist Union representatives in obtaining credentials that would permit such access.

9. Upon written authorization of the Agent, the Company will provide Union representatives with access to review the Agent's personnel file, and the Union will be entitled to copies of any document from such file. The cost of such copies will be borne by the Union.
10. The Union will be permitted space on a designated bulletin board in each location or general work area to post up to four 8.5" x 11" pages containing information and Union notices of interest to Continental Agents. No political, inflammatory, controversial or derogatory material will be permitted. The Union will be responsible to police the posting of such materials and ensure their compliance with these requirements.
11. The Company and the Union each reserve the right to withdraw from this Agreement upon thirty (30) days written notice. Consistent with paragraph 2 above, notice of withdrawal (and/or requests to modify the terms of this Agreement) will not under any circumstances be considered a "notice of intended change" as contemplated under Section 6 of the RLA (45 U.S.C. § 156), nor will any *status quo* or *status quo* obligation result from the adoption, notice of withdrawal or withdrawal from, or modification of this Agreement.


IN WITNESS WHEREOF, the Parties have signed this Agreement this 22nd day of March 2010.




Dan Smith
~~Airline Division Representative~~
International Brotherhood of Teamsters



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