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Our Ref: MDR/ DHL Express (UK) Ld/ Circular No 22/2006

To all GMB Members

15th November 2006

Fellow Members/ Dear Colleague,

Re: DHL EXPRESS (UK) Ltd ; PAY AND CONDITIONS OFFER: KEY POINTS

The company are proposing pay increases of up to 19% over a 33 month period, with enhancements to Annual Leave, Maternity, Paternity and Location Weightings. There are also proposals for a Review of Productivity Related Pay and progress on Union Learning Reps. The company will sign a new recognition agreement with the GMB and confirm that we are the sole union with bargaining rights.

KEY POINTS

1. **PAY INCREASE**
 - April 06 - December 2006 – April 2007 - **Average of 5.4% with the back pay from April 2006 in December's Pay Packets**
 - April 06 to Jan 2007 through to December 2008 - **Average Pay increase of circa 11.7%/ 15.6% and 19.5%.**
 - **3 pay rises in the next 13 months.**
 - **Pay review for clerical grades May 2007. New incentive scheme for Couriers May 2007.**
 - New pay anniversary date **1st January 2009**, negotiations to start autumn 2008.
 - LGV1 £1.00 per hr increase x 39 = £39.00 on weekly base rates excluding night allowances etc
 - LGV2 Average £1.00 per hr increase x 39 = £39.00 on weekly base rates excluding night allowances etc
 - All shunters will be on the same rate as LGV1 driver
 - Section Leader 98p per hr increase x 39 = £38.22p on weekly base rates
 - Courier £1.12p per hr increase x 39 = £43.68p on weekly base rates
 - Sorter Loader Forklift £1.02p per hr increase x 39 = £39.78p on weekly base rates excluding night allowance etc
 - Sorter Loaders 87p per hr increase x 39 = £33.93p per week on base rates excluding night allowance etc.

2. **TARGET RATIO OF 60:40 (EMPLOYED: SELF EMPLOYED)**
Business outside BC2 Network ratio of 60:40 employed: self employed target ratio through voluntary redundancy and attrition

3. **SECURITY OF EMPLOYMENT**
 - **Negotiations on a new Security of Employment Agreement to be concluded by 31st December 2006, with the emphasis in future of "no compulsory redundancy".**
 - **All couriers will be protected in future on their main work B2B, but also are expected to do some B2C work. This protects jobs.**

- Lifestyle couriers are virtually replacing the former JD Williams operation.
 - Self employed franchise Couriers and Lifestyle couriers can be represented by the GMB and advisory status will now be given to the GMB.
4. RECOGNITION AGREEMENT
The company reaffirms their sole agreement with GMB for recognition and bargaining rights.
 5. BANKING OF HOURS
Proposals for a fair scheme to trade hours between low and high seasons to be implemented by “agreement” April 2007. All reps will be consulted prior to any introduction of banking of hours.
 6. IMPROVED LOCATION ALLOWANCES
Annual increases to weighting allowances amounting to 7.6% over 3 years. Following this, weighting will be increased in line with “all” future percentage pay awards.
 7. INCENTIVE SCHEME TO REPLACE PRP SCHEME
Review of current PRP scheme and replacement with Incentive scheme A “Pilot study” with the GMB to be conducted prior to roll-out in May 2007.
 8. ADDITIONAL ANNUAL LEAVE
 - Employees with less than 1 year’s service: 20 days (pro-rata) from April 2008, increasing to 22 days pro-rata from May 2008.
 - Employees with one 1 year’s service: 25 days
 - Employees with more than 20 years service:1 additional day
 - Employees with more than 25 years service:1 additional day
 - Review taking place of annual leave in first year.
 9. SICK PAY
Discussions to continue on new sick pay scheme; improvements now on offer for sick pay to be paid from first day of absence in cases of industrial accidents and diseases.
 10. WORK-LIFE BALANCE
Discussions to commence in other areas of the collective bargaining agreement.
 11. MATERNITY, PATERNITY AND ADOPTION LEAVE
Extension of maternity leave:

Yours Fraternally

**Mick Rix
Executive Officer
GMB**