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K#: **1939**

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Location: **IL Freeport**

Union: **United Steelworkers of America (USWA)**

Local: **745**

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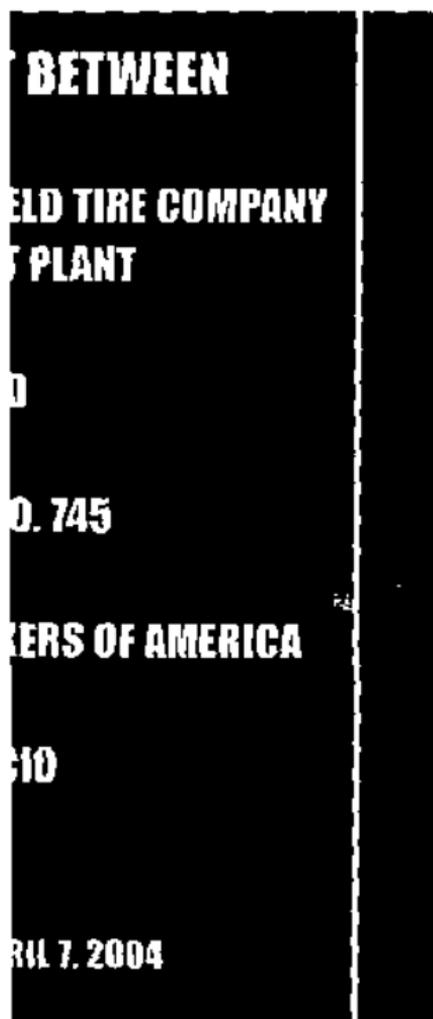
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**AGREEMENT BETWEEN**  
**THE KELLY-SPRINGFIELD TIRE COMPANY**  
**FREEPORT PLANT**  
**AND**  
**LOCAL NO. 745**  
**UNITED STEELWORKERS OF AMERICA**  
**AFL-CIO**  
**EFFECTIVE APRIL 7, 2004**



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## **AGREEMENT**

**THIS AGREEMENT**, made this 7th day of April, 2004, by and between **THE KELLY-SPRINGFIELD TIRE COMPANY**, Freeport Plant, Freeport, Illinois (hereinafter referred to as the "Company"), and **THE UNITED STEELWORKERS OF AMERICA** and its **LOCAL UNION NO. 745** (hereinafter referred to as the "Union") representing the employees as hereinafter defined.

**WITNESSETH**, whereas the mutual desire of the Company and the Union is to continue to promote cooperation and harmony and to formulate rules to govern the relations between them, the parties hereto agree as follows:

# **ARTICLE I**

## **RECOGNITION AND SCOPE OF AGREEMENT**

### **Section 1—Recognition**

The Company recognizes the Union as the exclusive bargaining agent for the production and maintenance employees of the Freeport Plant or any local expansion or extension thereof. The term "employees" for the purpose of this Agreement includes all hourly production and maintenance employees, but excludes office clerical employees, professional employees, guards, area manager, management trainees, salaried quality control inspectors and control laboratory operators. Further, the Company will bargain with the Union on all matters pertaining to hours of work, wages, and other conditions of employment.

The automation of jobs in the bargaining unit will not be used as a basis for changing such jobs from bargaining unit status to non-bargaining unit status.

### **Section 2—Laws Supersede Contract**

- (a) In the event that any of the provisions of this contract are found to be in conflict with any valid Federal or State Law now existing or hereinafter enacted, it is agreed that such law shall supersede the conflicting provisions without any way affecting the remainder of these provisions.

## **ARTICLE II**

### **FUNCTION AND RESPONSIBILITY**

#### **Section 1—Management Clause**

The management of the business and the operation of the plant and the authority to execute all its various duties, functions, and responsibilities incident thereto is vested in the Company, except as such authority is limited by the conditions of this Agreement.

#### **Section 2—Non-Discrimination**

The parties agree to the principal that there will be no discrimination in regard to wage rates and working conditions by reason of sex, color, race, age, religion, nationality, or disabilities as covered under the Americans with Disabilities Act.

Where the masculine pronoun is used in this Agreement, it shall refer to both genders.

#### **Section 3—Productivity Clause**

- (a) The Union recognizes that a high level of wages can be maintained only by a high level of productivity. Therefore, the Union and its members agree to cooperate in attaining, as high a level of productivity as is consistent with the health and welfare of the employees.
- (b) No employee will be laid off as a result of improvements or suggestions made through the employee involvement process. Plant improvements, as a result of the E.I. process will not cause employees to be laid off from work. Instead, the Company will assign them meaningful work until such time as permanent vacancies become available. The surplus employees will then be used to fill these vacancies per the provision of the labor Agreement.

Improvement to plant performance through the E.I. process will not result in employees being laid off from work. It could, however, result in a reduction in total plant manning, but this would be accomplished through attrition and not through a layoff.

#### **Section 4—No Strike-No Lockout Provision**

- (a) The Union agrees that it will not encourage, sanction or approve any strike, stoppage, slowdown, or other interruption of work growing out of any dispute arising under

ARTICLE II - FUNCTION AND RESPONSIBILITY

the terms of this Agreement and which is subject to the Grievance Procedure including the Impartial Umpire.

- (b) On the contrary, the Union and its officers and members will actively discourage and will take whatever lawful steps are necessary to prevent any strike, stoppage, slowdown or other interruption of work in violation of this Agreement.
- (c) The Company recognizes the right of the Local Union to strike on any issue not subject to the jurisdiction of the Impartial Umpire. On any such issue, however, the Union will not encourage, sanction or approve any strike, stoppage, slowdown or other interruption of work until at least ten (10) days of negotiations have proved unsuccessful, provided that the Company does not refuse to negotiate or provided the Company, upon request of the Local Union to negotiate the subject matter of such issue, does not unnecessarily delay. If the parties are unable to satisfactorily conclude such negotiations, this Agreement may be canceled by either party upon giving a 60-day written notice to the other. All terms and conditions of this Agreement will remain in effect during such 60-day period during which time the parties will attempt to negotiate a satisfactory settlement. But failure to amicably settle the issue concerned shall terminate and cancel this contract upon the expiration of such 60-day period unless there is a mutually agreed upon extension. If the right to strike is exercised by the Union at the expiration of the 60-day period and upon such termination of the Agreement and subsequently the parties have amicably settled the issue in dispute and the strike has ended, this Agreement will be reinstated and will become effective and all its terms and provisions shall continue in full force and effect until the termination date of the Agreement and through any extension period, subject to the termination and reopening provisions of this Agreement.
- (d) The Company agrees that in consideration of the carrying out of the responsibilities placed upon the Union and its officers in paragraphs (a) and (b) of this Section, the Company will institute no action for monetary damages against the International Union or the Local Union or its officers for breach of said paragraphs (a) and (b).

ARTICLE II - FUNCTION AND RESPONSIBILITY

- (e) The Company agrees that neither it nor its representatives will put into effect any lockout during the term of this Agreement.
- (f) Any employee who violates the principles set forth in this Section may be subject to discipline.

## ARTICLE III UNION SHOP AND CHECK-OFF

### Section 1

- (a) Any employee who is a member of the Union in good standing on the effective date of this Agreement shall maintain his membership in the Union as a condition of his continued employment for the life of this Agreement to the extent of paying periodic membership dues uniformly required by the Local Union pursuant to the Constitution of the United Steelworkers of America. Such employee may have his membership dues deducted from his earnings by signing the Dues Authorization and Deduction Form as hereinafter provided, or if no such authorization is in effect, he must pay the periodic membership dues directly to the Union.
- (b) Any employee hired on or after the effective date of this Agreement or transferred into the bargaining unit, shall become a member of the Union not later than thirty (30) days following his hire or transfer into the bargaining unit, and as a condition of his continued employment shall maintain his Union membership as provided in paragraph (a) of this Section.
- (c) On the 30th day following the effective date of this Agreement, all employees in the bargaining unit who are not members of the Union may sign the following form and as a condition of continued employment shall tender or pay to the Union the amount of periodic dues uniformly required as a condition of acquiring or retaining Union Membership:

Company \_\_\_\_\_

Plant \_\_\_\_\_

Date \_\_\_\_\_

**MEMBERSHIP APPLICATION**

**UNITED STEELWORKERS**

**OF AMERICA-AFL-CIO** First

On this \_\_\_\_\_ day of \_\_\_\_\_,

20\_\_\_\_ I hereby make appli-

cation for membership in the

United Steelworkers of America,

and I promise to pay dues uni-

formly required by the local

Union pursuant to the Consti-

tution of the United Steel-

workers of America.

Signature of Applicant \_\_\_\_\_

Clock Card No. \_\_\_\_\_

Dues Deduction \_\_\_\_\_

Authorization \_\_\_\_\_

Signed Yes \_\_\_\_\_ No \_\_\_\_\_

Month's Dues \_\_\_\_\_

First Month's Dues \_\_\_\_\_

Rejoining Member \_\_\_\_\_

Signature of Local or

International Representative \_\_\_\_\_

## ARTICLE III - UNION SHOP AND CHECK-OFF

- (d) The provisions of Paragraph (a), (b), and (c) of this Section shall not apply to any employee in the bargaining unit to whom membership in the Union is denied or whose membership therein has been terminated for reasons other than the failure of such employee to tender the aforesaid payments.
- (e) Any employee who fails to maintain his obligations under the provisions of paragraphs (a) and (c) of this Section, shall not be retained in the employ of the Company, provided that the Union shall have notified the Company and the employee in writing of such default and said employee shall have failed to remedy the same within thirty (30) days after receipt of such notice.

### Section 2

- (a) The Local Union will furnish the Company with the names of all members paying dues direct to the Local Union within thirty (30) days following the effective date of this Union Security Agreement.
- (b) Any dispute arising as to an employee's membership in the Union shall be subject for the Grievance Procedure, including arbitration.
- (c) "Member of the Union" where used herein means any employee who is a member of the Union and is not more than ninety (90) days in arrears in the payment of dues. "Employee" where used in this Article means an employee of the Company in the bargaining unit represented by the Union.

### Section 3

- (a) For the convenience of the Local Union and its members, the Company, during the life of this Agreement and subject to all the provisions of this Section, shall deduct from the pay of those employees in the bargaining unit who have executed or who shall execute an assignment and authorization in the form hereinafter provided, all Union dues, uniformly required by the Local Union pursuant to the Constitution of the United Steelworkers of America. Further, if at any time during the life of this Agreement it is finally determined that initiation fees and general assessments may be legally deducted from the pay of those employees in the bargaining unit from whom the Company holds the aforesaid authorization, the Company shall make such deductions for all initia-

tion fees and general assessments levied in accordance with the Constitution of the United Steelworkers of America and the by-laws of the Local Union. The Local Union shall indemnify the Company against any claim or loss arising out of the Company's deduction of dues, initiation fees, and general assessments levied in accordance with the Constitution of the United Steelworkers of America and the by-laws of the Local Union, and the Local Union will make refunds direct to all employees for such wrongful deductions.

- (b) The Local Union shall submit to the Company on or before five (5) days prior to the pay ending from which deductions are made, a list of its new members and the amount of deductions for dues to be made from the pay of each member for the month. Subject to the provisions of this Section, the Company shall deduct such amount from the pay earned in the first pay period of each month of each of those employees whose name has been furnished by the Local Union as provided above, and from the pay of those employees whose authorization cards are on file with the Company, and remit as directed by the Local Union President. Effective January 1, 1999, Union dues will be deducted on a weekly basis. This procedure may be modified by mutual agreement.
- (c) The assignment, once executed, shall be irrevocable for a period of one (1) year from the date of execution or until the termination of this Agreement, whichever occurs first. At the end of the original period of irrevocability and each renewal period of irrevocability, the assignment shall be automatically renewed and be irrevocable for a like period of one (1) year or until the termination of the then current agreement between the Union and the Company, whichever occurs first, unless the executing employee gives notice revoking his assignment during the 10-day period immediately following the end of such a period of irrevocability. The assignment shall be in the following form:

**DUES AUTHORIZATION AND  
DEDUCTION FORM**

Social Security No. \_\_\_\_\_  
 Date \_\_\_\_\_  
 Name \_\_\_\_\_  
 Dept. & C.C. # \_\_\_\_\_

ARTICLE III - UNION SHOP AND CHECK-OFF

Effective as of this date, I hereby authorize The Kelly-Springfield Tire Company to deduct from my wages and Trustee of the SUB Fund to deduct from any Supplemental Unemployment Benefits payable to me from the SUB Fund, regular monthly membership dues in such amount as may be fixed by the Local Union in accordance with the procedure prescribed by the Constitution of the International Union, and assign such deductions to Local Union No. 745, United Steelworkers of America, as provided in the current Labor Agreement and in any extension thereof as provided in said Agreement.

I also hereby authorize the deduction of and assigned unpaid monthly membership dues past due at the time of the first deduction made hereunder, or at the time of any subsequent deduction made hereunder, provided, however, that such unpaid dues so deducted shall at no time exceed the unpaid dues for the 3 month's period immediately preceding the deduction.

This assignment and authorization shall be irrevocable for the period of one (1) year from the date hereof or until the termination of the current collective bargaining agreement between the Union and the Company, whichever is the shorter period. At the end of the original period of irrevocability and each renewal period of irrevocability, this assignment and authorization shall be automatically renewed and be irrevocable for a like period of one (1) year or until the termination of the then current agreement between the Union and the Company, whichever is the shorter, unless I give notice revoking this assignment and authorization during the 10-day period immediately following the end of such a period of irrevocability. Such a notice revoking this assignment and authorization shall be given by written notice delivered by registered mail to the Local Union and the Company.

Signature \_\_\_\_\_

- (d) At the request of the Local Union and in the absence of a revocation by the individual employee, the Company will continue to deduct Union membership dues for those employees who have heretofore so authorized the Company in writing. The Union shall submit to the Company properly executed assignments on the form herein provided for those employees who in the future may desire to participate in the check-off program.
- (e) The Company agrees to provide forms for the assignment and authorization of dues deduction.

- (f) The Company will not be responsible for dues, initiation fees, rejoining fees, or assessments which are not collected due to clerical errors of the Union or due to the fact that the employee did not have sufficient earnings in the pay period in which deductions are made as herein provided to cover such Union dues, initiation fees, rejoining fees, and assessments after deduction for taxes, or due to the fact that an employee's name for any reason has been removed from the Company's payroll prior to the last complete period of the month.
- (g) Any disagreement arising out of wage deductions as provided in this Section shall be subject to the grievance procedure, including the Impartial Umpire, whose decision shall be final and binding upon all the parties, including the Company, the Union, its officers and members, and any employee. In case of any disagreement, no deduction will be made from the pay of the employee in question until after the dispute is settled.
- (h) No deductions under this Section shall be made from the pay of any Union member employee who is not working at an operation which is within the bargaining unit. Should an employee member, by changing work assignments, be permanently transferred to an operation outside the bargaining unit, his name will be stricken from the check-off list until such time as he returns to work within the bargaining unit. Upon his return, such employee's name shall be replaced upon the check-off list.

#### **Section 4**

The Union shall indemnify and save the Company and/or the Trustee under the Supplemental Unemployment Benefits Plan harmless from any claims, suits, judgments, attachments, and from any other form of liability as a result of the Company and/or the Trustee making any deductions in accordance with the foregoing authorization and assignments.

## **ARTICLE IV GRIEVANCE PROCEDURE**

### **Section 1-Representation**

- (a) A grievance is defined as any controversy between the Company and the Local Union, or between the Company and its employees or any of them.
- (b) For the purpose of representation and adjustment of grievances, the employees in each department or group of departments under one Business Center Manager or the equivalent shall be represented by a Department Steward each shift. The employees in all departments shall be represented by one Chief Steward each shift. In the absence of a Department Steward the Chief Steward may serve as Department Steward. The Union Bargaining Committee shall constitute the Union Grievance Committee.
- (c) The President of the Union, the Human Resources Manager, or their duly accredited representative shall be accorded the right at any time to participate in any conferences or negotiations between the Company and the Union.
- (d) The Union agrees to keep on file with the Company at all times an up-to-date list of its accredited representatives and will promptly notify the Company of any changes or additions. No employee will be recognized as a Union representative until and unless the Company has been notified in writing by the Union that such employee has been selected to act in such capacity. The Company will furnish the Union a list of their representatives who are to be recognized as such in the steps provided in the grievance procedure, and will promptly notify the Union of any changes.
- (e) In cases where accredited Union representatives are required to leave their jobs in order to handle grievances, the representatives will be relieved as soon as possible, so that production will not be retarded during the representative's absence. Area Managers will provide representatives with a filled-in pass noting time of departure from job. Representatives will submit all passes to their Area Manager at the end of the shift.

#### ARTICLE IV - GRIEVANCE PROCEDURE

The representative may be required to show this pass at any time as authority to be away from their job. Accredited representatives, when handling grievances, shall notify the Area Manager of any department or section in which it becomes necessary to contact employees before they contact the employees involved.

- (f) The Company will issue an annual pass to the Union President, Vice President, Recording Secretary, Financial Secretary, Treasurer, Local Union Time Study Engineer, and Grievance Committee in order to facilitate the investigation and handling of grievances. When entering the plant for this purpose, the above named shall notify the Industrial Relations Manager on day shift, and appropriate Area Manager on later shifts, of reason for the visit and the destination, and shall register at the Gatehouse.
- (g) The Company, upon request of the Union, will permit an International Union Representative to participate in 3rd step grievance meetings and arbitration.

#### Section 2--Responsibility

- (a) The parties of this Agreement recognize that grievances should be settled promptly and as close to the source as possible. Further, both parties will endeavor to present all the facts relating to the grievance at the first step of the grievance procedure in order that an equitable solution may be achieved.
- (b) A written decision at any step of the grievance procedure shall be considered as final unless the grievance is appealed to the next step within fifteen (15) working days thereafter.
- (c) The parties recognize that any employee who feels he is aggrieved should submit such grievance claim within ten (10) working days of the incident.
- (d) If at any time during the existence of this Agreement there occurs an unauthorized strike, sit down, or other curtailment of work in violation of the No Strike Clause of this Agreement neither party shall negotiate upon the subject of said dispute until such illegal activity has ceased.

#### Section 3--Grievance Procedure

- (a) The procedure for presentation of a grievance is as follows:

ARTICLE IV - GRIEVANCE PROCEDURE

Step 1: The employee, or in company with his Department Steward, may discuss the grievance with his immediate Area Manager, who must respond within two (2) working days.

- a) If not settled at the above verbal discussion, the grievance will be reduced to writing, signed by the grievant and/or Union, and presented in duplicate to the Area Manager by the Department Steward within ten (10) working days. The Area Manager will provide a written answer to the grievance, based from the discussion held above.

Exceptions: Grievances pertaining to base and/or hourly rates, manning, workloads, or standards not settled at the above verbal discussion, will be reduced to writing and appealed directly to the 2nd step with the Business Center Manager and Union Time Study Engineer present at this meeting. If necessary, a joint time study will be completed before being appealed to the third step. Grievances pertaining to job postings, awards, surplus labor, layoffs, recall and employee benefits will be referred to the Employment Department.

Step 2: If not settled in Step 1, the grievance may be appealed to the Business Center Manager in Production departments and Division Maintenance Manager or the equivalent by the Division Committeeman or Chairman of the Grievance Committee. If a meeting is necessary, it will be held within five (5) working days, or as mutually agreed.

Step 3: If not settled in Step 2, the grievance may be appealed to the Human Resources Manager by the Chairman of the Grievance Committee. The notice of appeal must be in writing and must indicate those grievants, witnesses and Union Representatives requested to appear at the hearing. A meeting will be held within thirty (30) days from the date the notice of appeal is received, or as mutually agreed.

#### ARTICLE IV - GRIEVANCE PROCEDURE

- (b) The Company shall give a written answer to the written grievance, with a copy to the President of the Union, as soon after the meeting or discussion as possible, but not later than three (3) working days, at Step 1, five (5) working days at Step 2, and ten (10) working days at Step 3, unless extended by mutual consent. If the written answer is not given within the time allowed, and in the absence of an extension, the Union may take the grievance to the next step without delay.
- (c) If a controversy arises of a nature so general as to affect a large number of employees, such issues of this nature need not be subject to the entire grievance procedure, but may be initiated at a step prior to the Impartial Umpire by agreement of the Local Union President and the Human Resources Manager.
- (d) At the written steps of the grievance procedure, the Company and the Union may call any witnesses whose testimony is necessary to the proper consideration of the grievance, or grievances, to be considered at any particular meeting.
- (e) Henceforth, from the date of this agreement no decision, written or oral, made at the first step of the grievance procedure will be considered to have any precedent setting value.

#### Section 4 - Impartial Umpire

- (a) Should negotiations between the Company and the Union at the final step of the grievance procedure fail to bring about an agreement between the parties with respect to any grievance which properly comes under the jurisdiction of the Umpire, as hereinafter defined, either party may, within thirty (30) days, but no longer except by mutual agreement, after the final answer at the last step, as outlined above, submit the issue to the Impartial Umpire. It is understood that a copy of the issue submitted will be furnished to the other party at the same time.
- (b) On a date set by the Impartial Umpire, the parties shall at the time and place appointed by the Impartial Umpire, appear and present for his consideration a statement of the issues involved, either in writing or orally, as each party may desire. The Impartial Umpire shall schedule hearings of grievances in the order in which such grievances are submitted to him, unless the Company and the Union agree on a different order. The place of hearing

ARTICLE IV - GRIEVANCE PROCEDURE

shall be restricted to Freeport, Illinois, unless otherwise agreed upon.

- (c) The Impartial Umpire shall render a decision on the grievance within thirty (30) days following the hearing date of a grievance. At the close of a hearing, the parties may request an award. The Umpire shall make any request for additional time in writing and if the parties agree to the additional time, the Umpire will be so notified in writing.

(1) For the purpose of this section an award means the disposal of the grievance without a statement of reasoning leading to the conclusion reached. Henceforth, awards will not be regarded as having precedent value.

The decision of the Impartial Umpire shall be final and binding upon both parties and shall invoke immediate compliance by the parties. If such decision directs a retroactive wage payment the Company will notify the Union without delay of the date on which payment can be made to the employees affected. The Union will be notified in writing of the amount, to whom paid, and the date paid.

- (d) The expense and compensation of the Impartial Umpire shall be borne equally by the Company and the Union. In principle the compensation for the Umpire will be divided equally between the Employers and the Local Unions in proportion to their use of his services and his traveling expense or any other expense of a general nature shall be shared by the parties to this agreement and distributed to their units.

The parties to this agreement affirm that the following eleven (11) Impartial Umpires shall be authorized to act under the terms of this agreement:

Fred E Kindig  
Sinclair Kossoff  
Timothy J Heinsz  
Raymond L Britton  
Stanley Sergent  
Theodore K High  
Lamont Stallworth  
Terrance A Bethel  
Patrician Thomas Bittel  
Kathleen Miller  
Keith Poole

Within five (5) days following a request made by either party for the submission of an issue or issues to an Impartial Umpire, the President of the Local Union or his designated representative shall meet with the representative of the Employer for the purpose of selecting an Umpire from the panel listed above. In the event a selection cannot be made at such meeting by mutual agreement, the selection shall then be made by the Employer's representative and the Local Union representative alternately striking one name from the list until one name remains who shall be designated as the Umpire to hear the issue or issues to be submitted.

- (e) The Impartial Umpire shall not have the power to make any award changing, amending, or adding to the provisions of the Agreement. Specifically, the Umpire shall not have the power to arbitrate general wage levels.
- (f) In the event one of the Umpires named on the panel either dies, becomes incapacitated, or refuses to act, the President of the International Union or his designated representative, and the Director of Industrial Relations for the Company, shall immediately appoint a replacement
- (g) By agreement at the local plant, a Board of Arbitration may be substituted for the Impartial Umpire herein provided. The Board of Arbitration shall be composed of a person selected by the Employer and a person selected by the Local Union, and the Impartial Umpire named herein who shall serve as chairman. The persons selected by the Employer and Local Union shall be permanently assigned and shall have final and complete authority to act for their respective parties. Each party shall name an alternate person to serve in the event the regular appointee is unable to serve. The use of the Board of Arbitration may be terminated at any time upon thirty (30) days written notice by either party in which case the Impartial Umpire shall serve alone. The authority of the chairman of the board shall be the same as that provided for the Impartial Umpire and his award or decision shall be rendered after deliberations with the Board, unless the representatives of the parties agree on a disposition of the case.

#### **Section 5—Union Time Study Engineer**

- (a) Upon written request of the Local Union to the Human Resources Manager the Company will permit a time

study engineer approved by the Local Union or the International Union to enter the plant for the purpose of making studies. A signed secrecy pledge will be required before entry is permitted. The Area Manager will provide a filled-in pass as authority for the time study engineer to be away from the job, as coordinated by the Human Resources Manager. A Company time study engineer shall be present during such studies or observations by the Union time study engineer.

- (b) The Company shall cooperate with the Local Union in the training of a Local Union Time Study Engineer, and at the request of the Local Union shall permit practice studies to be taken on any operation approved by the Company. One Union designated employee will be trained or in the training process at all times. One-half the cost of time lost from his regular shift, up to a maximum of twenty (20) hours per week will be paid by the Company to the employee designated as a time study trainee for the Local Union during his training period. The rate of pay shall be base rate of his classification.

#### Section 6—Disciplinary Action

- (a) When an employee is directed by the Area Manager to appear in the office to discuss a matter which might likely result in a suspension or discharge, or when a disciplinary letter or derogatory notation is to be placed on his record, the employee will be reminded of his rights to bring his Union representative into the discussion at that time. If the employee requests Union representation, he may remain silent until the representative is present. The Union representative shall be paid for time lost from his regularly scheduled shift in accordance with Article VII, Section 19 (a) of this Agreement.
- (b) In cases involving disciplinary action, the Department Stewards may request Chief Steward assistance. In cases involving a possible suspension, discharge, Loss of Value Letter, Last Chance Letter or initiation of 48 hour investigation period, the appropriate Division Committeeman will be notified prior to the meeting.
- (c) The decision to terminate an employee will not be made until a minimum of forty-eight (48) hours have elapsed from the time of the infraction. This time may be extended beyond forty-eight (48) hours by mutual agreement. This time will be used for a thorough investigation of all facts relevant to the matter. Prior to the conclusion of the

forty-eight (48) hour period, Company and Union representatives will meet to discuss and share such relevant facts and evidence.

*In the event a termination decision is not made, concluding the forty-eight (48) hour period, the employee shall be compensated for the time lost, less pay for any penalty time decided upon.*

- (d) If an employee feels he has been unjustly disciplined; i.e., derogatory notation, letter, suspended, or discharged, he shall have the right to appeal his case through the grievance procedure, including the Impartial Umpire.

*In cases of discharge or suspension, the written grievance must be filed with the Business Center Manager or the equivalent, within ten (10) days from the date of discharge or suspension, excluding Saturdays, Sundays and Holidays. If such discharge or suspension is found to have been unjustified, the employee shall be reinstated to his former job with all rights and privileges restored, and shall be compensated at the base rate of his classification for the time lost, less pay for any penalty time decided upon. In the event a Union representative is not present when the employee is notified that he is discharged, the President of the Union or his authorized representative will be notified of such discharge within twenty-four (24) hours.*

### **Section 7 - Derogatory Write-Ups**

- (a) Whenever an employee is to receive a derogatory write-up that will be part of his record, a copy of that write-up, including notations, will also be given to the President of the Local Union. If the notation is the result of poor workmanship, *the employee shall be shown the poor work or the results of the poor workmanship.*
- (b) All derogatory write-ups, except those recording suspensions or discharges, will be destroyed one year after issuance if the same offenses have not been committed during the preceding twelve (12) months.

*Letters recording suspensions will be disregarded and destroyed in the administration of discipline after two (2) years provided the same offense(s) has not been committed during that period. A suspension letter for absenteeism will be reviewed, upon request, after twelve*

ARTICLE IV - GRIEVANCE PROCEDURE

(12) months, and if the employee's attendance record has been corrected, such letter will be destroyed.

- (c) An employee may review his departmental record at a time other than on his regularly scheduled shift or during his personal time on his regularly scheduled shift, provided he makes such a request to his area manager in advance.

## **ARTICLE V**

### **HOURS OF WORK AND REPORTING PAY**

#### **Section 1-Standard Work Day and Standard Work Week**

- (a) The standard work day shall be eight (8) consecutive hours in a twenty-four (24) hour period. When practicable, the standard work week shall be five (5) consecutive work days starting on Monday. The work week and the timekeeping week shall begin with the starting hour of third shift (11:00 p.m.) on Sunday night. Exceptions may be made in case of emergency, such as machinery breakdown, fire, or when necessary to fill orders within a specified time or to adjust production schedules. Whenever possible advance notice shall be given the President of general changes from the current operating schedule.
- (b) The timekeeping day for computation of double-time pay for Sunday and triple-time pay for holiday work shall commence at 11:00 p.m. the day before and end at 11:00 p.m. on Sunday or holiday.
- (c) The standard work week will not apply to the Power-house employees.
- (d) Shifts other than those named above may be established if necessary, to meet production requirements. Exceptions necessary will be discussed with the Union before implementation.

#### **Section 2—Reporting Pay**

- (a) If an employee reports for work at the start of his regular shift or at a time appointed by his Area Manager without having previously been notified not to report and no work is made available to him, he shall be paid \$5.00 per hour plus COLA for the full number of scheduled hours of the shift. If other work is made available to him, he shall be paid his current hourly rate up to base rate or base rate of job assigned, whichever is greater.

If an employee is sent home because of lack of work before he has completed the scheduled hours of the shift, he shall be paid what he earned plus \$5.00 per hour plus COLA for the remaining scheduled hours of the shift. If the Company offers the employee the choice of other work or going home and he elects to go home, he forfeits

## ARTICLE V - HOURS OF WORK AND REPORTING PAY

the \$5.00 per hour plus COLA for the remaining scheduled hours of the shift not worked.

Payment under the foregoing conditions will be made at time and a half if after 40 hours in any one pay period, at double time on Sundays, and triple time on holidays.

(b) Notification not to report for work may be handled as follows:

1. Verbal instruction to the employee.
2. A notice posted on the department bulletin board with notification to the Department Steward, at least one hour prior to the end of the last shift scheduled for the employees involved.
3. Telephone notification to an employee prior to the time he normally leaves home for work.

(c) An employee who does not have a current telephone number as required under Article XI, Section 7, listed with the Company will not be eligible for report to work pay. An employee with a telephone number listed but who cannot be reached by telephone will not be eligible for report to work pay.

(d) Reporting pay will be paid in cases of general emergency shutdown of the plant caused by fire, flood, failure of power supply, or similar conditions beyond the control of the employer unless the employer notifies the employee not to report prior to the start of their scheduled shift. Notification will be made through the following radio stations in Freeport, Galena, Illinois and Monroe, Wisconsin:

**Freeport**  
WFPS - 92.1 FM  
WFRL - 1570 AM  
WXXQ - 98.5 FM

**Galena**  
WJOD - 107.5 FM

**Monroe**  
WEKZ - 1260 AM/93.7 FM

### Section 3—Working Time

(a) Employees are not to enter their work area earlier than necessary to report at their regular places at their regular starting time. They shall not remain in their departments,

after the close of their regular shift, except for periods of authorized overtime.

- (b) All employees are to work to the end of their shift, and those employees on continuous operations are to remain on their jobs until relieved at the end of their shifts. If an employee working on a continuous operation is not relieved by an employee scheduled to work the following shift, the Company will attempt to secure relief as soon as possible, or at a time mutually satisfactory. Except for short periods of time while relief is being secured on continuous operations, employees in the production departments will not be required to work more than eight (8) hours in a normal day.

#### Section 4—Distribution of Work

- (a) Daily vacancies and other work may be filled with available labor on the shift on which the vacancy or other work occurs before employees from other shifts are offered the work on an overtime basis. Preference will be given to available labor in the base rate classification, *within the department, on the shift on which the vacancy or other work occurs*; then, to other available labor within the department provided they are qualified, on the shift on which the vacancy or other work occurs.

Thereafter, vacancies and other work may be filled with any available labor on the shift on which the vacancy or other work occurs before employees from other shifts are offered the work on an overtime basis.

- (b) All regular time (less than the standard work week), overtime, double-time and triple-time shall be distributed as follows:

1. When less than a full number of employees are needed in a classification for a portion of a shift and no other work is assigned, the employees whose unit or operation is shut down will be short-shifted.

Employees will be offered the opportunity to be short-shifted on a seniority basis or forced to be short-shifted in reverse seniority order, provided that it makes no difference from a production standpoint which particular unit or operation is shut down. The result of following this procedure will not require significant reassignment of employees to the remaining operating units or operations.

ARTICLE V - HOURS OF WORK AND REPORTING PAY

2. When less than a full number of employees are needed in a classification for a full shift during the standard work week, the work will be offered by seniority in the order of preference listed below:
  1. In classification on shift
  2. In classification off shift
  3. Qualified out of classification on shift
  4. Qualified out of classification off shift
  5. Qualified out of department on shift
  6. Qualified out of department off shift

If an insufficient number of volunteers is obtained, the remaining need will be filled by scheduling (forcing) employees in reverse seniority in the following order:

1. In classification on shift
2. Qualified out-of-classification on shift in department
3. Qualified out-of-classification on shift out of department

Employees may sign Short Work Week Sign-up Sheets in classifications other than their own. Employees must be qualified in the classifications they express desire for work.

- (c) A sign-up system for all daily overtime work will be utilized as follows:

A computerized sign-up system will be utilized in the department for the first three (3) hours of each shift. An employee wishing to work daily overtime may sign up to work any of the three (3) shifts listed. The employee is to indicate willingness to work either four (4) or eight (8) hours of overtime. Area Manager will then schedule the qualified employees who have volunteered to work by seniority in the following order of preference:

1. To senior, low-houred employee in classification on retiring shift, four (4) hours or eight (8) hours, as appropriate.
2. To senior, low-houred employee in classification on oncoming shift, four (4) hours or eight (8) hours, as appropriate.
3. To qualified employees out of classification, on the retiring or oncoming shift, four (4) hours or eight (8) hours, as appropriate.

- (d) A sign-up system for all Saturday work will be utilized as follows: During the first three days of the standard work week, sign-up sheets for possible Saturday work in specified classifications shall be posted in the departments. The sheets shall be posted a minimum of forty-eight (48) hours.

An employee wishing to work Saturday may sign up to work any of the three (3) shifts listed. The employee may also indicate willingness to work four (4), eight (8), twelve (12) or sixteen (16) hour periods.

Supervision will then schedule the qualified employees who have volunteered to work by seniority in the following order of preference:

- Qualified employees in classification, on shift.
- Qualified employees in classification, off shift.
- Qualified employees out of classification, on shift, in department.
- Qualified employees out of classification, off shift, in department.
- Qualified employees out of classification, on shift, out of department.
- Qualified employees out of classification, off shift, out of department.

Employees will not be scheduled off shift or out of classification if their seniority is such that they would be forced to work in their regular classification and on their own shift. If the number of employees who signed up is insufficient to accomplish the necessary work, the least senior employees in the classification will be scheduled to work by shift. Twelve (12) or sixteen (16) hour periods will not be awarded to signers until other signers have been awarded work, however in classification employees are still to be awarded work before out of classification employees are awarded work.

Efforts will be made to fully utilize such eligible signees before forcing employees to work on a Saturday, particularly considering work assignments not relating directly to the production process.

When it is previously believed that no Saturday production will be scheduled in a classification and such plan is changed during a Friday work shift, the Company will utilize the Saturday sign-up sheets to obtain necessary labor to perform the scheduled work only if a minimum

of four hours of Saturday work is scheduled in the classification, and only if the Company has, by 11:00 a.m. Friday, notification from Production Control that such scheduling is required. In the event of reported absences, more than four hours before the start of the Saturday shift, the next senior employee eligible to work on the sign-up sheet is to be contacted. If the absence becomes known less than four hours before the shift starting time, the work is to be offered to the senior in-classification employee immediately available that is working.

1. In the event it becomes necessary, after the Saturday shift has started to short-shift employees; the offered opportunity will be by classification to the senior employee in the following order:
  - (a) Senior in-classification employee
  - (b) Senior in-department employee working out-of-classification
  - (c) Senior out-of-department employee
- (e) A computerized sign-up system for all Sunday and Holiday work will be utilized as follows: During the first three (3) days of the standard work week, a sign-up system for possible Sunday work in specified classifications shall be available in the departments. Similarly for Holidays, during three (3) days of a standard work week beginning five (5) working days prior to the Holiday, a sign-up system will be available. This system will be by specified classifications within each department. An employee wishing to work Sunday or on a holiday may sign up to work any of the three (3) shifts listed. The employee may also indicate a willingness to work four (4), eight (8), twelve (12) or sixteen (16) hours on the subject Sunday or holiday. Employees requesting work will be scheduled as follows:
  - 1) To low hour employee in classification or if the hours are equal to the senior employee, eight (8) hours.
  - 2) To the senior low hour employee in classification, four (4) hours if a matching four (4) hour signer is available.
  - 3) To the senior qualified employees out of classification, except in maintenance, where apprentices of the classification will be offered work opportuni-

ARTICLE V - HOURS OF WORK AND REPORTING PAY

ties before going to qualified employees out of classification.

In the application of the foregoing paragraph, with reference to the maintenance department only, no in-classification employee will be allowed to work the second eight (8) hours until the apprentice of the classification has had an opportunity to work eight (8) hours. Further, preferred shift assignments will be given to the in-classification employee prior to making assignments to the apprentice.

An employee offered work will not be bumped from his regular shift by an employee from another shift. An employee is not considered to have been offered work until such time as he would have been eligible for the work on the basis of the hours of work chart and seniority.

Hours will be charged to those accepting work and to those who refused work made available to them and hours not able to work because of previous hours worked. If the desired number of employees is not obtained in a classification to complete the work, only those employees who refuse work made available will be charged.

1. In the event it becomes necessary, after the Sunday shift has started to short-shift employees; the offered opportunity will be by classification to the senior employee in the following order:

- a) Senior in-classification employee
- b) Senior in-department employee working out-of classification
- c) Senior out-of-department employee

(f) Hours of work charts will be maintained in the department or on the AS400 computer for all classifications, until such a time that it is no longer viable to maintain charts on the computer. All hours will revert to zero the first Monday of January. When an employee is transferred or hired into a Base Rate Code or permanently moves to another shift in the same Base Rate Code, he shall be assigned the number of hours equal to the highest in the Base Rate Code on the shift to which he is assigned.

ARTICLE V - HOURS OF WORK AND REPORTING PAY

- (g) When practicable all out-of-classification overtime hours will be first offered to in-department employees before offering such hours to out-of-department employees.
- (h) Notwithstanding the provisions of sub-paragraphs (d) and (e) of this section 4, shut-down and start-up hours of two hours or less in production and three (3) hours or less in engineering maintenance or the Stores Attendant will be offered to the employees within the classification on the adjacent shift.
  1. The adjacent shift will be defined as those in-class employees assigned to the adjacent shift.
  2. If the assignments are not filled, those vacancies will be offered to the senior in-class employees working.
  3. Out-of-classification most senior qualified employee assigned on the adjacent shift.
  4. Senior in-class employees, off-shift.

The distribution of start-up and shutdown work for in-classification is a rotation by seniority. The rotation will start over with the most senior employee the first Monday of the year.

- (i) In the event errors occur in the scheduling of work, and the errors are promptly reported and can be corrected, such errors will be corrected at the first opportunity.
- (j) No employee shall work in excess of sixteen (16) hours in a twenty-four (24) hour period, except in an emergency.

## ARTICLE VI GENERAL WAGE PROVISION

### Section 1—Holiday Pay

The following days will be recognized as holidays under this Agreement:

New Year's Day  
Easter Day  
Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Day After Thanksgiving  
Christmas Eve  
Christmas Day  
New Year's Eve

Optional Holiday to be determined by local Agreement.

The above holidays may be changed to other days by mutual agreement. Holidays will be scheduled to minimize plant shutdowns. All schedules will be posted, denoting the beginning and ending of each holiday.

The following days shall be considered holidays:

<b>2004</b>	<b>Day</b>	<b>Date</b>
Easter	1st & 2nd shift Friday 3rd shift Monday	April 9 April 12
Memorial Day	Monday	May 31
Independence Day	Friday	July 2
Labor Day	Monday	September 6
Thanksgiving Day	Thursday	November 25
Day After Thanksgiving	Friday	November 26
Christmas Eve	Friday	December 24
Christmas Day	Saturday	December 25
Optional	Monday	December 27
New Year's Eve	Friday	December 31
<b>2005</b>	<b>Day</b>	<b>Date</b>
New Year's Day	Saturday	January 1
Easter	1st & 2nd shift Friday 3rd shift Monday	March 25 March 28
Memorial Day	Monday	May 30
Independence Day	Monday	July 4
Labor Day	Monday	September 5

ARTICLE VI - GENERAL WAGE PROVISION

Thanksgiving Day	Thursday	November 24
Day After Thanksgiving	Friday	November 25
Christmas Eve	Monday	December 26
Christmas Day	Tuesday	December 27
Optional	Friday	December 30
New Year's Eve	Saturday	December 31
<b>2006</b>	<b>Day</b>	<b>Date</b>
New Year's Day	Monday	January 2
Easter	1st & 2nd shift Friday	April 14
	3rd shift Monday	April 17
Memorial Day	Monday	May 29
Independence Day	1st & 2nd shift Tuesday	July 4
	3rd shift Wednesday	July 5

The 2006 Optional would be applied later in the year with mutual agreement.

Wage payment for employees reporting early for startup on a split holiday, and only when the work period is in two different pay periods, will be paid consistent with the first sentence of Article VI, Section 3 (a).

The Company will pay at straight time to each hourly employee who does not perform work for the Company on such holiday an amount equivalent to the employee's standard work day multiplied by his current hourly rate up to Base Rate, plus the night shift differential to which his scheduled shift of such week would entitle him, subject to the following conditions:

1. (a) When one or more of the above holidays falls within the period an employee is on vacation, and he is absent from work because of such vacation, the employee will be paid for such holidays.
- (b) An employee who is not actively at work when a holiday occurs, will be paid the difference between holiday pay as stated in this paragraph and any Federal, State, or Company compensation he receives for such day, subject to the following conditions:
  - (1) Employees who leave work pursuant to an approved leave of absence during the week in which a holiday falls, or in the week previous to it or return to work after such leave during the week a holiday falls or in the succeeding week, shall be paid for such holiday.

ARTICLE VI - GENERAL WAGE PROVISION

- (2) Employees who leave work pursuant to an approved sick leave or a leave of absence for disability due to pregnancy, or who leave the employment of the Company to enter the *Armed Forces up to thirty (30) calendar days* prior to a holiday, or who return to work after an approved sick leave, or a leave of absence for disability due to pregnancy, or are reinstated from the *Armed Forces within thirty (30) calendar days* of a holiday, shall be paid for such holiday.
  - (3) Employees who leave-work pursuant to absence because of an occupational injury or an occupational illness up to thirty (30) calendar days prior to a holiday, or who return to work within thirty (30) calendar days of a holiday, shall be paid for such holiday.
  - (4) Employees who are laid off within fourteen (14) calendar days prior to a holiday shall be paid for such holiday. Employees who are recalled and return to work in a work week in which a holiday falls, or within fourteen (14) calendar days after the holiday, shall be paid for such holiday.
2. An employee shall not be eligible for such payment if on his last regularly scheduled shift prior to or first regularly scheduled shift after such holiday, he is absent from work without being previously excused by his Area Manager or without presenting evidence that his absence was justified and reasonable. In the event of two consecutive holidays, an employee shall not be eligible for pay for the first of the two holidays if he is absent from work on his last regularly scheduled shift prior to the holidays or shall not be eligible for pay for the second holiday if he is absent on his first regularly scheduled shift after the second holiday without being previously excused by his Area Manager or without presenting evidence that his absence was justified and reasonable. The restrictions in this paragraph do not apply in respect to Paragraph 1. (a) and (b) above except when the holiday falls on the first or last normal working day of the period during which the vacation falls, or the first day of leave or layoff.

ARTICLE VI - GENERAL WAGE PROVISION

3. Employees who would not otherwise be scheduled to work on the day a holiday falls will be paid for such holiday subject to the other provisions contained in this article.
4. (a) Employees who are working on jobs which by the nature thereof must be continued in operation on a seven (7) day basis, and employees who rotate thereon, shall be paid holiday pay if the holiday falls on their regularly scheduled day off. If such employees are scheduled to work on a holiday and absent themselves from scheduled work, they shall not receive holiday pay unless their absence was justified and reasonable.
- (b) When maintenance work essential to the continued operation of the plant must be done while the plant is not in operation, and such maintenance work is scheduled for a holiday, then holiday pay will not be paid employees who refuse to work on such holiday when requested to do so, unless the refusal to work is justified and reasonable.  

In application of this paragraph, if such work is necessary, at least three days' notice will be given maintenance employees, except in cases of emergency. When less than the full number of employees in a classification are needed, qualified employees in the classification will be scheduled for the work utilizing the holiday sign up sheets. If this does not produce the number of employees needed, the least senior employee in the classification needed will be required to work.
- (c) Any employees who accept work assignments on a holiday and/or the day preceding or following the holiday and who absent themselves on any of these days will not be eligible for any payment for the holiday unless the absence was justified and reasonable.
- (d) In no event shall premium or overtime pay apply to *holiday hours paid for but not worked*.
- (e) An employee who is eligible to receive holiday pay and who is required to serve on a municipal, county or federal jury, or grand jury, on such holiday will not have jury duty pay deducted from his holiday pay.

However, such employee may elect to defer the time off for the holiday(s) until his first scheduled shift(s) immediately following the jury duty provided he notifies his Area Manager of his desire to do so in sufficient time for the Area Manager to secure a replacement.

- (f) When a holiday falls on a Friday, the following Saturday shall not be considered a regularly scheduled work day. When a holiday falls on a Monday, the preceding Saturday shall not be considered a regularly schedule work day. This provision does not apply to employees who accept work assignments on a Saturday following a Friday holiday or on a Saturday preceding a Monday holiday. This provision does not apply to operations which are normally scheduled on a seven-day basis.
  - (g) When an employee works overtime on a holiday for the purpose of closing down or starting up an operation, he shall be paid at the rate of triple-time, and such time, up to a maximum of four (4) hours, shall not be deducted from the holiday pay herein provided. All other time paid for at the rate of triple-time shall be deducted from the hours on which such holiday pay is based.
5. Probationary employees will not be eligible for holiday pay for any holiday(s) falling within the first 30 calendar days of their employment.
  6. Employees participating in the plant's Summer Work Program in Department 057 will not be eligible for holiday pay during their first year of employment.

#### **Section 2—Premium Pay**

- (a) All work performed on Sundays shall be compensated at the rate of double time. All work performed on holidays shall be compensated at the rate of triple time. In no event shall time and one half be paid in addition to double time or triple time.

#### **Section 3—Overtime Pay**

- (a) Time worked in excess of eight (8) hours in any twenty-four (24) hour period or in excess of forty (40) hours in any one pay period week will be compensated at the rate of time and one half. Overtime hours paid on a daily basis shall not be included in paying for overtime on a

ARTICLE VI - GENERAL WAGE PROVISION

weekly basis. All time worked (whether at straight time, double time, or at triple time), and time paid for, exclusive of the no-strike clause of this Agreement, shall be credited as hours worked for the purpose of computing overtime pay. The term "all time worked" shall include time paid for in taking a scheduled vacation. Also included in the term "all time worked" for the above purposes:

- (1) Scheduled hours lost by employees while serving on a jury and for which the Company pays in accordance with Article VII, Section 16.
  - (2) Scheduled hours lost by employees due to being subpoenaed, except when the employee is a plaintiff or a defendant or in any case involving the Company or the Employer.
  - (3) Scheduled hours lost by employee for funeral leave and for which the Company pays in accordance with Article VII, Section 18.
  - (4) Paid holiday hours falling within the standard work week, but not worked.
  - (5) Scheduled hours lost by employee for which the Union pays. The Union will provide the Company advance notice in writing, the names, plus the dates and hours paid for by the Union as situations arise.
  - (6) Scheduled hours lost by employee due to an injury caused in the plant covered by Worker's Compensation.
  - (7) Scheduled hours lost as a result of an employee returning from lay-off will be credited toward the computation of weekly overtime payment.
- (b) An employee reporting for work and being required to work a portion of his scheduled shift, if then sent home through no fault of his own, except in case of labor disturbance as provided in Article II, or except conditions beyond the control of the Company such as fire, flood, severe weather conditions, or failure of power supply, shall receive credit for the number of hours scheduled for the shift toward the computation of weekly overtime hours.
- (c) Hours of the regularly scheduled work shift not made available during the first five (5) days of the week shall

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be considered as hours worked for the purpose of computing weekly overtime payment. Hours not available to employees because of a violation of Article II, Section 4, will not be considered as hours worked for such purpose.

## ARTICLE VII WAGE APPLICATION

### Section I

- (a) In the establishment of a new Base Rate, such rate shall be arrived at by the use of standard job evaluation practice. A copy of the job evaluation plan shall be furnished the Local Union by the Company.
- (b) Base Rates shall be established in accordance with paragraph (a) and shall be calculated on a full work load even though it is known at the time of establishment that a full work load cannot be assigned at that time. In the event it may be necessary to establish a Base Rate before the job is fully developed, the Base Rate shall be established on the proper evaluation of job content or job requirements as contemplated in the permanent job insofar as can be foreseen at the time such Base Rate is being calculated.
- (c) Any items of job content or job requirements considered in the Base Rate calculation shall be fully described in the job evaluation record regardless of whether or not such work is being performed at the time.
- (d) In the event such items are included and given proper weight in the Base Rate calculation before they actually appear in the actual performance of the job, the subsequent appearance of such items in the work requirements of the job shall not form the basis for an increase in the Base Rate.
- (e) When Base Rate job evaluations have been completed, the representative designated and maintained on file with the Company by the Local Union, shall be advised as to what the rate will be as far in advance as possible, but not less than one day before they are to become effective, excluding Saturdays, Sundays, or holidays, unless a shorter time is mutually agreed to. The Company will make available to the representative for his inspection, complete data showing the basis upon which the rate was determined.
- (f) Nothing in this Agreement shall be so interpreted as to require employees to perform work loads that are not fair and reasonable.

**Section 2**

- (a) Base Rate as used in this Agreement refers to the hourly rate established on a given Base Rate Code by the standard job evaluation procedure.
- (b) Experienced Employee refers to an employee who is permanently assigned on an operation and is qualified to do the job and has demonstrated ability to perform the work satisfactorily.
- (c) Learning time established for each job classification indicates the maximum number of working days a newly hired employee may require to attain a satisfactory performance on the assigned job. An employee may be removed from the assignment before the expiration of the maximum learning time if satisfactory progress is not shown. The learning time may be extended by the Business Center Manager or the equivalent if in his opinion, an extension is justified.
- (d) Learning time is defined as the maximum time period outlined on the Base Rate sheets.
- (e) Hourly rates, for machine operations and non-equipment operations are established on the basis that employees are required to work to the end of their shift, excluding normal lunch and personal breaks at a fair and reasonable pace.
- (f) Short Work Week Average Hourly Earnings, for calculation of SUB benefits as provided in Article II, Section 1 and 2 of the SUB Agreement, will be Base Rate for the classifications.

**Section 3**

When an employee hired after May 19, 1995 with less than thirty (30) months on the active payroll transfers from one Base Rate code to another Base Rate code, the employee will be paid the wage rate as outlined in Article VII, Section 7 (a).

When an employee hired before May 19, 1995 transfers from one Base Rate code to another Base Rate code, the employee will be paid their current hourly rate up to 90 percent of the Base Rate of the job transferred to unless the employee has maintained that Base Rate code on his qualified list which would allow transfer at the rate of the new Base Rate code. The employee hired before May 19, 1995, will be progressed up to the Base Rate of the job at the rate of at least twenty cents per hour per week provided the employee worked at

## ARTICLE VII – WAGE APPLICATION

least three (3) days in the preceding week. Employee progression rate may be advanced more than learners scale provides if their proficiency warrants it.

### Section 4

- (a) When an experienced employee is temporarily assigned to a job in another Base Rate Code the employee will be paid the Base Rate of his regular assigned job, or the Base Rate of the job to which assigned, whichever is greater.
- (1) Employees temporarily assigned to another job for the purpose of lunch or personal relief will be paid in accordance with the above.
  - (2) Employees temporarily assigned to write Objective Based Training Programs will be paid the rate of the Training Center Labor Trainer or their hourly Base Rate, whichever is greater.

### Section 5

If an employee is given extra work over and above his regular eight-hour day or regular weekly departmental schedule on a job other than his regular job, he shall be paid the Base rate of the assigned job.

### Section 6

- (a) When an employee is assigned to a job for the purpose of taking inventory, he will be paid the Base Rate of Production Service. Employees assigned to trucking during inventory will be paid the rate of the job assigned.
- (b) When an employee is assigned to paint with a spray gun, he will be paid the Base rate of the Painter for the period of time assigned.
- (c) When employees are assigned to work with Squad trainees, they will be paid labor trainer rate if higher than their own.

### Section 7

- (a) All production employees hired on or after the effective date of this Agreement shall receive the following rates of pay:
1. Effective on the first (1st) day on the active payroll — seventy percent (70%) of the applicable wage rate, including Base Rate and cost of living

## ARTICLE VII - WAGE APPLICATION

allowance, for the classification in which the employee is working.

2. After six (6) months — a four (4) percent increase.
3. After twelve (12) months — a five (5) percent increase.
4. After eighteen (18) months — a six (6) percent increase.
5. After twenty-four (24) months — a seven (7) percent increase.
6. After thirty (30) months — one hundred percent (100%) applicable wage rate.

If an employee transfers to a higher Base Rate job during their first thirty (30) months on the active payroll, they will be given the full incremental wage difference between their current job and the job to which they are transferring.

The hiring rate for maintenance employees is eighty percent (80%) of the classification Base Rate plus current cost of living allowance.

- (b) The hiring and work rate for summer vacation relief help will be \$4.00 per hour for the life of this agreement. The actual paid job rate will be adjusted accordingly to reflect the COLA rate in effect, providing consistent payment.

### Section 8

- (a) The probationary period for all new employees shall be 60 days worked.

### Section 9

A night shift differential of \$.300 will be paid for all hours worked between 3:00 p.m. and 7:00 am.

### Section 10

- (a) Employees will be allowed twenty (20) minutes for lunch and will be paid their current hourly rate for this time.
  - (1) Employee works less than his scheduled eight (8) hour shift. Allowance or payment for lunch period will be made only if the employee works in excess of four (4) hours on his regularly scheduled shift.

ARTICLE VII - WAGE APPLICATION

- (2) **Employees working on overtime must work in excess of four (4) hours before being eligible for a lunch payment or allowance.**
- (b) **Two 10-minute break periods will be scheduled for employees working a scheduled eight (8) hour shift on non-continuous operations, provided such schedule does not hinder production.**
- (c) **Employees assigned overtime (two hours or more) will be allowed ten minutes personal time immediately prior to the start of the next scheduled shift.**

**Section 11**

- (a) **A carbon black premium wage payment of \$2.00 will be paid for each day applicable as provided in this section.**
- (b) **The premium pay will be paid one time per day to eligible employees, except when employees leave the plant and return in any twenty-four (24) hour period. At no time will premium pay be made for consecutive hours worked on adjacent shifts.**
- (c) **Employees Eligible:**

**Department 320 - Banburys**

1. **All department 320 employees.**

**Department 119 - Maintenance**

1. **Maintenance employees, assigned by supervision and working:**
  - (a) **On a breakdown in the black system.**
  - (b) **On the main body of the Banbury (mezzanine floor).**
  - (c) **On repairing Banbury automatic oil system on the platform above the mezzanine floor.**
  - (d) **On replacing or repairing the complete pellet system.**
  - (e) **On repairing fork trucks assigned to Departments 320 and 200 and floor sweepers used in Departments 320 and 200.**
  - (f) **On loading, hauling and unloading carbon black at the disposal site behind the plant.**

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- (g) On changing bags in Dept. 320 dust collectors.

Department 200 - Receiving

- 1. Receiving employees, assigned by supervision, and performing the operation of:
  - (a) Connecting or disconnecting "boots" on carbon black cars.
  - (b) Unloading and transporting bag black from boxcars or trailers.
  - (c) Waste and scrap handling

Department 371 - Cement House

- 1. When bag black is used in the Cement House.

Section 12

- (a) Employees injured in the factory, or who suffer from occupational illness, during their work shift and report the fact at the time of its occurrence and are subsequently treated in the dispensary, doctor's office, or hospital and sent home, shall be paid their current hourly rate for the balance of the shift. However, it is recognized in some instances the employee may not be sent home on the day of the injury, but on a subsequent day to be treated in the dispensary, doctor's office, or hospital and sent home, in which case he shall be paid in the same manner specified above. In no event shall an employee be paid for hours not worked on two (2) different days for the same injury.

If employees return to work on the same shift after being treated in the dispensary, doctor's office, or hospital and are unable to work on their regular operation they shall receive their current hourly rate for the balance of the shift.

The above provisions of this item (a) are likewise applicable to the first day of an employee's return to work from absence of a week or more due to an injury in the factory or to occupational illness.

Employees injured in the factory or who suffer from occupational illness and who are required to spend time receiving medical treatment furnished them by the Company, shall be paid their current hourly rate for the time they must lose from their regular shift for such

treatment. If the attending physician certifies that such treatment must be scheduled prior to the employee's regularly scheduled shift and that the treatment caused the employee to lose time from that shift he shall be paid for the time lost from that shift. The provisions of this paragraph also apply to an employee who must lose time from his regular shift because of a medical examination for purposes of a Worker's Compensation evaluation requested by the Company. If the employee is eligible for compensation for that day under either State Worker's Compensation law or the Supplemental Worker's Compensation Section of the Current Pension, Insurance and Service Award Agreement such compensation will be deducted from the payment for time lost.

Payment for time under this item (a) will be made at time and one-half when it occurs after forty (40) hours in any one pay period week, at double time on Sundays, and triple time on holidays.

- (b) Employees who are treated in the dispensary, doctor's office, or hospital for an injury in the factory, and return to work, shall be paid their current hourly rate for the time involved.
- (c) Employees who become ill (non-occupational) in the factory and are sent home will be paid their actual earnings for the time worked only.
- (d) An employee temporarily assigned other work as the result of the Medical Department's recommendation following an occupational injury or illness will be paid their current hourly rate for the first week of such assignment and his current hourly rate for the balance of such assignment. In making such assignments, consideration will be given to preventing further aggravation of the injury or illness.
- (e) An employee temporarily assigned other work as the result of the Medical Department's recommendation following a non-occupational injury or illness will be paid his current hourly rate up to 90 percent of his Base Rate for the duration of such assignment.

### Section 13

Employees who are requested by the Company to attend meetings during working hours will be paid their current hourly rate for the time lost during their regular shift.

**Section 14**

An employee called in for work shall be guaranteed four (4) hours of work at his current hourly rate up to his Base Rate. This provision shall not apply when the work is performed in continuity at either end of employee's regular shift.

**Section 15**

In the event of a violation of Article II, Section 4 of this Agreement, which adversely affects the earnings of other employees, the Company will not be required to pay minimum wage guarantees, hourly rate guarantees, and bonus payments.

**Section 16**

(a) An employee with thirty (30) days' service who is required to serve on a municipal, county, or federal jury or grand jury, shall be paid the difference between the amount paid for such service and his current hourly rate for each day lost from his regularly scheduled work shift by reason of such service, subject to the following provisions:

- A. Employees must notify their Area Manager within twenty-four (24) hours after receipt of notice of selection for jury duty.
- B. In order to be properly paid for jury duty, employees must obtain a jury duty form from the Human Resources Department and have it completed and signed by the appropriate court official of the days and times of duty, the hours of release, and the amount of pay received. This form must be turned in to the Human Resources Department at the end of each week.
- C. An employee on vacation who is required to serve on jury duty may extend that vacation period by the number of days he is required to serve during such vacation period provided he notifies his Area Manager in sufficient time for the Area Manager to secure a replacement.

**Section 17**

An employee with thirty (30) days' service, who is a member of the National Guard or the reserve component of the Armed Forces, who is required to enter upon active annual training duty, temporary special service, or weekend training shall be paid the difference between the amount of pay he received

from the Federal or State Government for such duty and normal weekly earnings calculated on the basis of his current hourly rate multiplied by the number of his regularly scheduled hours per day (based upon not more than six (6) days per week) for the time lost while on such duty, up to a maximum of 160 hours per year.

Such items as subsistence, rental, and travel allowance shall not be included in determining pay received from the government. In order to receive military make-up pay, the employee must obtain a form from the Human Resources Department. This form must be properly completed and returned to the Human Resources Department after the employee completes his military training.

### Section 18

- (a) An employee with thirty (30) days' service, who suffers a death in the immediate family shall be entitled to funeral pay in accordance with the following:

If an employee is absent from work because of the death of their spouse, parent, child, dependent residing in household, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, sister-in-law, grandchild, grandparent, great-grandchild, great-grandparents, or the grandparents or great-grandparents of the spouse, they shall be paid at their current hourly rate plus night shift differential for the time lost from their regularly scheduled work shift (including accepted shifts of Sunday work which will be paid on a straight-time basis) by reason of such absence during a period of three (3) consecutive working days, one of which is the day of the funeral. The employee may elect to take three (3) consecutive calendar days, for up to a total of twenty-four (24) regularly scheduled hours, one of which is the day of the funeral as their funeral leave. The above categories of relatives include step-relatives, half-relatives, and legally adopted children. In the event of delayed notice of death of a relative named above, the funeral leave will be the next three (3) consecutive work or calendar days from date of notice.

- (b) In the application of this clause with respect to in-laws, payment for any such relationship will be limited to those resulting from the employee's current marital status. Where a marriage has been terminated and there has been no subsequent remarriage, the in-law relationship will be recognized.

## ARTICLE VII - WAGE APPLICATION

- (c) In the event an employee is on vacation and it becomes necessary for them to attend the funeral of a relative as provided under Funeral Leave Pay, their vacation scheduled shall be extended by the number of days they are eligible for payment under said provision, provided they notify their Area Manager promptly of the funeral and in sufficient time for the Area Manager to secure a replacement. In the application of this paragraph an employee will be considered to be on vacation at the completion of their last scheduled shift prior to the beginning of their vacation.

### Section 19

- (a) An employee who is a designated Union representative shall be compensated at his current hourly rate for time lost from his regular shift as a result of attending scheduled grievance meetings with the Company. The maximum number of hours to be paid by the Company as provided in this paragraph shall be determined for each week on the basis of fifteen (15) hours per week for one hundred (100) employees. The number of employees in the computation shall be the number of employees on the active payroll in the bargaining unit plus the number of employees on layoff with recall rights and the number of employees on sick leave or leave of absence not included on the active payroll, in the first full week of the month, rounded to the next even hundred. If the total number of hours paid by the Company in a week is less than the maximum, the remaining hours shall be added to the maximum number of hours computed for the following week.
- (b) The Union President will be furnished a monthly summarization of all hours paid by the Company under this Section.

### Section 20

The Company agrees to pay twenty-five (25) cents per hour to employees for time worked on the carbon black tower, outside oil storage tanks or outside conveyors at a height of twenty-five (25) feet or more above ground or roof level.

### Section 21

Wages shall be paid weekly by check or by direct deposit into the financial institution of the employee's choice. Checks or direct deposit receipts shall be delivered to employees in their respective departments by the end of their shift on pay day.

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Second shift employees shall be paid on Thursday. First and third shift employees shall be paid on Friday. In the event that a contractual absence falls on payday the check or direct deposit receipt shall be delivered to the employee on the last scheduled workday for that week, if available.

## ARTICLE VIII SENIORITY

### Section 1-Definition

- (a) Seniority is preference or priority by length of service with definite rights qualifying employees for employment when work is available. The purpose of seniority is to provide a declared policy of work security measured by length of service. Seniority shall be based on continuous service with the Company, compiled by time actually spent on the payroll, plus properly approved absences or time laid off as specified in the terms of this article.
- (b) Reasons for termination of seniority include the following:
  - (1) Resignation for any reason.
  - (2) Discharge for cause.
  - (3) Overstaying a leave of absence.
  - (4) Failure to answer recall within specified time.
  - (5) Accepting other employment while on leave of absence.

### Section 2—General Provisions

- (a) A new employee shall have no seniority status until he has completed a probationary period of sixty (60) days worked, after which his seniority dates from the date of hire. The Company will not be obligated to recall employees laid off before completing such probationary period, but if such employee is rehired within ninety (90) days from date of layoff, he shall be credited with service for the actual time spent on the payroll during such period. The date of hire is the date the employee is first scheduled to work. Employees with identical service dates will use their age as the determining factor the older employee being considered the one with the most seniority. Employees with the same service dates and birth dates will be assigned seniority alphabetically according to their last name at date of hire. The Company shall be responsible for all seniority records.
- (b) An employee in a supervisory or other position, outside of the bargaining unit, who was once a member of the bargaining unit as defined, will have until January 1,

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1993, to return to their previous bargaining unit position. Employees returning under this provision will have seniority accumulated through September 21, 1985. After January 1, 1993, employees will only be permitted to return to the bargaining unit during periods of salary personnel reductions. Those employees will retain their accumulated seniority through September 21, 1985. If such employee does not have sufficient seniority to return to the last classification held in the bargaining unit, they will bump into a job for which they can qualify by starting with the least senior employee in the plant.

Such employees will retain their company service for pension rights and vacation allotment purposes.

Restrictions imposed by this provision will not apply to a bargaining unit employee temporarily assigned to positions outside the bargaining unit for periods of ninety (90) cumulative days within a calendar year, effective January, 1999. Employees in salary positions who were members of the bargaining unit as defined may return to the bargaining unit because of a physical or mental condition certified, by a physician and approved by the Company and will exercise no seniority privileges.

In the event the Union challenges the validity of the condition of such an employee, the Company and the Union will select a physician who will examine the employee. The doctor's findings will decide the question. The expenses of such physician shall be borne jointly by the Company and the Union.

In no event shall a salary employee be permitted to return to the bargaining unit when hourly employees are on layoff; neither shall a salary employee be allowed to return to the bargaining unit as long as a salaried position exists compatible with the final physician's opinion.

- (c) An employee who leaves the employment of the Company to enter the Armed Forces, either by enlistment or draft under any existing Federal Legislation, or which may be passed, shall be reinstated upon application, provided he can qualify under the seniority rules, and further provided his discharge from the Armed Forces was other than dishonorable, and he applies for re-employment within ninety (90) days thereafter, and further provided that the employee is physically capable of performing the work required. The Company will make every effort to place employees who may become

## ARTICLE VIII - SENIORITY

handicapped during such service. Seniority will accumulate during the full period of the employee's initial enlistment only.

- (d) An employee who leaves the employment of the Company as the result of being elected or appointed to public office shall be reinstated upon application provided he can qualify under the seniority rules, is physically capable of performing the work required, and applies for re-employment within thirty (30) days after the end of his tenure in such office.

The employee shall notify the Company in writing of his intention of accepting such office and shall inform the Company of his status at annual intervals thereafter. Such employee shall accumulate service not to exceed a total of six years for any or all such periods.

- (e) An employee who leaves the employment of the Company in order to attend an accredited college or university, or a recognized trade or vocational school shall be reinstated upon application, provided he can qualify under seniority rules, is physically capable of performing the work required and applies for re-employment within thirty (30) days after leaving the college, university, or school. This eligibility for rehire can be made at any time but is limited to one (1) opportunity per employee unless he has returned to full time employment for a minimum period of two years. In no situation may an employee rehire under this provision more than twice. The only exception is granted for an employee returning as part of the Summer Work Program when this program is offered by the Company.

Trade or vocational school for purpose of this clause is one which provides training or a course of study related to jobs performed in the local plant. The employee, upon reinstatement, shall be given the service he had when he left the Company. The employee shall notify the Company in writing of the name of the school, the date of entry, and the expected length of the course of study. He shall confirm the continuation of his school attendance at annual intervals thereafter.

### Section 3 - Leaves of Absence

- (a) Employees requesting leaves of absence for more than seven days shall make application in writing to their

Business Center Manager or the equivalent on a form provided for that purpose.

- (b) Leaves of absence may be granted for personal reasons when justified, for a period not to exceed ninety (90) days upon written application of the employee when the services of the employee are not immediately required, and there are employees available and capable of doing his work. Special consideration shall be given to the granting and duration of leaves occasioned by illness in an employee's immediate family. A copy of approved leaves of absence will be furnished the employee concerned at or before the time the leave is granted or extended.

To comply with the requirements of the Family and Medical Leave Act of 1993 (FMLA), it may be necessary to provide eligible employees up to and including twelve (12) work weeks of leave for the reasons outlined in the FMLA.

- (c) An employee who becomes ill or is injured and whose claim of illness or injury is supported by satisfactory evidence shall be granted a leave of absence to cover the period of such illness. Seniority will accumulate for the first two years of such leave.

In the event there is a disagreement between the Company's physician and the employee's physician regarding the medical evidence presented to support the employee's return to work, the question shall be submitted to a third physician selected by such two physicians. The medical opinion of the third physician after examination of the employee and consultation with the other two physicians shall decide such question. The expenses of the third physician shall be borne jointly by the Company and the employee.

Employees drawing Worker's Compensation shall accumulate seniority during the period covered by compensation payments. If, at the end of such period, he is physically unable to return to work, he shall accumulate seniority for any additional period during which he shall furnish satisfactory evidence of continuing disability to the Company.

- (d) An employee who becomes disabled because of pregnancy and whose claim of disability is supported by satisfactory evidence shall be granted a leave of absence to

cover the period of such disability. Seniority will accumulate for the first two (2) years of such leave.

In the event there is a disagreement between the Company's physician and the employee's physician regarding the medical evidence concerning the disability due to pregnancy, the question shall be submitted to a third physician selected by such two physicians. The medical opinion of the third physician after examination of the employee and consultation with the other two physicians shall decide such question. The expenses of the third physician shall be borne jointly by the Company and the employee.

An employee returning from such leave shall be granted the same privileges as provided in paragraph (i) of this section.

- (e) An employee elected, selected, or appointed for duty as an officer, representative or employee of the International Union or of the Local Union, or of the AFL-CIO as such, or for any State, County, City or Local Union Council of the AFL-CIO, or to an office in a Local Union cooperative enterprise serving Company employees, which assignment will take him from his employment with the Company, shall upon written request of the International Union or Local Union receive a leave of absence for the period of his service. If such service is for more than three years, the leave of absence must be renewed each three years. Seniority shall accumulate throughout the period of his leave of absence.
- (f) If the reasons and circumstances upon which an employee's leave of absence was granted change substantially while he is on leave, he must immediately report to the Company to be reinstated or to request continuation of his leave based on the changed conditions. If he fails to so report, or falsifies his report, his service with the Company may terminate.
- (g) Leaves of absence may be extended when requested, upon approval of the Company.
- (h) Seniority will accumulate for the duration of approved leaves of absence except as specifically limited in this section.
- (i) An employee returning from sick leave, leave of absence, or light duty shall be reinstated to the classification he had at time leave was granted, provided there

are employees working there with less seniority. If there are no employees with less seniority on such classification, or if the job has been eliminated, he shall be sent to the employment office and handled as permanent surplus labor.

#### Section 4—Absences Without Leave

- (a) It is the duty of employees who are unable to work at their regularly assigned periods to report to the Company in advance. Such report is to be given to the employee's Area Manager, by telephone when possible, and should include the employee's department, clock card number, name, reason for absence, and probable return to work date. Whenever the employee's department is not working, such report is to be given to the Guard at the Gatehouse. The plant telephone number is 235-4185.
- (b) An employee who is absent for a period of five working days or more, without notifying the Company and making arrangements for a sick leave or leave of absence, or who overstays such leave without arranging for an extension thereof, shall be considered as having resigned without notice, and his seniority will terminate. Such leaves may be arranged for by other means than written application.

An employee whose service is so terminated shall be reinstated only if he supplies evidence that his failure to comply with the terms of this provision was justified by reasonable excuse.

#### Section 5—Shift Preference

- (a) The President, Vice-President, Local Union Time Study Engineer, and the Union Bargaining Committee shall hold top seniority rating during their terms of office for shift preference only.

When an employee no longer qualifies for top seniority as provided by this paragraph, he may return to the shift he would have acquired, had he not held top seniority. The Company will keep records which will indicate such appropriate shift.

An employee removed or withheld from their preferred shift as a result of top seniority will have the first opportunity to return or acquire to that shift once the top seniority individual leaves their union position or transfers

## ARTICLE VIII - SENIORITY

to another job classification, provided the affected individual is still in that classification.

- (b) All other employees will remain on the shifts on which they are permanently assigned, subject to paragraph (a) above and (c), (d), (e), (f) below. As an exception, employees in the same classification may be permitted, with the area management's approval, to temporarily trade shifts for a maximum period of time of two (2) weeks for personal reasons. This period may be extended for not more than 3 months, 1 semester or 1 quarter, whichever is shorter, for educational reasons or for 3 months for medical emergencies in support of immediate family. If the employee withdraws, drops or terminates the class or classes that justified the shift trade or if the medical emergency ends, the shift trade will be discontinued. When such shift trades are permitted, each of the two employees involved in the shift trade will assume the other's overtime hours record, and continuous service date for scheduling and canvassing purposes only, for the duration of the trade. Shift trades will not be approved which circumvents shift preference.

1. A one day shift trade on Saturday is permissible, provided that the trade does not generate additional cost and that both employees requesting the one day trade are in the same classification and both are scheduled in classification on the sixth day (Saturday).

- (c) An employee shall have shift preference when a permanent vacancy occurs on his next preferred shift within his base rate classification according to his seniority. Each employee shall sign a shift preference card stating their first, second and third choices of shift preference. Such cards will be on file in each department office. Shift preference assignments will be made from these cards. It shall be the employee's responsibility to initiate any changes in his preferences.

When jobs are posted in accordance with Section 6 of this Article, the posting will designate the shift on which the vacancy will occur. Changes in shift preference cards will be honored until the time of posting. If the job is not filled as a result of that posting, or when it is not necessary to post a job, changes in shift preference cards will be recognized and honored for a particular vacancy up to the time that the Employment Department has made a

commitment to a person to fill a vacancy, either to a new hire or to an employee being offered a job outside the bidding procedure.

An employee awarded a job and awaiting physical transfer will be considered for shift preference according to his seniority on any subsequent vacancies within the base rate classification based on his shift preference card.

Shift moves will be made on the first scheduled work day in the week following the week in which the replacement has completed his learning time.

- (d) An employee transferring from one-base rate classification to another base rate classification shall be placed on the shift vacancy remaining after employees on the job, or employees physically awaiting transfer as outlined in paragraph (c) of this section, have exercised their rights.
- (e) Learners shall be assigned to the shift on which their training may best be handled for the duration of the learning period only.
- (f) Employees who have gained their preferred shift shall not be removed from their shift by other employees, except when employees with more seniority are transferred to a job due to being surplus labor, or an employee returns to his regular shift from a leave of absence, or when it becomes necessary to balance employees on shifts because of changes in production schedules.
- (g) Surplus labor as described in (f) refers to:
  1. An employee removed from their job as a result of a permanent surplus of labor on one operation or group of operations.
  2. An employee removed from a job as a result of being displaced by another surplus employee.
  3. An employee removed from a job as a result of being displaced by another employee exercising rights under Article VIII, Section 7.
- (h) Permanent shift trades will be allowed provided seniority and shift preference are adhered to and that no employee is displaced from their preferred shift as a result of the trade. The trade will be considered permanent, involve the next most senior employee in line to

obtain their preferred shift, and must be approved by Management.

### **Section 6—Filling of Vacancies Other Than Maintenance**

- (a) Permanent vacancies or new jobs shall be posted at designated locations throughout the plant and will remain posted for four (4) consecutive working days. Employees who wish to apply for the posted vacancy will complete the job vacancy application form in its entirety within the posting period. The application form must be signed by the employee with the original copy deposited in the locked box provided for this purpose, located at the front entrance of the plant. The employee copy is to be retained by the employee.
1. When it becomes evident that the duration of an employee's sick leave, leave of absence, or light duty will be beyond six months, his job will be filled by the filling of vacancy procedure.
- (b) Posted vacancies shall be filled by eligible and qualified bidders in the following manner:
1. First preference for the posted vacancy will be given to the senior employee in the plant (or on layoff if from a long learning time job in accordance with Section 9 (d), of this Article) who has been removed from the job previously because of being surplus labor, and who has not had a previous chance to return to the job. Such employees must have been permanently assigned to the job and satisfactorily completed the learning time to be eligible to return to the job where they were surplus.
    - (a) When an employee is on optional layoff from a long learning job and a vacancy occurs on that job, a recall consistent with Section 9 (d) will be made and no posting of the initial job vacancy will be required, provided no eligible employee is in the plant working as defined under Article VIII, Section 6 (b) 1.
    - (b) Employees on medical layoff will be considered for recall to jobs for which they retain surplus rights and for which they can still qualify within their current medical restrictions under paragraph 1 above with other employees with surplus rights.

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2. Next preference for the posted vacancy will be given to the senior eligible employee in the plant who can meet employment qualifications for the job.
3. Next preference for the posted vacancy will be given to the senior qualified employee that is surplus labor or on layoff from any bargaining unit job, without the requirement to fill out job bid application.

- (c) Employees awarded a position above will be transferred to the new position within thirty (30) days. Exception to this provision may be made when unusual circumstances arise and the Union will be advised.

Transfers are to be made effective on the first scheduled workday in the work week. However, when the first days of a work week are holidays, transfer will not be made effective until the first scheduled work day following.

Likewise, a transfer will not be made so that it becomes effective while an employee is on vacation. (This also could effect an employee's holiday pay if a holiday fell during vacation.)

- (d) It is understood that only one vacancy caused by following the procedure outlined in this section will be posted (a maximum of two postings). After results of the final posting are known, or if there are no successful bidders after following the procedure outlined in paragraph (b), the vacancy remaining will be offered to eligible employees, in the plant or on medical layoff, by seniority, who were previously surplus from the job, except for employees on long learning jobs unless the vacancy is a long learning job. If an employee does not accept such offer to return, the employee's surplus rights are nullified. If no surplus employee exists in that vacancy, the vacancy remaining will be filled by the senior qualified employee on layoff, or if none on layoff, by hiring from the outside.
- (e) Any given job that has been posted will not be posted again until seven calendar days has elapsed. Any vacancy arising during this period shall be offered to the next preference employee of the last posting as out-lined in paragraph (b) above.

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- (f) Employees will not be eligible to transfer under the bidding procedure as outlined in this section until they have met the following requirements:
1. They have worked twelve (12) months from date of hire or latest award on a job with less than eight (8) weeks learning time.
  2. They have worked eighteen (18) months from date of latest award on a job with eight (8) weeks or more learning time.
  3. They have worked twenty-four (24) months from date of hire on a job with eight (8) weeks or more learning time in order to transfer to another job.

These restrictions do not apply to the following:

4. Employees working on a job as a result of being surplus labor.
5. An employee removed from a job as a result of being displaced by another surplus employee.
6. An employee removed from a job as a result of being displaced by another employee as a medical or disqualified placement.

Employees placed under the above numbers 4.,5.,6. will have bidding eligibility determined in accordance with the most recent date of transfer or hire prior to being displaced, exclusive of the surplus employee bidding to return to the job he had to leave because of surplus; regardless of whether the newly assigned job is permanent or temporary.

7. Employees assigned to a temporary job, or a sequence of temporary jobs, if combined time on the temporary assignments and time on previous job is in accordance with this paragraph (f).
- (g) Exceptions to the bidding procedure outlined in this article may be made which will enable the Company to select employees for those jobs which require special qualifications and responsibility. Specifically, those jobs are: Training Center Labor Trainer, Maintenance Labor Trainer, 66" Calender Operator, 48" Calender Operator, 60" Gum Calender Operator, 10-10 Tuber Operator, Classifiers, RFSL Operator, FMSL Operator, and Changeover/Set-up Technician. Where applicable selec-

tions shall be made from within the crews where the vacancy exists.

- (h) Temporary vacancies will not be posted. This includes vacancies caused by absentees, temporary jobs, leave of absence, sick leave under six (6) months or periods of vacation four (4) weeks or more, and exists until the exit vacancy is filled. Such temporary vacancies may be filled by temporary transfer, or by hire.
1. Temporary jobs will have a duration of not more than four (4) months.

When a temporary vacancy exists in a classification for 30 days or more and the vacancy has been filled, one employee in the classification may fill the existing vacancy by exercising his shift preference as provided in Article VIII, Section 5 (c) above. When the temporary vacancy is being filled with a new hire, employees within the classification will be allowed to exercise their shift preference by seniority. When cause of the temporary vacancy ceases to exist any labor hired for such vacancy will be surplus labor.

An employee who has exercised his shift preference will be returned to his permanent shift. It is understood that no department employee will be laid off as long as there is need for coverage for temporary vacancies in that department. The least senior employees in a department retained because of the need to fill temporary vacancies will be considered as on notice of layoff and will be laid off upon the return of regular employees.

Such retention shall be limited to thirty (30) days unless mutually agreed to extend the time.

If a temporary vacancy occurs within a crew operation, a qualified employee may be offered the more highly skilled operation. Preference will be given to members of the crew involved. Any vacancy left by such move may be filled in like manner or as provided above.

- (i) Nothing in the seniority provisions shall be so construed as to require the placement of employees on jobs for which they are not qualified.

### **Section 7 - Disqualification**

- (a) Other than medical:

A. When an employee with seniority rights fails to qualify on his regularly assigned job for reasons other than physical disability, he will be referred to the Employment Department to:

1. Fill an available vacancy or
2. Bump into the first job for which he can qualify in line with his seniority by starting with the least senior employee in the plant.

Insofar as shift preference, an employee placed under this section will be initially assigned to the shift vacancy remaining.

Prior to pursuing a disqualification, a thorough investigation of the case will be completed including evaluation, investigating, and documentation of the facts ensuring proper disposition. In questionable cases, disposition by some other means than disqualification may be required. In cases where the employee has been disqualified for the third time in a one-(1) year period, Company and Union officials will meet to discuss possible alternatives for disposition which would include termination of employment.

(b) For Medical reasons:

A. An employee who is no longer able to perform his regular job because of physical disabilities, as certified by the Company physician, shall be referred to the Employment Department for placement on a job for which he qualifies and is physically able to perform, in the following order:

1. Fill an available vacancy, or
2. Bump into the first job for which he can qualify in line with his seniority by starting with the least senior employee in the plant.

Insofar as shift preference, an employee placed under this section will be initially assigned to the shift vacancy remaining. Under no circumstances will a medically restricted employee be allowed to fill a vacancy or bump into a classification that he is not physically able to perform. These moves shall be made on the recommendation of the medical information and subject to mutual agreement by the Union President and the Human Resources

Manager or their designees. This move will be considered a trial and will not be counted in the bumping restrictions if the trial is an unsuccessful placement. Insofar as workstation preference, one workstation preference move will be allowed on-shift before the employee is assigned a workstation following a successful trial.

- B. In cases where an employee may be bumped by the medically restricted employee, the medical placement will be given sufficient time to acclimate to the job before the affected employee is bumped.

An employee removed from their job as a result of a medical placement will be given the option to either:

1. Fill an available vacancy, or
2. Bump into their previous job classification seniority permitting.

If the employee is unable to be placed under the above options, they will bump into the first job for which they can qualify in line with their seniority by starting with the least senior employee in the plant.

An employee who is placed under this provision by use of their bumping privilege will not be eligible to bump again under the provisions of this paragraph (b) until a one-(1) year period has elapsed. Employees unable to bump will be treated as medically restricted awaiting suitable placement and will be handled under the appropriate terms of the S.U.B. Agreement in effect at that time.

### **Section 8 - Medically Restricted Placements**

In the event it becomes necessary to make a placement of an employee with permanent medical restrictions, it shall only be into a job classification they are physically able to perform. Such placements will be consistent with the trial language used for placing medically disqualified employees in Section 7 of this Article. If the placement is unsuccessful, the employee will retain all surplus privileges they had prior to the start of the trial. A successful placement of the employee will not change surplus privileges, which were available prior to the new placement.

**Section 9—Surplus Labor and Layoffs**

- (a) When there is a permanent surplus of labor on one operation or group of operations, employees shall be removed from such jobs in reverse order of seniority. Employees so removed from their jobs shall be referred to the Employment Office to fill available vacancies. If there are none, or they cannot qualify for the vacancy, employees with at least one (1) year's service will be given the opportunity to bump the least senior employee on the last job on which the surplus employee has been permanently assigned and satisfactorily completed the learning time, providing they have greater seniority than the least senior employee in the classification; or bump into a job for which they can qualify by starting with the least senior employee in the plant. An employee with less than one (1) year's service or any employee with seniority who is removed from his job as a result of being bumped by surplus employees will be given the opportunity to bump into a job for which they can qualify by starting with the least senior employee in the plant. If no vacancies exist and in lieu of bumping, an employee with seniority may take a voluntary layoff. If the surplus employee is unable to bump, he shall be laid off and be subject to recall as provided in Section 11 of this Article. If these provisions result in bumping more than 10% of the experienced personnel on any operation during a period of time equal to the learning time of the job, bumping privileges by additional surplus employees must be exercised on the next least senior employee in another operation. As employees who are classified as learners complete the established learning time on the job, additional bumping will be permitted by employees who will be recalled from layoff by seniority. It is the intent that at least one move will be permitted on each job affected or an additional move for a fraction over the 10%. The 10% bumping restriction may be modified for certain classifications at production management's discretion.

The 10% restrictions mentioned above are not applicable to jobs having a learning time of six (6) days or less. In these cases the percentage could be increased to 40%.

- (b) When a group of employees are surplusd at the same time, the senior employee shall be handled first in the Employment Office.

## ARTICLE VIII - SENIORITY

Notwithstanding the provisions of paragraph (a) above, when there is a permanent surplus of labor on one operation or group of operations (excluding bump situations) which would otherwise result in the layoff of employees with one (1) or more years of seniority, an equivalent number of senior employees on that operation or group of operations will be permitted upon their request to take an optional layoff. The appropriate division committeeman will be notified by the Company of a surplus of labor condition and requests from eligible senior employees who are interested in taking an optional layoff (and thereby waiving any layoff notice) must be received by the Business Center Manager or the equivalent within forty-eight (48) hours after the Company's notice.

- (1) When an employee elects to return from optional lay-off, after having been on layoff for ninety (90) days or more, and a permanent surplus labor condition exists as described above, another senior employee on that operation will be permitted to take an optional layoff.
- (c) When employees with seniority may be subject to layoff due to curtailment of production, the Company will give three (3) days' advance notice to said employees, and provide work for said three (3) working days, or pay in lieu of work for that part of three (3) days for which work is not made available. Any employee who has not been notified during absence from work will not be entitled to notice, provided such employee has been absent for three (3) working days. An employee on an excused absence the day of notification will be notified under the same conditions as Article V, Section 2 (c), reporting pay.
- (d) A written list of the names, department numbers, base rate classifications and seniority dates of employees processed to layoff will be given to the Union President. This list will be provided to the Union President at the time employees are notified of the intention to process them to medical or other layoff.
- (e) If an employee is laid off and at the time of layoff is performing his job in an acceptable manner despite some previous injury or disability, and when recalled to work, a physical examination reveals his condition to be no worse than it was at the time of layoff, the fact that he

had been previously disabled shall not in any way prejudice his recall.

- (f) Notwithstanding the provisions of this Agreement, the Company may, without the requirement of making a lay-off of employees in accordance with the layoff procedure, reduce the schedule due to production requirements for a classification, department or departments to not less than twenty-four (24) hours per week, or may reduce the scheduled hours below twenty-four (24) for not more than two (2) consecutive weeks, or for not more than two (2) weeks in any six (6) week period. The foregoing shall not be construed to require reducing the number of scheduled hours below the number of hours in the standard work week before laying off employees in accordance with the layoff provisions of this Agreement.

If an employee is ineligible for a Short Work Week Benefit and is serving a State System "waiting week" during one of the weeks of such reduced schedule and such week is not a week of layoff in accordance with the layoff procedure, said week will be deemed to be a temporary layoff out of line of seniority in conformance with Article 1, Section 1 (b) (4) of the Supplemental Unemployment Benefit Agreement.

#### Section 10 - Preferential Hire

- (a) An employee on regular layoff with recall rights from a plant covered by the Master Agreement with the USWA will be given preference in hiring at another plant covered by the Master Agreement where all eligible laid-off employees have been recalled and new employees are being hired for work on which the laid-off employee has qualifying experience. A laid-off employee desiring to exercise his preferential hiring rights under the conditions of this paragraph shall make written application for employment at other plants covered by the Master Agreement during the period of time he continues to accumulate service for recall purposes at the plant from which he was laid off with recall rights.
- (b) Any laid-off employee who is hired will be hired as a new employee without service credit for seniority purposes. For all other purposes, he will be credited with the amount of continuous service he had at the time of his layoff and, in addition, will receive credit for the amount of service credit for which he would have been

eligible under Article VIII, Section 11 (b), as if he were being recalled from layoff.

- (c) All such laid-off employees shall be required to satisfactorily complete a physical examination prior to hire. The physical examination will be the same type given to employees being recalled from lay-off except those employees laid-off more than two (2) years will be required to satisfactorily complete a physical examination of the same type given to new hires. Application of this paragraph does not preclude preferential hire of an employee to a job he was able to perform with a physical disability at his former plant prior to lay-off, provided his disability has not worsened.
- (d) An employee exercising preferential hiring rights will be granted pay-in-lieu of time off for any vacation eligibility after the employee has been continuously employed for thirty (30) days at the new plant. An employee with residual vacation eligibility will be paid pay-in-lieu of time off by the employee's former plant. Consistent with production requirements and local plant practices, new preferential hires will, upon their request, be granted 100 hours of time off without pay during the current calendar year. Application of this paragraph does not affect the application of Article VIII, Section 3 (b).
- (e) Should a laid-off employee who has applied for preferential hire refuse a job for which he is qualified, preferential hiring rights will be terminated. Such refusal will not prejudice the employee's right to benefits under the Supplemental Unemployment Benefits Plan and the Pension, Insurance & Service Award Agreement, provided the employee is eligible for such benefits.
- (f) A laid off employee who preferentially hires will be eligible for recall to the former plant after 12 months have elapsed since the date of preferential hire. An employee who has retained recall rights to the former plant will be eligible for recall at any time if the recall list has been exhausted and a job is to be filled with a new hire at such former plant.

In the application of Article VIII, Section 10 (b) of the Collective Bargaining Agreement, an employee who accepts recall to his former plant will have neither his former plant seniority date nor his pension service date adversely affected in relation to other employees at that

plant as the result of the application of the first paragraph of this Article VIII, Section 9 (f).

An employee who preferentially hires will receive a Relocation Allowance in accordance with Paragraph (k) of this Section each time he preferentially hires to another plant and forfeits all eligible recall rights in writing. Likewise, a preferentially hired employee who has recall rights to a plant that is later shutdown will receive a Relocation Allowance once per shutdown occurrence in accordance with Paragraph (k) of this Section .

An employee exercising preferential hiring rights who is eligible for recall, may answer or refuse recall to his former plant. If recall is refused, the employee will be bypassed until he notifies the former plant to the contrary. Once the former plant has been notified and recall again is offered, the employee must terminate employment at the new plant and report for work at the former plant or lose recall and seniority rights at that plant. When the recall list at the employee's former plant is exhausted and recall occurs, the employee must answer the recall or lose any seniority rights held at the former plant.

- (g) An employee who answers recall to work at a former plant may be retained on his current job for a maximum of 45 calendar days. A good faith effort will be made to release the employee as soon as possible. After accepting recall, if retained by the present plant, an employee will not lose bargaining unit rights at his former plant while awaiting release from his job.

Vacancies created by preferentially hired employees accepting recall to their former plant will not be subject to the job posting procedure.

- (h) An employee with recall rights who resigns from the plant in which the employee was preferentially hired, must provide at least two (2) weeks written notice. Failure of such employee to provide notice shall result in loss of recall rights at all other plants and the employee will be terminated.
- (i) Notwithstanding the provisions of Article VIII, Section 10 (b), an employee who had two years or less of service at the time of layoff and who is hired under the preferential hiring provisions of this Article VIII, and who retained recall rights will receive service credit, if

recalled, at his former plant, provided his total service at such former plant at the time of layoff and any service accumulated at the new plant(s) exceeds two years.

- (j) An employee who is released from employment as the result of the complete and permanent closure of a local plant covered by the Master agreement, who makes written application for employment at other plants covered by the Master agreement within sixty (60) days of such release from employment, will be given preference in hiring over new employees in such other plants for work on which he is qualified, provided such employee has not assumed the status of a retiree, accepted a Special Distribution. A complete plant closure, for the purpose of this Agreement, the Pension, Insurance and Service Award Agreement and the Supplemental Unemployment Benefits Plan means the complete discontinuance of product manufacturing. Notwithstanding, following the date of complete plant closure, there may be employees continued in non-manufacturing duties at the plant site.

Any such former employee who is hired will be hired as a new employee without service credit for seniority purposes. For all other purposes, he will be credited with the amount of continuous service he had at the time of his release from employment or layoff and, in addition, will receive credit for the amount of service credit for which he would have been eligible under Article VIII, Section 10 (b), as if he were being recalled from layoff.

If such employee refuses a job for which he is qualified, his preferential hiring rights specified above shall be terminated. Such refusal will not prejudice the employee's right to benefits under the Supplemental Unemployment Benefits Plan and the Pension, Insurance & Service Award Agreement, provided the employee is eligible for such benefits.

At the time of hire, an employee exercising preferential hiring rights under this provision will forfeit his preferential hiring rights at other plants and his rights to benefits under the S.U.B. Plan and the Pension, Insurance & Service Award Agreement due to termination caused by the plant closure, except that such prior rights shall be reinstated if he is laid off due to a reduction in force prior to the completion of thirty (30) calendar days' continuous service.

An employee who is preferentially hired under the terms of this paragraph will receive a Relocation Allowance in accordance with Paragraph (k) of this Section.

- (k) An employee who accepts a job offer after the effective date of this Agreement under the terms of Article VIII, Section 9 (f) or Article VIII, Section 9 (j) will be eligible for a Relocation Allowance after the completion of forty-five (45) calendar days continuous service at the new location, provided he is employed, or laid off from a plant, or plants, to which he has preferentially hired.

No Employee will be eligible for a Relocation Allowance until application is made in accordance with the procedure established by the Company. Only one Relocation Allowance will be paid to a family living in the same residence.

The amount of the Relocation Allowance shall be \$1500.00 and will be paid within two (2) weeks after application for such allowance in accordance with the provisions of first paragraph of this Paragraph (k).

The amount of the Relocation Allowance will be reduced by the amount of any relocation allowance or equivalent to which the Employee may be entitled under any present or future legislation only in the case of a plant closure situation.

- (i) In the event of a complete plant closure the Local Union Benefit Representative, upon written request from the Local Union, will be paid his regular rate up to a maximum of forty (40) hours per week for a maximum of six (6) consecutive weeks immediately following the closure for the purpose of assisting former plant employees on benefit matters.

### **Section 11 - Recalls**

- (a) An employee without seniority rights who is laid off will have no recall rights and will not accumulate any seniority while on layoff. A laid-off employee with seniority will be eligible for recall provided he notifies the Company by letter, telegram, telephone, or personal interview of changes in his address.
- (b) A laid-off employee with seniority with two years or less of service at the time of layoff, and who is recalled within five years from the date of his layoff, shall be given

his previous service plus service credit for the time laid-off provided such service credit will not exceed his actual service at time of layoff.

A laid-off employee with more than two years of service at the time of layoff, and who is recalled at any time, shall be given his previous service plus service credit for the time laid off provided such service credit will not exceed two years for any single period of layoff.

- (c) Laid-off employees will be considered, for the purpose of recall only, to accumulate service credit as defined by the terms of this provision during their period of layoff rather than having such service credit deferred to such time as they may be recalled.
- (d) Employees shall be recalled by certified mail in accordance with seniority. As an exception, when vacancies occur in classifications with eight (8) weeks or more learning time, laid off employees who have been assigned to such jobs within the past three (3) years, and who had satisfactorily completed the learning time, may be recalled to such jobs without regard to seniority. Employees so recalled shall remain in the plant for no more than six (6) months, out of line of seniority.

An employee who is on an optional layoff will be placed on an optional layoff list and will be recalled in reverse seniority order from such lists to fill a vacancy on a preferential basis (notwithstanding the provisions of Article VIII, Section 6 of this Agreement on the operation or group of operations from which he took an optional layoff. In the event that a vacancy on the operation or group of operations from which an employee has taken an optional layoff does not become available after all employees on regular layoff status with more than one (1) year of seniority have been recalled and before any employees with less than one (1) year of seniority are recalled and before new employees are hired, such employees on optional layoff shall immediately be recalled to any vacancy in the plant for which he can qualify. The least senior of such employees will be recalled first, but all employees on optional layoff are subject to recall before employees with less than one (1) years seniority and before new employees are hired. Upon written request, an employee on optional layoff will be placed on the regular recall list and recalled in accordance with regular recall provisions.

After an employee has been on optional layoff for ninety (90) days or more, he may return, seniority permitting, to work by notifying the Employment Department at least two weeks prior to date of return.

Employees returning from optional layoff to the classification from which they exited will be placed on the shift they would have achieved had they not left. When movement occurs within a classification, employees on optional layoff will be moved on paper in accordance with Article VIII, Section 5(c) to their next preferred shift according to their seniority. Temporary moves of active employees will then be allowed in accordance with their shift preference to positions only occupied on paper. Any posting in a classification with employees on optional layoff will reflect the shift that remains open as a result of such movement.

When an employee on optional layoff is recalled to a classification different than the classification the optional layoff occurred, the employee will be afforded the opportunity (seniority permitting) to return to the former classification. The employee may elect the new job position and if so, will not have first preference rights to any subsequent job vacancy. Also, the employee will start a new time period for establishing bidding eligibility.

- (e) An employee so recalled must notify the Company of his intentions within forty-eight (48) hours and report for work within five (5) working days. Should he fail to so notify the Company of his intentions, but reports within thirty (30) days from date of recall, and presents a valid excuse for his failure to report earlier, he shall retain his relative position on the recall list, but must await the next available vacancy.
- (f) Employees recalled who report but are unable to return to work because of illness or injury, or who report and cannot qualify for available jobs, will retain their relative position on the recall list.
- (g) Any employee who is recalled and does not respond in accordance with the provisions of this section, or cannot be reached because of his failure to notify the Company of his change of address, or who responds but refuses to accept an available opening for which he is qualified will be removed from the recall list and his seniority terminated.

## ARTICLE IX VACATION

### Section 1—Eligibility

- (a) Employees will be entitled to two weeks' vacation with pay after completing one year of continuous service. Employees will be entitled to three weeks' vacation with pay after completing five years' continuous service. Employees will be entitled to four weeks' vacation with pay after completing ten years' continuous service. Employees will be entitled to five weeks' vacation with pay after completing twenty years' continuous service. Employees will be entitled to six weeks' vacation with pay after completing twenty-five years' continuous service.
- (b) The vacation period shall be on a calendar basis from January 1 to December 31 inclusive. Employees will become eligible for vacation with pay on the first anniversary date of their employment. Thereafter, employees shall become eligible for vacation on December 31, except that they become eligible for the additional week of vacation on their fifth (5th), tenth (10th), twentieth (20th), and twenty-fifth (25th) anniversary dates.
- (c) Employees must be on the payroll and working during the calendar year in which their vacation is due in order to be eligible for vacation pay. This clause shall not be construed to prevent an employee from taking vacations for two (2) calendar years in one (1) continuous period over the year end in which event his pay for the second vacation shall be withheld until after he resumes work in that calendar year. When approved by the Company, a vacation may be taken before the employee has worked in the calendar year, and the employee may be given an advance against wages due or vacation pay for that calendar year.
- (d) Employees who return to the payroll prior to December 1, and who meet the foregoing continuous service requirements will have their vacation privileges restored during the current vacation period after they have been continuously employed for a period of thirty (30) days.

Notwithstanding the provisions of this paragraph (d), employees who leave the payroll after having qualified

## ARTICLE IX - VACATION

for vacation in that year, and later completes an anniversary date which would otherwise entitle them to an additional week of vacation in that year, and return in that year or in a subsequent year will be paid such additional week of vacation upon their return to work.

- (e) Employees who are returned to the payroll on or after December 1, up to and including December 31 of each calendar year, and who meet the foregoing continuous service requirements, will have their vacation privileges restored during the ensuing calendar year providing they have been continuously employed for a period of thirty (30) days.
- (f) Employees entitled to vacation who resign with or without notice, or are discharged before they have taken their vacation, shall be entitled to vacation pay at time of exit; and employees laid off shall also be entitled to vacation pay at the time of exit. Vacation pay received at time of layoff is in lieu of vacation time off. If the laid off employee is returned to the payroll during the same calendar year, he may be given, upon request, a leave of absence for his vacation time off.
- (g) In the event an employee who is entitled to a vacation dies before he has taken the vacation, only the person designated as beneficiary of his life insurance benefits provided by the Company to such employee shall be entitled to his accrued vacation pay.
- (h) An employee may receive, upon request, vacation pay in lieu of time off for all eligible vacation weeks, except one (1) week. Such vacation payment will be made to the employee as soon as practicable after the request is made and eligibility established.
- (i) An employee may at the time of the vacation canvass elect to defer two (2) weeks vacation until the following year, but no longer. The deferred week(s) may not be scheduled during the following years designated thirteen (13) week preferred vacation period.
- (j) An employee who is absent from work due to illness or injury may, upon his request, receive one week's vacation pay for each full week not worked due to such injury or illness up to his maximum number of weeks of vacation eligibility, without taking additional time off. After the 1st week of disability, the employee may also draw day-at-a-time vacation if all weekly vacation is

exhausted. Vacation payment will be made at such time that the employee produces satisfactory evidence that his absence was for acceptable reasons.

1. A request may also be made within thirty (30) days of the employee's return to work.
- (k) An employee will be entitled to a vacation in the year in which he retires on service award or on pension based upon the applicable percentage of the previous calendar years' earnings. The minimum vacation is applicable only to those employees who have been continuously employed for a period of thirty (30) days in the year previous to the year in which he retires.
- (l) In addition to any vacation to which an employee is entitled through the above eligibility provisions, an employee who retires on pension or on service award, or who is released as the result of a plant closure and who is entitled to a special distribution under Article XI, or a separation payment under Article XII of the Pension, Insurance and Service Award Agreement, or the surviving spouse of an employee who dies, provided such surviving spouse is the beneficiary of the life insurance benefit made available by the Company for such employee, will be entitled to vacation pay based upon the applicable percentage of the employee's earnings in the current calendar year. The minimum vacation is not applicable to this additional vacation pay.

#### **Section 2—Pay for Vacations**

- (a) Vacations will be paid at the rate of 2% of the previous calendar year's earnings for each week of vacation to which the employee is entitled. The minimum pay for a week of vacation shall be forty (40) hours times \$4.00.
- (b) Employees who return to the payroll with seniority after having served in the Armed Forces, and whose vacation pay would be reduced by virtue of that service, shall have as their minimum vacation pay for each week of vacation an amount equivalent to their hourly rate for the week prior to the beginning of their vacation multiplied by the number of their regularly scheduled hours (based on not less than five or more than six days per week.)
- (c) Vacation checks will be distributed before the start of the employee's vacation week.

**Section 3—Scheduling of Vacations**

- (a) If the Company anticipates a shutdown of all or part of the plant for vacations for up to two (2) weeks, and posts a notice not later than April 1, those employees not scheduled to work during the shutdown who are entitled to a vacation shall consider the shutdown period as vacation. Such shutdown period shall be during the months of June, July and August when local schools are recessed. In the event the plant is to be shut down for vacation the Company will post a notice designating the shutdown date at least sixty (60) days in advance.
- (b) In the event a scheduled shutdown is to be canceled, the Company must post a notice at least forty-five (45) days in advance.
- (c) As an exception to Paragraph (a), employees eligible for vacation may schedule their vacation at a time other than the plant shutdown period, for an acceptable valid reason, but will be considered on a leave of absence during the shutdown period, if no work is made available to them.
- (d) Employees who are ineligible for vacations during the shutdown period will be considered on layoff if no work is made available to them.
- (e) Vacation selections will conform to the principle of seniority. Selections are limited, by shift, in a department, classification, and crew for each week in accordance with the Company's decision as to the number of employees they may schedule in a given week. Canvassing of employees for vacation preference by the Company will be conducted during the month of December. Vacations will be scheduled from January 1 through December 31. Employees who are on vacation, or hospital pass, or for other reason not available at the time of canvass, must make their vacation preference known to their department prior to the actual canvass. Such schedule will be applicable in years when no plant shutdown is scheduled, or, when a shutdown is scheduled will be applicable to those working during the shutdown or to those having an acceptable valid reason to schedule a vacation at a time other than the shutdown period. Any employee not designating an available week when canvassed will be bypassed and the canvass will continue to be made. When an employee who has been bypassed desires to assert his preference, his choice will

be limited to the weeks available at the time he asserts his preference.

#### **Section 4—Vacation Day-at-a-Time**

Employees will be offered the opportunity to take vacation, one day at a time, up to three weeks (fifteen days) per year, providing the provisions of Article IX, Section 3 are fulfilled. The scheduling of a vacation one day at a time must be with management's approval, not in conflict with production requirements, and scheduled not more than eleven (11) calendar days or less than forty-eight (48) hours in advance. Requests less than forty-eight (48) hours in advance will be considered, production scheduling requirements permitting, but will not be given preference over timely requests.

- (a) *Deferred vacations will not be considered for day at a time vacation.*
- (b) *A week of vacation, one day at a time, consists of five (5) days; however, any of the six (6) days, Monday through Saturday, may be prescheduled as outlined above as a vacation day.*
- (c) *The rate of pay per day of vacation will be calculated by dividing two percent of the previous year's earnings by five (5) days per week. The minimum vacation pay provisions as outlined in Article IX, Section 2, Paragraph (a) are applicable to this calculation. The daily rate will also apply in the event Saturday or Sunday is used as a day of vacation.*
- (d) *Employees who take a day's vacation during the week will have that day credited for payment of time and one-half for hours worked on the sixth day, as provided under Article VI, Section 3, Paragraph (a).*
- (e) *Employees who exercise the option of taking vacation, one day at a time and who do not take any or all of the fifteen (15) days or have them scheduled by December 15, will be paid in lieu of time off for the days not taken.*
- (f) *The advance scheduling of the vacation day will be handled directly through the employee's immediate Area Manager and must be approved by the Area Manager. Answers to requests will be given the next working day after the request. If a vacation day is granted the employee will be given a vacation receipt so indicating.*
- (g) *Vacation, one day at a time, when granted, will be granted in the order in which the requests are made. If two or*

## ARTICLE IX - VACATION

more employees make the request on the same shift on the same day for the same vacation day, and a vacation day is granted, it shall be granted in order of seniority. Vacation days once scheduled cannot be canceled.

- (h) The day paid as vacation will be incorporated with the week's earnings during which the partial vacation falls.
- (i) An employee's intent to take vacation, one day at a time, must be expressed at the time of employee canvass for the current vacation year. However, in cases of immediate family illness, one week of weekly vacation may be converted to day-at-a-time vacation. This will be done with the Business Center Manager's approval. Calendar year for day-at-a-time vacation will be January 1 through December 31.
- (j) Employees taking day-at-a-time vacation on Thursday and Friday will consider Saturday as a voluntary work day unless the allocation for Saturday is full. If the allocation is full, then Saturday must be considered a scheduled work day. Employees desiring to work Saturday overtime must sign for such overtime. It is then the employees' responsibility to confirm their schedule for that Saturday.

## ARTICLE X ENGINEERING MAINTENANCE

### Section 1—Engineering Maintenance

- (a) Employees in the Engineering Maintenance are placed in classifications as follows: Electrician, Instrument Repair, Millwright, Machinist, Pipefitter, Oiler, Painter, Tool Crib Attendant, Truck Mechanic, Utility Person, Heating, Ventilating and Air Conditioning Repair, Powerhouse Operator, and Maintenance Labor Trainer. The principle of maintenance men working within their classification is agreed to, however, work in other classifications will be assigned for efficient utilization of labor.
- (b) Because of the nature of maintenance work, the need to assign individuals to certain jobs because of experience, and situations of emergency, maintenance employees may be assigned accordingly, providing the opportunity for regular work and daily overtime are reasonably in balance by classification at the end of the calendar year.

The preceding paragraph will not be construed so as to allow the Company to move any employee to a shift other than his own, but will conform to Article VIII, Section 5. However, when training employees for the purpose of operating or maintaining equipment the Company will provide the training. Employees may be moved, with their approval, to the shift on which the training is to be done for the duration of such training.

- (c) Maintenance job vacancies will be posted in the same manner as all jobs which are subject to the bidding procedure; however, maintenance job vacancies (excluding Utility Person) will not be subject to the job bid procedure as stipulated in Article VIII, Section 6. Maintenance job vacancies will first be offered to qualified apprentices in the classification. If there are no qualified apprentices, other employees in the plant will be considered if they have a URW or USWA journeyman card or equivalent, or if they have successfully completed a properly approved apprenticeship program in the appropriate craft, or if they have four or more years of experience in the classification, or if they have qualifications comparable to a new hire applicant. Qualified employees will be considered by seniority.

ARTICLE X - ENGINEERING MAINTENANCE

Employees desiring to be considered for job openings must submit records of qualifications, experience and/or schooling to the Employment Office, verified and furnished by former employers, agencies, schools, etc. Such documentation must be on file prior to the job posting withdrawal date before the employee can be considered for the vacancy.

- (d) Employees filling vacancies in the maintenance department will use plant-wide seniority for all items relative to seniority and in obtaining a production job in case of being surplus labor.

When there are employees from maintenance classifications on layoff, posted vacancies in those classifications will be awarded to the senior of:

1. Senior bidder in the plant with surplus rights to the vacancy classification
2. Senior employee on regular layoff from the vacancy classification
3. Senior employee on regular layoff with surplus rights to the vacancy classification

If the above procedure does not result in the vacancy being filled, the low senior employee on optional layoff from the vacancy classification will be recalled.

The bidding procedure in Article X, Section 1 (c) will be used once all employees from layoff have been recalled.

In case of permanent surplus of labor, the least senior employees of each classification where surplus exists will be declared surplus. Such employees will be referred to the Employment Office and be placed in accordance with Article VIII, Section 8.

- (e) Maintenance employees are expected to furnish standard hand tools required to perform their daily tasks. The Company will repair or replace broken tools, or tools worn out as a result of normal work performed for the Company, provided they are not broken due to carelessness and that the employee has been employed as a craftsman for at least one year. Such repair or replacement must be approved by the Business Center Manager (or person designated) or the equivalent.
- (f) The Powerhouse must be operated on a seven-day-a-week basis. Powerhouse employees will be scheduled so

as to equalize work opportunities as near as practicable. The Powerhouse schedule discussed during negotiations will be put into effect and a copy given to the Union. This schedule may be changed by mutual agreement between the Union President and the Manager of Engineering.

- (g) Employees called in for emergency Maintenance work on a holiday shall be guaranteed four (4) hours at their regular rate plus any premium benefits. If he is able to resolve the emergency prior to the four (4) hours, he will be permitted to go home and shall receive the guaranteed four (4) hours pay.

If the employee works four (4) hours or more they may within the following week, with management's approval, be allowed to take an optional day off from work without pay.

- (h) Maintenance employees shall be allowed ten (10) minutes at the end of the shift to clean up their tools and the work area assigned.
- (i) When job assignments are changed within the Maintenance Division the change will be for reasons relating to production or maintenance requirements.

An employee's ability and seniority will be considered when it is appropriate to recognize an employee's request for a job change.

Employees that have a preference for a job assignment may place a card on file in the Maintenance Department indicating their preferred job assignment, which will be considered by management in making assignments. On-shift employee's job preference will be considered before the seniority of off-shift employees is recognized.

- (j) Maintenance contracts will not be let for work of a type normally performed by employees of the employer's maintenance department, provided the work can be done with available equipment, within the necessary time and at no greater expense. These provisions do not apply to building expansion programs. When expansion programs involving installations, modernization or relocation of equipment is planned, the Company will review with the Engineering Maintenance Division Committeeman the portion of the work that could be performed by local craft personnel.

ARTICLE X - ENGINEERING MAINTENANCE

The Engineering Maintenance Division Committeeman will be notified in writing at least five (5) days in advance of letting contracts to utilize outside contractors. The notification will provide an explanation of the decision.

In case of emergency, the advance written notification will not apply, with the Committeeman being notified as soon as possible.

## **ARTICLE XI MISCELLANEOUS CLAUSES**

### **Section 1-Copies to Employees**

- (a) A copy of this Agreement shall be printed by a union printer and given, by the Company, as soon as they can be printed, to each employee working in and to new employees hiring into the bargaining unit. Sufficient copies shall be furnished to the Union.
- (b) Copies of the Supplemental Unemployment Benefit Agreement and the Pension, Insurance and Service Award Agreement will be given the employees and the Local Union.

### **Section 2—Safety and Health**

- (a) The Company shall continue to make reasonable provisions for the safety and health of its employees during the hours of their employment and will provide competent first aid personnel and furnish protective devices and protective equipment where necessary, and protective clothing on work which is recognized to be abnormally hazardous. When needed, the employer shall provide transportation for injured employees to the hospital. The plant medical personnel, plant safety management or their designee shall determine the best available mode of transportation. The Employer shall provide necessary shower baths, lockers and other facilities for maintaining sanitary conditions throughout the plant. Unique personal protective equipment requirements for documented needs beyond standard and customary shall be addressed on a case-by-case basis.

Boots will be made available to employees required to perform assignments that involve standing in water. Rainwear will be made available when employees are assigned to outside work in inclement weather.

- (b) A Safety and Health Committee shall be appointed consisting of not more than four representatives of the Company and not more than four representatives of the Union to facilitate the promotion of safe working practices, including ergonomic considerations, and the elimination of unsanitary or unhealthful working conditions within the plant. The Safety and Health Committee shall be furnished passes for the purpose of entering the plant

and investigating safety conditions within the plant. Members of the safety committee shall perform a comprehensive safety and health audit of the entire plant not less than annually. The audit is intended to augment the existing health and safety inspections and tours already in place. The audit process shall be developed at the local plant level, and shall include a process by which priorities are set and action plans developed. When entering the plant for this purpose, the Committee shall notify the Safety Manager on day shift, and appropriate Area Manager on later shifts, of reason for the visit and their destination.

Effective January 1, 2006, the employer shall provide the union safety committee with a weekly allocation of hours to be utilized for committee business based on the following. The allocation will not be accumulated from week to week. These representatives shall work with the employer safety and health department, but under the direction of the union co-chair of the safety committee and the local union president. The employer may agree to the appointment of additional full or part-time union safety reps in addition to those provided by the hours below, to be compensated by the employer. These representatives shall be chosen exclusively by the union.

1- 50 active bargaining unit employees	10-hours/week
51- 200 active bargaining unit employees	20-hours/week
201- 750 active bargaining unit employees	40-hours/week
751-1500 active bargaining unit employees	60-hours/week
1501-2000 active bargaining unit employees	80-hours/week
2001+ active bargaining unit employees	120-hours/week

The preceding provision is inclusive of the existing hours paid currently at each facility. If a facility is currently exceeding the above allocation it will not be reduced below their current level.

- (c) No employee shall be disciplined or discriminated against in any way for suffering an injury or illness, or for reporting an accident in a timely manner. The employer shall not establish any incentive program that discourages employees from reporting accidents, injuries, or illnesses in the plant. Any existing incentive programs shall be evaluated by the plant safety committee with the assistance of the corporate health and safety department and

ARTICLE XI - MISCELLANEOUS CLAUSES

the international union health, safety and environment department.

(d) Right to Refuse Unsafe Work:

- 1) No employee shall be required or permitted to work under conditions which may be or tend to be unsafe or injurious to his health or safety and the safety of others.
- 2) No employee who in good faith exercises his or her rights under this Article shall be disciplined, or suffer any loss of pay or benefits, even if it is later determined that the alleged unsafe condition did not exist.
- 3) If an employee is concerned about the safety of a specific job or task, the employee will notify a member of management immediately. The member of management will then request a risk assessment to be conducted utilizing the local plant's existing risk assessment procedures.
- 4) No employee or group of employees shall be required to work on a job or machine while it is considered unsafe by a representative of the joint labor management safety committee. During such time the employee or group of employees shall receive their normal hourly rate.

- (e) The Safety and Health Committee shall meet not less than once per month for the purpose of discussing safety problems, and will tour the plant periodically to verify that adopted safety recommendations have been complied with. The Safety and Health Committee may make investigations following serious accidents to determine causes and to explore preventive measures against recurrence. The members shall secure approval from their Area Manager before leaving their jobs for this purpose.

Union members of the Safety and Health Committee shall be paid in accordance with Article VII, Section 13.

- (f) Data concerning disabling injuries will be made available to the Safety and Health Committee upon their request. An employee who signs an accident report will be given a copy of the report at that time.
- (g) When an employee supplies satisfactory evidence that he sustained damage to his eye glasses, hearing aid, or artificial limb while performing the duties of his assigned work

with due caution and without interference by other employees, the Company will reimburse the employee for the cost of necessary repairs or replacement. The cost of an examination or prescription will be borne by the employee. The employee must supply evidence that the breakage was done on the job and in the line of duty.

- (h) The Company Chairman of the Safety and Health Committee shall notify the Committee of recommendations resulting from plant inspections by State or Federal Safety Inspectors. A copy of such recommendations will be provided upon request.

An employee who is requested by a safety inspector from the Office of Occupational Safety and Health administration and is designated by the Union President to accompany the inspector on an inspection tour, will be paid his current hourly rate for the time lost from his regular shift as a result of such plant inspection.

- (i) The Company will pay full travel and hotel expenses, within the limits of established Company policy, for four Union members of the Safety and Health Committee to attend an annual State Safety Conference. If the State does not have a suitable conference, arrangements will be made to attend the National Safety Conference or the parties may mutually agree to an alternate safety conference.
- (j) In any area where raw materials of known toxicity are being used, the Company will make available to qualified professional testing representatives the formulation of the material in question upon the request of a physician. In all such cases, where the Company has caused blood tests or skin tests to be made of employees, the result of such tests will be furnished to the employee upon his request. Upon request of the Safety and Health Committee, the Company will make skin or blood tests on any employee exposed to toxic material, subject to the employee's approval. The employer shall maintain an Industrial Hygiene monitoring program in each plant. Upon request, representatives from the Safety Committee may be present when such monitoring takes place and such representative will be entitled to copies of such test or monitoring results. All Industrial Hygiene samples will be analyzed by Goodyear's Global Industrial Hygiene laboratory in Akron, OH or a lab designated by the Manager of Global Health & Safety.

- (k) When evidence exists that indicates an employee's illness may have been caused by the materials to which he is exposed while working, the Company will make tests in an effort to determine the cause and nature of the illness. A copy of the results of such tests shall be furnished the employee upon request.

An employee who must lose time from his regular shift because of such tests will be paid his current hourly rate for the time lost from that shift.

- (l) No employee shall be required to work on any job in the plant with which he is unfamiliar until he has received adequate safety instructions in the performance of the operation.
- (m) An employee who is injured in the factory must promptly report each injury that occurs with the facts and one who suffers from an occupational illness must report promptly upon becoming aware of the existence of such illness. Should the employee require surgery or hospital confinement or require treatment over an extended period for the occupational injury or illness, may receive treatment by the Company's physician, or such other physician chosen by the employee. In the event any dispute arises concerning any treatment or disability of the employee, the employee may be examined by a physician designated by the employer. If the dispute is not resolved by this examination such dispute will be resolved through the State Industrial Commission.
- (n) The employer will furnish safety prescription lenses and frames to employees that must wear prescription glasses when such employees are permanently assigned to operations where mandatory eye protection is continuously required. This clause does not apply where special or extra eye protection is required and where regular frame safety glasses are not sufficient to meet protection requirements.

Glasses furnished by the company will have side shields permanently affixed so as to provide adequate protection to the employee.

### Section 3—Production Balance

- (a) Production Balance employees may be maintained for the purpose of balancing production in cases of absentees, emergencies, temporary vacancies, sick leaves, vacations,

## ARTICLE XI - MISCELLANEOUS CLAUSES

experimental work, and assigned when needed to work as regular employees.

- (b) Production-Balance employees will be assigned to shifts in accordance with the applicable provisions of Article VIII, Section 5 of this Agreement with the understanding that they may frequently change shifts in order to balance production as described in (a) above and in consideration of each other's qualifications to perform the required work.
- (c) Overtime available to Production Balance employees will be distributed as equally as practicable among those on the same shift, considering each other's qualifications to perform the available work.
  - 1. Production Balance employees are considered as in-department employees for the department to which they are assigned at the beginning of the shift during which the daily overtime requirement occurs.
  - 2. Production Balance employees will be considered for daily out-of-classification overtime in the job assigned at the beginning of their regular shift prior to the overtime opportunity going to other out-of-classification signers.
- (d) Production Balance classification will be filled by appointment, and a Production Balance employee may be removed at the Company's option. An employee so removed will be considered disqualified from this classification and shall be placed as outlined in Article VIII, Section 7 (a).

Production Balance employees will be eligible for transfer subject to the Filling of Vacancies provisions in Article VIII, Section 6.

Production Balance transfers from Business Center to Business Center or from section to section within a Business Center will be considered as a bid for the purpose of determining subsequent bidding eligibility as outlined in Article VIII, Section 6.

### Section 4—Training Groups

- (a) The Company may maintain a production, engineering, and staff training group for the purpose of training and preparing employees for more responsible positions.

- (b) Trainees may be assigned to fill in on temporary vacancies only after all qualified bargaining unit employees have been offered the available work.
- (c) No regular employee will be laid off or transferred because of trainee assignments.
- (d) Trainees will not balance work opportunities with regular employees.
- (e) No time studies will be made on any trainee.

#### **Section 5—Bulletin Boards**

- (a) Space on or adjacent to the factory bulletin boards shall be available to the Union for the purpose of posting notices throughout the plant.
- (b) Notices shall be restricted to the following types:
  1. Notices of the Union's recreational, educational, and social affairs.
  2. Notices of Union elections, appointments, and results of Union elections.
  3. Notices of Union meetings.
  4. Other informational notices.
- (c) The Union shall deliver all notices to the Human Resources Office for approval and prompt posting. It will be the responsibility of the Human Resources office to remove such postings on a date mutually agreed to at the time the postings are delivered.

#### **Section 6—Supervisors**

No supervisory personnel shall perform any work which would ordinarily be done by employees in the Bargaining Unit except for emergencies, inventory, trouble-shooting, and demonstrating methods or operations.

#### **Section 7—Address and Telephone**

It is each employee's responsibility to keep his current address and telephone number (if any), on record with the Company. Notice of change must be made on proper form available for that purpose and may be made with the employee's Area Manager or at the Human Resources Office. Listed telephone numbers should be in the residence of the employee. When the occasion arises, an attempt will be made to call those who have listed other than a residence number, but the Company will not be responsible for failure to reach such employees.

**Section 8—Employee Time Cards**

Whenever possible employees' time cards will not be changed without first consulting the employee. Employees will be furnished with a copy of any adjustment or correction made by the Company to any payroll document which affects their earnings. When the change affects only the performance reported, the employee will be notified of the change that was made at the earliest practical opportunity.

## ARTICLE XII

### EFFECTIVE DATE AND TERMINATION

1. This Agreement shall become effective at the time the local Agreement is completed, by ratification of the Local Union and approval of the International Union. Except as provided in the No Strike, No Lockout Provision, it shall continue in effect until the expiration of the Goodyear Master Agreement, and thereafter it shall renew itself for yearly periods unless written notice is given by either party not less than sixty (60) days, but not more than seventy-five (75) days prior to the expiration date, that it is desired to amend or terminate this agreement. In the event notice of a desire to amend or terminate this agreement is given, the representatives of the Local Union and the representatives of the Company at the plant level shall meet as soon as possible but not later than ten (10) days after the conclusion of Master negotiations to fix a date on which the negotiations respecting the local Agreement shall begin. Such local negotiations shall have a duration of at least thirty (30) days, unless otherwise mutually agreed. At the opening of such negotiations, both parties shall present to each other in writing their proposed changes in said Agreement. If negotiations are not completed prior to the expiration date of this Agreement, said Agreement shall terminate unless extended by mutual agreement.
2. The Goodyear Master Agreement Specifies that it shall continue in effect until and including July 22, 2006 at 11:00 p.m. Central time.
3. Amendments to this Agreement may be made by mutual consent.
4. The effective date of this Agreement is dependent on ratification by the Local Union and approval of the International Union.
5. In Witness Hereof, the duly chosen representatives of the parties hereto affix their hand this 7th day of April, 2004.

**LOCAL UNION #745,  
UNITED STEELWORKERS OF AMERICA**

(Sgd.) Steve Vanderheyden	(Sgd.) Jim Jamison
(Sgd.) Dan Kreeger	(Sgd.) John Fuller
(Sgd.) Frank Wool	(Sgd.) Kevin Kirk
(Sgd.) Ed Bell (USWA Staff Representative)	

**THE KELLY-SPRINGFIELD TIRE COMPANY  
FREEPORT PLANT**

(Sgd.) Bob Horn	(Sgd.) Gail Spain
(Sgd.) Tim Frey	(Sgd.) Chris Klaas

**ADDENDUM  
MEMORANDUM OF AGREEMENT**

August 20, 2003

Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm:

The Company agrees to continue in effect for all bargaining unit employees in the Kelly-Springfield plants in Fayetteville, North Carolina; Freeport, Illinois and Tyler, Texas and the local Unions in these plants agree to accept the changes in the 2003 Supplemental Unemployment Benefits Plan currently in effect in the Master Agreement.

It is further agreed that the local Unions in each of the above mentioned plants will pattern, or "Me Too", changes to any economic components of the Master Agreement, unless specifically excluded. In addition, the three (3) Kelly-Springfield plants will participate in any reopening of the Master Agreement and may participate in meetings involving the Master plants according to the language. These three (3) plants will also be included in meetings such as Interim and other informational meetings.

Sincerely yours,

JL Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

## ADDENDUM COST-OF-LIVING ALLOWANCE

1. The Cost-of-Living Allowance, if any, will be determined in accordance with changes in the Consumer Price Index—United States City Average, for Urban Wage Earners and Clerical Workers (1967 = 100) Revised Series as amended for the month of January, 1987 and subsequent months published by the Bureau of Labor Statistics, hereinafter referred to as the CPI-W.
2. Cost-of-Living Allowances will be made at the following times:
 

A. Effective Date of Adjustment Pay Period commencing on:	Based upon three month average of the CPIW for:
July 7, 2003	March, April, May 2003
October 6, 2003	June, July, August 2003
January 5, 2004	September, October, November 2003
April 5, 2004	December 2003, January, February 2004
July 5, 2004	March, April, May 2004
October 4, 2004	June, July, August 2004
January 3, 2005	September, October, November 2004
April 4, 2005	December 2004, January, February 2005
July 4, 2005	March, April, May 2005
October 3, 2005	June, July, August 2005
January 2, 2006	September, October, November 2005
April 3, 2006	December 2005, January, February 2006
July 3, 2006	March, April, May 2006

The base for the adjustments will be the average CPI-W for the months of December 2002, January and February 2003.

The amount of the Cost-of-Living Allowance payable on each Effective Date of Adjustment will be determined by comparing the three-month average CPI-W for the adjustment period to the Base. \$.01 per hour for each full .26 of a point change that the three-month average CPI-W for the adjustment period exceeds the Base will be added to any Cost-of-Living Allowance payable effective April 7, 2003. The Cost-of-Living Allowance will be paid as a separate rate per hour for all hours for which employees receive pay from the Company.

3. In determining the Base and the three-month average of the CPI-W for a specified period, the computed average shall be rounded to the nearest 0.1 Index Point using the Engineering Method of Rounding.
4. In the event the Bureau of Labor Statistics does not issue the appropriate CPI-W on or before the Effective Date of Adjustment, the Cost-of-Living Allowance required by such appropriate Index shall be effective at the beginning of the first pay period after receipt of the Index and paid retroactively to the Effective Date of Adjustment.
5. No adjustment, retroactive or otherwise, shall be made in pay or benefits as a result of any revision which later may be made in the published figures for the Index for any month on the basis of which the cost-of-living calculation shall have been determined.
6. In no event will a decline in the CPI-W be cause to reduce any Cost-of-Living Allowances that have been made prior to such decline.
7. The Cost-of-Living Allowances are dependent upon the availability of the BLS CPI-W in its present form and calculated on the same basis as the Index for February, 1991. In the event the Bureau of Labor Statistics changes the form or the basis of calculating the CPI-W or is unable or fails to make said CPI-W available, the parties shall negotiate on the adoption of an appropriate substitute CPI-W which most accurately reflects the spending habits of the affected employees.

In the event the BLS discontinues the publication of the CPI-W on the 1967 = 100 base, the parties shall change the Cost-of-Living Allowance (COLA) calculation set forth above to maintain the same cents-per-hour COLA payment as would result by using the 1967=100 base and \$.01/.26 point formula.

Failing agreement in such negotiations, the parties shall submit the issue of what shall constitute an appropriate substitute CPI-W to final and binding arbitration.

This Cost-of-Living Allowance Agreement shall become effective under the same terms as those upon which the Collective Bargaining Agreement becomes effective as outlined in Article XII, Effective Date, Amendment and Termination.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE HEREUNDER SET THEIR HANDS THIS 7TH DAY OF APRIL, 2004.

**ADDENDUM**

LOCAL UNION #745,  
UNITED STEELWORKERS  
OF AMERICA

THE KELLY-SPRINGFIELD  
TIRE COMPANY  
FREEPORT PLANT

(Sgd.) Steve Vanderheyden

(Sgd.) Bob Horn

(Sgd.) Dan Kreeger

(Sgd.) Gail Spain

(Sgd.) Jim Jamison

(Sgd.) Tim Frey

(Sgd.) John Fuller

(Sgd.) Chris Klaas

(Sgd.) Frank Wool

(Sgd.) Kevin Kirk

(Sgd.) Ed Bell (USWA Staff Representative)

## MEMORANDUM OF AGREEMENT

During the course of the 1983 negotiations, it was agreed that the responsibility for lubrication of all plant non-powered rolling equipment would be placed under the responsibility of production, the clean machinery and equipment classification.

Dated at Freeport, Illinois

May 24, 1983

LOCAL UNION #745,  
UNITED RUBBER CORK  
LINOLEUM, AND PLASTIC  
WORKERS OF AMERICA

ADDENDUM  
THE KELLY-SPRINGFIELD  
TIRE COMPANY  
FREEPORT PLANT

(Sgd.) George W. Davis

(Sgd.) Walter Peterson

(Sgd.) James E. Griffin

(Sgd.) Rich Hofmaster

(Sgd.) Larry D. Timms

(Sgd.) Joel T. Kunz

(Sgd.) David L. Martin, Int'l Rep.

(Sgd.) S V Hedrick

(Sgd.) G E Erdmier

(Sgd.) G A Kiefer

(Sgd.) R G Porter

**LETTER "A"**

**May 25, 1977**

**Mr. David L. Martin, President  
Local 745, U.R.C.L. & P.W.A.  
Freeport, Illinois 61032**

**Dear Mr. Martin:**

**Gloves will be furnished in the first instance by the Company to employees who are regularly assigned to jobs which require usage of gloves, as determined by departmental management.**

**Replacements will be given only when the old gloves are unusable and turned in to the Company for exchange. Otherwise, the employees must sign a charge slip and have the price of the gloves deducted from his pay. An employee who has been furnished gloves by the Company and subsequently transfers to another job where gloves are not furnished, or who terminates his employment, must turn in his gloves to the Company or pay the price of the gloves.**

**Sincerely,**

**(Sgd.) W. B. Miller  
W. B. Miller  
Personnel Manager**

**WBM:mcc**

## LETTER "B"

Master Letter 49

August 20, 2003

Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm:

During the course of the 2003 Master negotiations, the parties agreed to the following regarding Profit Sharing.

### 1. Introduction

The parties agree to establish a profit sharing plan (the Plan).

### 2. Level of Payout

The Company agrees that it will create a profit sharing pool (the Pool) consisting of ten percent (10%) of the combined North American Tire and North American Engineered Products Business Units' Profits in excess of the Threshold, both as defined below, and to distribute the Pool within seventy-five (75) days of the end of each fiscal year in the manner described below.

### 3. Calculation of Profits

For the purposes of this Plan, Profits shall be defined as Earnings Before Interest and Taxes (EBIT) calculated on a consolidated basis in accordance with United States Generally Accepted Accounting Policies (GAAP) with the following exclusions:

- a. income or loss related to any charges or credits (whether or not identified as special credits or charges) for unusual, infrequently occurring or extraordinary Items, including credits or charges for plant closures, business dispositions and asset sales that are not normal operating charges or credits of the Company;
- b. any cost or expense associated with the Plan or any other profit sharing or similar plan for any of the Company's employees;

- c. any expense attributable to the allocation or contribution of stock to Company employees (excluding contributions to any employee savings plan); and
- d. any costs or expenses not directly related to the operation of the North American Tire and North American Engineered Products Business Units based on the allocation methodology employed by the Company in 2002.

#### 4. Threshold

The threshold shall be 2% of the combined sales of North American Tire and North American Engineered Products.

#### 5. Individual Entitlement

Payment of awards with respect to the profit sharing pool (the Pool) will be made in accordance with paragraph 2. above. All awards shall be in cash. There shall be deducted from each award under the Plan the amount of any payroll taxes as required by federal, state, or local governments, as well as a contribution to the Employee Savings Plan if the employee is enrolled.

- a. Any Employee who is not an Employee of the Company on December 31 of a Plan year forfeits his or her participation for that year unless employment termination was due to the Employee's death or retirement (other than a deferred vested pension) under the applicable Pension Plan, or as a result of the closure of the plant where the Employee was employed.
- b. Any Employee whose employment terminates during a Plan year due to retirement or a plant closure shall be entitled to a pro rata portion of the Pool. Such pro rata payment is calculated based on the percentage of weeks worked during the year.
- c. Any Employee whose employment status changes during a Plan year due to layoff or leave of absence shall be entitled to a pro rata portion of the Pool. Such pro rata payment is calculated based on the percentage of weeks worked during the year.
- d. An Employee whose employment terminates during a Plan year due to death shall be entitled to a pro rata portion of the Pool for that Plan year. Such pro rata payment is calculated based on the per-

centage of weeks worked during the year as if the participant had retired and distribution shall be made to the Employee's executors, administrators, or such other person or persons as shall, by specific bequest under the last will and testament of the Employee, be entitled thereto.

- e. An Employee who was not an Employee of the Company on January 1 of a Plan year, shall be entitled to a pro rata portion of the Pool. Such pro rata payment is calculated based on the percentage of weeks worked during the year.
- f. The profit sharing pool (the Pool) as defined in paragraph 2. above, shall be distributed on the basis of weeks worked by each participant during the applicable plan year. The calculation shall be as follows:
  - The pool will be divided based upon total weeks worked by all employees (the participants) during the year.
  - Employees who are entitled to a pro-rata payment as defined in a, b, c, d and e above will receive payment based on the number of weeks that they worked during the year. A week of work for the purpose of calculating a pro-rata payment under the Plan is defined as a week in which the employee was paid wages.
  - All other full time participants as of December 31 of a particular plan year shall receive payment based upon 52 weeks of work.

#### 6. Administration of the Plan

- a. The Plan will be administered by the Company in accordance with its terms and the costs of administration shall be the responsibility of the Company. Upon determination of the annual Profit calculation, such calculation shall be forwarded to the Chair of the Union Negotiating Committee accompanied by a Certificate of Officer signed by the Chief Financial Officer of the Company, providing a detailed description of any adjustments made to Earnings Before Income and Taxes and stating that EBIT was determined in accordance with GAAP and that the annual Profit was calculated in accordance with this Section.

- b. The Union, through the Chair of its Negotiating Committee or his/her designee, shall have the right to review and audit any information, calculation or other matters concerning the Plan. The Company shall provide the Union with any information reasonably requested in connection with its review.
- c. In the event that a discrepancy exists between the Company's Profit Sharing calculation and the results obtained by the Union's review, the Chairs of the Union and Company Negotiating Committees shall attempt to reach an agreement regarding the discrepancy. In the event that they cannot resolve the dispute, either party may submit such dispute to final and binding arbitration under the grievance procedure provided in this Agreement.

7. Prompt Payment

Notwithstanding Paragraph 6, the Company shall comply with the requirements of Paragraphs 3 through 5 based on its interpretation of the appropriate payout. If the process described in Paragraph 6 results in a requirement for an additional payout, said payout shall be made no more than fourteen (14) days after the date of the agreed upon resolution or issuance of the arbitrator's decision.

8. Summary Description

The parties will jointly develop a description of the calculations used to derive profit sharing payments under the Plan. On an annual basis, the Company will post the payout calculation in plants that are party to this Agreement no later than March 1.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

LETTER "C"

May 13, 1989

Mr. Richard C Hofmaster, President  
Local 745, U.R.C.L. and P.W.A.  
Freeport, IL 61032

Dear Mr. Hofmaster:

SUBJECT: Outside Contracting

*During the 1989 negotiations the Union Committee requested assurance from the Company Committee that outside contractors will not be used without concern for the work opportunities available to the Freeport Plant employees.*

*Before the decision is made to use an outside contractor the Company will be assured that all skilled trades personnel in the affected classification(s) are not working less than the standard work day or standard work week, provided we have the proper equipment and skilled persons who can accomplish the work within the allotted time at no greater expense. Operating procedures will be generated by the Manager of Engineering to improve adherence to this commitment.*

*The Company does not intend to violate or evade any specific provisions of the Agreement, or to violate any spirit, intent, or purpose of the Agreement when using outside contractors. The Company will not alter past practices as far as offering Freeport Plant skilled trades employees Saturday, Sunday and Holiday work opportunities before utilizing outside contractors on those days.*

*The intent of this letter is to reaffirm to the Union Negotiating Committee the Company's intent to utilize outside contractors only when necessary and justified.*

Sincerely,

S. V. Hedrick  
Manager, Industrial Relations

**LETTER "D"**

**May 15, 1998**

**Mr. Steve Vanderheyden, President  
Local 745, U.S.W.A.  
Freeport, Illinois 61032  
Dear Mr. Vanderheyden:**

**SUBJECT: Vacation Scheduling**

**During the 1998 Collective Bargaining Agreement negotiations, the parties discussed the scheduling of a majority of a department's vacation weeks during the designated thirteen-week preferred vacation period.**

**It was understood, that the Company would continue to allow more employees to be scheduled for vacation during the designated thirteen-week preferred vacation period, than during the remaining thirty-nine weeks of the calendar year. Specifically, it is understood that the Company will allow at least 35% of a department's total vacation weeks to be scheduled during the designated thirteen-week preferred vacation period, effective January 1, 1999.**

**In the vacation allocation during the thirteen-week preferred vacation period, it is recognized by the parties that one-day-at-a-time vacations may not be granted due to the above weekly allocations.**

**The remaining 65% of the department's vacation weeks will be equally distributed among the thirty-nine remaining weeks of the year.**

**Sincerely,**

**J A Czervionke  
Manager Human Resources**

LETTER "E"

May 24, 1983

Mr. George W. Davis, President  
Local 745, U.R.C.L. and P.W.A.  
Freeport, IL 61032

Dear Mr. Davis:

During the 1983 negotiations, the subject of daily overtime payment under Article VI, Section 3 (a) was discussed. It was agreed in the application of this paragraph, that time worked in excess of eight (8) hours in any twenty-four (24) hour period will be compensated at the rate of time and one-half.

Sincerely,

(Sgd.) S. V. Hedrick  
S. V. Hedrick  
Manager, Industrial Relations

SVH:mec

**LETTER "F"**

April 7, 2004

**Mr. Steve Vanderheyden, President  
Local 745, U.S.W.A.  
Freeport, IL 61032**

**Dear Mr. Vanderheyden:**

**This will confirm the Company's commitments with respect to closure of the plant, in the event a full plant closure occurs during the life of this Agreement:**

- 1. The Company will notify the Local and International Union at least six months prior to the cessation of production operations.**
- 2. Following such notification, the Local and International Union will have the right to discuss and explore with the Company any possible means of averting the closure.**
- 3. If attempts to avert the plant closure are not successful, Company and Union representatives will meet to negotiate the manner in which the closure is carried out.**
- 4. In the event that the Company should permanently close down any plant covered by the Company-Wide Agreement with the USWA and moves those manufacturing operations elsewhere, an employee put out of work by the closure, may make written application for employment at the new site under the Preferential Hiring provisions contained in Article X of the Master Agreement.**

**Sincerely yours,**

**Bob Horn, Manager  
Human Resources**

**(Original letter dated May 19, 1995 from Garber to Wilson)**

## LETTER "G"

April 7, 2004

Mr. Steve Vanderheyden, President  
Local #745, U.S.W.A.  
Freeport, Illinois 61032

Dear Mr. Vanderheyden:

The Company and the Union agree employees' wellness is an important mutual concern. In recognizing this concern, it is agreed a cooperative Kelly-Freeport/Local USWA Wellness Program will be continued at the Freeport plant.

This voluntary program will consist of periodic health screening examinations, seat belt usage campaigns, smoking cessation clinics, and stress reduction programs to encourage employees to establish home and work habits that will help them lead healthier, more fulfilling lives. The cost of these programs will be supported by the Company.

In addition to the above, a weight management program, approved by management, will be sponsored by the Company as follows. Upon completing a program with at least 75% attendance, the Company will re-imburse the employee 50% of the program cost.

The continuance of these programs will be reviewed by an Advisory Committee consisting of two (2) representatives from the Local Union and two (2) representatives from the Company. The medical portion of the program will be administered by the plant Medical Director including the type and frequency of screening tests.

Active employees will be eligible to participate in the program. At the beginning of the program, eligible employees will be scheduled for an initial health screening examination. After the initial examination, employees will be scheduled for periodic examinations on or about their birthday anniversary. During the course of the 1998 negotiations, it was agreed that a prostate screen (PSA) be added to the Wellness program screening examination.

To the extent possible, the examinations will be scheduled in the plant dispensary during the regular dispensary hours. Employees will be scheduled for examination prior to their regular work shift; however, some employees may have to be scheduled at other times. Other local medical service resources may be utilized when necessary.

The results of the examination will be reviewed by the local plant physician. The participant will be informed of the results and the recommendations, if any, for further medical evaluation. A copy of the examination will be provided the participant if requested in writing by the participant.

On written request of the Local President, available statistical summaries of examination data, with identifiers removed, regarding health problems in the work force will be provided.

All examination results will be considered as privileged and confidential information and will not be released to anyone except on written authorization of the employee and, no information received by the Company pursuant to this program shall be used to discriminate or retaliate against any employee for any purpose.

Such information shall not be used in making employment-related decisions unless the health of the employee so requires. Individual test results, health history profiles, risk analysis profiles, and physical recommendations transmitted to the plant physician shall be treated as confidential medical records and filed only within the plant medical department.

Sincerely yours,

Bob Horn, Manager  
Human Resources

(Original letter dated May 16, 1992 from Garber to Hofmaster)

LETTER "H"

May 19, 1995

Mr. Les Wilson, President  
Local 745, U.R.C.L. and P.W.A.  
Freeport, IL 61032

Dear Mr. Wilson:

During the 1995 negotiations, the parties discussed the status of the capital investment to enhance the Freeport plant's product lines and continue equipment modernizations.

The extent of the Company's future capital investments in the Freeport plant will depend on the competitive position of the plant in areas such as productivity, quality, and costs as well as the availability of capital funds.

The Company agrees to meet and discuss with the Union, no less than annually, its allocations for future capital projects.

Sincerely,

J C Garber  
Mgr., Human Resources

LETTER "T"

May 19, 1995

Mr. Les Wilson, President  
Local #745, U.R.C.L. & P.W.A.  
Freeport, Illinois 61032

Dear Mr. Wilson:

During the course of the 1995 negotiations, the parties discussed reimbursement of employees' costs of adoption of a child under age 18 not related to the employee by blood or marriage.

It was agreed that an employee who, while accumulating continuous service during the term of this Agreement, wishes to adopt such a child, will, at the time of court finalization of the adoption, be reimbursed for the following covered expenses:

1. Expenses for court costs and investigative, counseling and supervision fees charged by a recognized adoption agency which is licensed by appropriate State or County government authorities, not to exceed one thousand five hundred dollars (\$1,500.00).
2. Legal fees associated with the adoption procedure, not to exceed five hundred dollars (\$500.00).

Sincerely,

J C Garber  
Mgr., Human Resources

LETTER "J"

May 19, 1995

Mr. Les Wilson, President  
Local #745, U.R.C.L. & P.W.A.  
Freeport, Illinois 61032

Dear Mr. Wilson:

**SUBJECT: Production Balance Shift Assignment**

During the course of the 1995 negotiations, the parties discussed temporary shift assignments for Production Balance employees. It was agreed that temporary shift assignments to a preferred shift should be made by seniority for reasons outlined in Article XI, Section 3, paragraphs (a) and (b). Temporary shift assignments made to a less preferred shift should be made on the same basis. In all cases the subject *Production Balance person is to be qualified to perform all aspects of the job.*

Sincerely,

(Sgd.) J C Garber  
Mgr., Human Resources

## LETTER "K"

May 15, 1998

Mr. Steve Vanderheyden, President  
Local #745, U.S.W.A.  
Freeport, Illinois 61032  
Dear Mr. Vanderheyden:

### SUBJECT: Qualified Guidelines

During the course of the 1995 negotiations, the parties discussed the definition of "qualified" when it applies to overtime opportunities and Short Work Week scheduling. In the application of the term "qualified" the following guidelines were established for all employees.

1. A list will be maintained for each employee of the jobs they are qualified to perform.
2. The list will be used for daily, Saturday, Sunday, Holiday overtime and for Short Work Weeks.
3. The employee and the Area Manager will be responsible for adding to and removing jobs from the list and recording the proper date of addition or deletion.
4. If there is question of "qualified" in a particular classification, the employee must demonstrate to that department their ability to perform the job prior to adding the job to the list.
5. Jobs added to the qualified list will be maintained until the employee removes the job from the list, unless removed through job disqualification. An employee removing their name may not reapply for a one (1) year period.
6. It is understood that the employee's current job classification will automatically be added to the list once they have satisfactorily completed the learning time.
7. In cases of job disqualification, the involved classification will be removed from the employee's list.
8. In cases where summer labor is involved, the qualified list for these employees will start over at the beginning of each summer. All jobs trained on will be added to the list. No jobs other than those trained on each summer will be added.

The above guidelines do not restrict the Company's right to use employees as available labor when needed. When making

temporary assignments, the low senior employee in the identified available labor classification with the required classification on the qualified list will be moved prior to other qualified labor.

Sincerely,

J A Czervionke  
Manager Human Resources

## LETTER "L"

Master Letter 53

August 20, 2003

Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm:

During the course of the 2003 Master negotiations, the subject of job security was discussed at great length. As a result of these discussions and your concern about job security, the parties agree to the following in regard to Plant and Product Protection:

### 1. Protected Facilities

The Company agrees that the following locations shall be designated as Protected Facilities:

Akron, Buffalo, Danville, Fayetteville, Freeport, Gadsden, Lincoln, Marysville, St. Marys, Sun Prairie, Topeka, and Union City

and that the commitments outlined in this letter shall apply to said Protected Facilities.

### 2. Minimum Staffing Level

The Company agrees that its North American Tire Business Unit (NAT) and the North American Region of its Engineered Products Business Unit (NA EPD) shall; maintain a minimum of 85% of the total hourly staffing level found in Attachment A; and shall not, with the exception of scheduled overtime, materially reduce the work schedule found in Attachment A as being applied on August 1, 2003, after adjusting for the productivity gains in the Plant Productivity Plan, at each Protected Facility, exclusive of the impact of the loss of the Lincoln Low Pressure Hose and St. Marys' Automotive Molded Products businesses (the Commitment).

### 3. Conditions

In making the Commitment, it is understood that conditions may arise that can nullify or modify the

Commitment to a particular Facility. These conditions are only the following:

- A. An act of God that would make compliance with the *Commitment economically imprudent and infeasible*; and
- B. A final decision to Cease Participation in a particular North American market which is very significant to the particular facility and where such decision would eliminate any possibility of operating the Facility in compliance with the Commitment in a fashion that contributes earnings or cash flow to the Company. Ceasing Participation must include the Company completely abandoning all efforts to directly or indirectly sell, market or distribute into the relevant market and shall exclude cases where the Company sells, leases, licenses or otherwise transfers the right to use any intellectual property or other asset associated with the Company's historical participation in the relevant North American market.

In the event that either of the above conditions occur, the Company shall present the Union with a plan that, while not in compliance with the Commitment, would maximize the staffing level at the Facility while allowing the Facility to continue to operate in a fashion that contributes earnings or cash flow to the Company and all information necessary to evaluate such plan and any alternative thereto.

In the event the Union accepts the Company's plan, fashions in a reasonable period of time an alternative plan, which while not in compliance with the Commitment, would allow the facility to continue to operate in a fashion that contributes earnings or cash flow to the Company comparable to the Company's plan, or the parties fashion a mutually acceptable plan, then such plan shall be implemented.

The parties agree that the Commitment shall not prohibit the Company from selling a plant or portion of a plant under the successorship clause.

#### 4. New Products

The Protected Facilities shall be given meaningful and significant first consideration and preference for the production of all new Products developed and produced for

sale principally in North America to the extent the necessary capacity and capability is available or could be made available without incurring a materially greater level of capital expenditures than would be required at other than a Protected Facility.

5. Imports

The Company shall restrict the direct or indirect Net Importation of Products currently or historically produced at Protected Facilities to the level of Net Imports during the first six months of 2003, unless the Protected Facility or Facilities supplying such Products are operating at Full Capacity exclusive of Lincoln Low Pressure Hose and St. Mary's Automotive Molded Products. Such restriction shall prohibit the Importation, during Full Capacity operation, in an amount that creates inventory beyond normal levels.

6. Ticket Protection

- a. The Company agrees that neither NAT nor NA EPD shall offset ticket reductions at a Facility which is not a Protected Facility (excluding other facilities covered by Letter 52), by transferring production from a Protected Facility.
- b. The Company agrees that prior to NAT or NA EPD making a significant long-term ticket reduction at a Protected Facility, they shall first transfer, from a facility which is not a Protected Facility (excluding other Facilities covered by Letter 52), to the affected Protected Facility the Production of Products which the Protected Facility could produce without incurring unreasonable capital costs or requiring unavailable capital.
- c. #6 b. above shall not compel the Company to take any action that would likely materially reduce its competitive position.

7. Transfer Restriction

The Company agrees that neither NAT nor NA EPD will transfer the Production of any Product produced at a Protected Facility to other than a Protected Facility if such transfer could reasonably be expected within a twelve (12) month period, to reduce the ticket at the Protected Facility or would require incurring substantial capital costs. This shall in no way restrict the transfer of

product between Protected Facilities or to other facilities covered by Letter 52 - Common Expiration Dates.

8. Capital Spending

The Company agrees to provide NAT and NA EPD with the capital and to direct them to make the capital expenditures required to maintain the current competitive status of the facilities covered by this Agreement and that the Protected Facilities shall be given significant and meaningful first consideration and priority for capital expenditures which increase capacity or modernize a facility for production of products for sale principally in North America.

9. Definitions

For the purpose of this letter:

- a. The Company refers to the entire Goodyear Tire and Rubber Company.
- b. A Product shall mean a Product Code as that term is understood as of the date of this letter.
- c. Full Capacity is as defined in Attachment A.
- d. Net Imports shall mean Imports less Exports; it being understood that the Imports and Exports must be of a product manufactured at the facility which is not operating at Full Capacity.
- e. Imports shall include any product or component of a product manufactured outside of the United States or Canada and subsequently either sold in the United States or Canada or transferred to a Company facility in the United States or Canada and later sold in the United States or Canada.
- f. Exports shall include any product or component of a product manufactured in the United States or Canada and subsequently either sold outside the United States or Canada or transferred to a Company facility outside the United States or Canada and later sold outside the United States or Canada.

10. Information

The Company shall, on a quarterly basis, provide the International Union with a detailed report documenting its compliance with this letter and shall, upon request,

provide the Union with any information reasonably requested that allows the Union to monitor such compliance.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

Letter "M"

April 7, 2004

Mr. Steve Vanderheyden, President  
Local 745, U.S.W.A.  
Freeport, IL 61032

SUBJECT: Employment Security

Dear Mr. Vanderheyden:

During the course of the 2003 negotiations, the subject of employment security was discussed at length. As part of these discussions, the parties acknowledged that the interests of employees and the employer are best served if layoffs are avoided. However, it was recognized that under certain situations or conditions, longer term layoffs cannot be avoided and will occur. Despite this recognition, the parties committed to minimizing the impact of layoffs to the extent feasible, particularly with regard to the avoidance of short term layoffs of less than eight (8) weeks.

The parties agreed that employees will be entitled to utilize existing optional layoff provisions for all layoff situations, including short term layoff. The need for the company to reduce schedules for inventory adjustment purposes was recognized and is not affected by this memorandum. Emergency situations caused by unplanned or unexpected events may create exceptions to the obligation of the parties to try to avoid short term layoffs.

As stated in the Memorandum of Cooperative Efforts, committee members may learn of plans for short term reductions as manufacturing business plans are reviewed. The success or failure for avoiding short term layoff rests with the Union and company negotiating committees and with their ability to agree to creative and innovative approaches to alternatives. The negotiation committees may develop work sharing methods not to exceed 8 weeks. The committees may agree to such things as labor pools, special training or education sessions, inordinate temporary transfers, the performance of meaningful normally unassigned work, adjusting vacation schedules when feasible, shared jobs, etc. These listed examples in no way are intended to restrict the suggestions or ideas of the local committees.

Sincerely,

R G Horn  
Manager Human Resources

Letter "N"

(Master Letter 28)

August 20, 2003

Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm:

During the course of the 2003 negotiations, the subject of outside contracting was discussed at great length. In an effort to help resolve problems in connection with the use of outside contractors, the following agreement was reached.

All maintenance bargaining-unit work will be performed by employees from within the bargaining unit. Such work will be contracted out only when necessary to assure efficient plant operations. Criteria for considering such decisions are availability of manpower with the necessary training, ability and skills, availability of necessary equipment, reasonably competitive cost, and purchase and performance guarantees at no additional cost to the Company.

#### **Contracting Out Committee**

The company agrees to make every reasonable effort to utilize personnel for maintenance work necessary for the plant's manufacturing process. The parties agree to establish a Contracting Out Committee at the local level, half of whom shall be members of the bargaining unit and designated by the Union President, and half will be management. This group should include where applicable the maintenance division chairman, and the appropriate management counterpart. This Committee shall be limited to no more than 6 people in a large plant and an appropriate number in small plants. The Committee shall meet as required but not less than monthly to attempt to resolve problems in connection with contracting out at the plant.

#### **Notice and Information**

1. Prior to the Company entering into any agreement or arrangement to use outside contractors to perform maintenance bargaining unit work, the Company will, upon contemplating the use of an outside contractor, provide written Notice to the Contracting Out

Committee. Such Notice to be given not less than five (5) days in advance of letting the contract. In the case of an emergency which prevents such advance Notice, the Union will be notified immediately upon the Company becoming aware of the emergency.

2. Should the Union believe a meeting to be necessary, a written request shall be made within three (3) days (excluding Saturdays, Sundays and holidays) after receipt of such Notice. The meeting shall be held within two (2) days (excluding Saturdays, Sundays and holidays) thereafter. At such meeting, the parties shall review in detail the plans for the work to be performed and the reasons for using outside contractors. The Company will give good faith consideration to any suggestions by the Union members of the committee and to any alternate plan proposed by the Union members for the possible performance of the work by bargaining unit personnel.
3. Should the Company fail to give Notice as provided above, then not later than thirty (30) days from the later of the date of the commencement of the work or when the Union becomes aware of the work, a grievance relating to such matter may be filed.

### **Mutual Agreement**

1. In the event the Contracting Out Committee resolves a matter in a fashion which in any way permits the use of outside contractors, such resolution shall be final and binding only as to the matter under consideration and shall not affect future determinations under this Letter.
2. No agreement, whether or not reached pursuant to this Letter, which directly or indirectly permits the use of outside contractors on an ongoing basis shall be valid or enforceable unless it is in writing and signed by the President of the affected Local Union.

### **Expedited Procedure**

1. In the event either party requests an expedited resolution of any dispute arising under this Section, it shall be submitted to the Expedited Procedure in accordance with the following:
  - a. In the event the parties cannot reach an agreement regarding the contracting out dispute, the Company may let the contract. Within three (3)

days (excluding Saturdays, Sundays and holidays) either party may advise the other in writing they are invoking this Expedited Procedure.

- b. Procedures for expedited arbitration will be developed by the parties. At such hearing a Union member and a Company member of the Contracting Out Committee shall represent the respective parties.
  - c. The arbitrator shall render a decision within forty-eight (48) hours (excluding Saturdays, Sundays and holidays) of the conclusion of the hearing.
2. Notwithstanding any other provision of this Agreement, any case heard in the Expedited Procedure before the work in dispute was performed may be reopened by the Union if such work, as actually performed, varied in any substantial respect from the description presented in arbitration.

### **Commitment**

In addition to the other understandings described herein, the Company agrees that where total hours worked by employees of outside contractors in the plant on bargaining unit work reach or exceed the equivalent of one (1) full time employee, in a particular craft or classification, defined as forty (40) hours per week over a period of time sufficient to indicate that the work is full time, the work performed by outside contractors will be assigned to employees and the number of bargaining unit employees will be appropriately increased if necessary, unless the work cannot be performed by the addition of an employee(s), or that assignment of the work to employees would not be economically feasible.

### **Quarterly Review**

1. Quarterly reviews will be held based on the provisions of Letter 29 as appropriately revised.
2. During the quarterly review, the parties shall review the Company's compliance with the Commitment set forth above, including providing the Union all information necessary to evaluate said compliance. In the event the Union believes that the Company is not in compliance with the Commitment, the Union may enforce the Commitment through the grievance and arbitration provisions of the Agreement, irrespective of the Company's compliance with any other obligation in this Letter or

any other part of the Agreement. The arbitrator shall remedy the situation, which may include adding labor.

## **General Provisions**

### **1. Special Remedies**

- a. Where it is found that the Company (a) engaged in conduct which constitutes willful or repeated violations of this Letter or (b) violated a cease and desist order previously issued by an arbitrator, the arbitrator shall fashion a remedy or penalty specifically designed to deter the Company's behavior.
- b. With respect to any instance of the use of an outside contractor, where it is found that Notice or information was not provided as required under this Letter, and that such failure was willful or repeated or deprived the Union of a reasonable opportunity to suggest and discuss practicable alternatives to the use of an outside contractor, the arbitrator shall fashion a remedy which includes earnings and benefits to bargaining unit employees who otherwise may have performed the work.

### **Outside Individuals Testifying in Arbitration**

No testimony offered by an individual associated with an outside contractor may be considered in any proceeding unless the party calling the outsider provides the other party with a copy of each outside contractor document to be offered in connection with such testimony at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before commencement of that hearing.

Sincerely Yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed (sgd) Andrew V. Palm

May 15, 1998

Mr. Steve Vanderheyden, President  
Local #745, U.S.W.A.  
Freeport, IL 61032

Dear Mr. Vanderheyden:

**SUBJECT: Cooperative Efforts**

During the 1998 Negotiations, the parties recognized and reaffirmed their commitment to the mutual value of cooperative processes. The parties recognize that the intent of cooperative efforts is to provide value for employees, customers and shareholders.

The parties acknowledge that this Memorandum will evolve throughout the life of the contract as business and competitive conditions change. However, the principles outlined in this memorandum should remain constant into the future.

**Principles**

This memorandum reflects the mutual commitment of the Company and Union and is based on the following principles:

- Cooperative efforts are long term processes and require ongoing efforts to maintain.
- The parties recognize that these processes are built on a foundation of trust and respect that must exist between all parties, the Company, the Union and the employees.
- It is not the intent of these cooperative processes to undermine the strength of either party nor compromise the legal collective bargaining process.
- It is recognized that these cooperative processes are not an end in themselves, but rather a means to increase Company and Union viability by providing heightened value to our customers, and an improved quality of working life for our employees.
- Employees, the Union and the Company should be provided with appropriate information in a timely manner to support effective decision making.
- The Company and the Union will work together and participate in various community forums where it is appropriate for both parties.

## **Cooperative Structure**

The parties recognize that a cooperative process requires the establishment of an appropriate organizational structure at the top levels as well as at the local levels of each organization. Such a structure must include defined roles for the parties at each level of the organization.

The parties recognize that each plant location has the flexibility to design a cooperative structure that fits the organization's needs and circumstances. Further, where such a structure currently exists at the local plant level, it may be in the best interest of the Company and Union to retain such a structure so long as it meets the objectives and principles of this Memorandum.

**Top Level Structure** - A top level committee consisting of four senior level management representatives, to be designated by the Company, and four USWA International officials, to be designated by the Union, will be established in order to further cooperative efforts at the top levels of both organizations. Initially, the Company representatives will be selected from persons engaged in the Manufacturing and Labor Relations functions. This committee will provide guidance and support to the local cooperative processes.

*The top level committee will meet as often as necessary, but no less than twice a year in order to ensure that this memorandum is effectively implemented and consistently administered.*

It is recognized that in order for this committee to function effectively, information must be shared in a timely manner. This information will be focused on the Manufacturing Business Plans for each of the plants under the agreement. In conjunction with the business plan review process the parties will discuss staffing requirements for bargaining unit employees. Where a substantial number of layoffs are anticipated, the parties will discuss options that could potentially minimize the impact of layoffs on employees.

The top level committee will provide assistance and resources to the local plants' cooperative processes as well as developing appropriate measures to evaluate the effectiveness of these initiatives. The top level committee will be responsible for creating a Union-Management leadership educational process, and have oversight responsibility for its effective implementation. Also, this committee will have the responsibility of leading the organizational learning between the USWA and

Goodyear that will continue to build a strong relationship between the parties.

**Local Structure** - Each local plant is committed either to maintaining its current cooperative structure or entering into a new cooperative process which promotes the principles of this Memorandum.

Each location will establish a plant steering committee for the purpose of promoting and developing cooperative processes at the plant level. This core group must include top management representatives, as well as top Union officials. This committee will have a minimum of four members, however, the size of the core committee could be larger depending on the size of the facility. This committee will review the plant's business plan and discuss opportunities under the cooperative process to address business issues and needs and appropriate employee concerns.

These local plant cooperative structures will be compatible with each plant's existing or future organizational needs and structure.

### **Process Components**

The parties recognize that the following process components are necessary in order to achieve a successful cooperative process:

#### **Skills Assessment**

The parties are committed to developing and maintaining a highly skilled workforce needed to meet the demands of the ever-changing competitive environment. To that end, the local parties will:

- Identify skills needed to effectively operate their respective plants;
- Assess current skills;
- Develop training programs to close gaps between required skills and current skill levels;
- Assess future skill level requirements

#### **Education/Training**

The parties are committed to upgrading employee training and educational programs with the objectives of enhancing occupational skills, communication skills, and providing opportunities for personal development.

Toward this end, during the term of this Memorandum, the top level committee will be charged with the responsibility of developing and determining the resources necessary to meet the cooperative education and training needs of the organization.

Recognizing that each plant has individual characteristics and needs, it is appropriate for the parties at each location to evaluate and determine the need for, and the structure of, a joint educational process.

A review of the status of the cooperative education and training process will be discussed at the Interim Meetings.

### **Technological Change**

The parties recognize the importance of technological change if the Company is to remain competitive and viable in world markets.

It is further recognized that a competitive and viable manufacturing environment provides meaningful, substantial job opportunities for present and future employees.

For this reason, the local Union will be notified of projected technological changes that will have an impact on employees. The parties will continue to work together to minimize that impact.

In addition at the local plant level the parties will discuss technological change in advance of its implementation at each plant. It is recognized that the involvement and input of the appropriate management and union personnel can result in more informed decisions, as well as the effective and efficient implementation of technological changes at the plant floor level.

### **Problem Solving Process**

The parties recognize and support the utilization of a systematic problem solving process for the purpose of identifying and resolving issues. It is understood that in order to effectively utilize this problem solving process employees and management need to receive appropriate education and training.

Interim meetings will be a forum to review and discuss problems arising out of this Cooperative memorandum as well as the other Agreements.

### **Work Redesign**

The Plant Steering Committee may investigate and implement work redesign consistent with the principles of this Agreement. Work redesign may include the establishment of

operating work teams or self-directed work teams and/or the implementation of other new and improved ways of performing work. Additionally, any work redesign will be aimed at increasing employee responsibility, more effective utilization of people, materials and equipment along with a heightened level of job satisfaction and security resulting from increased employee contributions to the decisions and initiatives that have an impact on the workplace.

### **Safeguards and Resources**

1. The selection of a consultant, if required, to assist in the development and implementation of the cooperative process at both the top level or local level will be mutual.
2. The cooperative process will not conflict with the traditional role of the Union, such as processing grievances.
3. Problems arising out of this Memorandum can be referred to the top level steering committee for review and are not subject to work interruptions or the grievance procedure, unless they were previously under the jurisdiction of the grievance procedure prior to this Memorandum.
4. The Company and the Union are committed to no employee being laid off as a result of improvements made under these local plant cooperative processes.
5. The local Company and Union leadership are committed to entering into a cooperative process which promotes the principles outlined in this memorandum. Employee participation in this process is voluntary and employees will not be disciplined as a result of their decision.
6. Information shared under this memorandum will be provided subject to the execution of an appropriate confidentiality agreement between the parties.

In summary, the Company and the Union are strongly committed to this Memorandum as a means of developing the labor management relationship and union/management leadership necessary for creating a workplace environment that will benefit the employee, the Union and the Company.

Sincerely,

J A Czervionke  
Manager Human Resources

**LETTER "P"**

**Master Letter 34**

August 20, 2003

Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm:

During the course of the 2003 Master negotiations, the parties agreed to the following regarding Cost-of-Living Allowance adjustments:

The Union agrees that the COLA adjustment that was scheduled for July 7, 2003 and the COLA adjustment that is scheduled for October 6, 2003 will be calculated in accordance with the formula outlined in the 2003 General Wage Agreement.

However, in order to partially offset the cost of Retiree benefits, the Company and Union agree that the adjustment for each of these quarters will be not be paid as scheduled. As a result, regular quarterly COLA adjustments will resume January 5, 2004 in accordance with the General Wage Agreement. The January 5, 2004 adjustment will not include the unpaid COLA from July 7, 2003 or October 6, 2003.

Effective April 3, 2006, the July 7, 2003 and October 6, 2003 COLA Adjustments will be restored on a prospective basis, as follows:

- If the combined COLA adjustments would have generated \$.23 or less, the restoration will be \$.23.
- If the combined COLA adjustments would have generated \$.24, the restoration will be \$.24.
- If the combined COLA adjustments would have generated \$.25 or more, the restoration will be \$.25.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

**LETTER "Q"**

**Master Letter 25**

**August 20, 2003**

**Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway center  
Pittsburgh, PA 15222**

**Dear Mr. Palm:**

During the course of the 2003 Master negotiations, the subject of work records of preferential hire applicants was discussed. With the addition of the Kelly-Springfield and Dunlop Plants to the Master Plant preferential hiring process, there have been concerns over the consistency of the review process of work records for those employees requesting consideration for preferential hire.

In an effort to fairly give employees requesting preferential hire a consistent review of their work records, the existing review process has been clarified as follows:

- A) Each applicant for preferential hire should have their work record reviewed at the time of layoff.**
- B) The "sending" plant is responsible for the determination of whether an applicant is "acceptable" or "not acceptable" for preferential hire.**
- C) Applicants will be determined "not acceptable" for preferential hire for one of the following reasons:**
  - 1. Work record contains a current or active Last Chance Letter of Commitment/ Loss of Value Letter.**
  - 2. Work record contains any suspension for absenteeism, including a waived suspension, within the last twelve months prior to layoff.**

In the event an employee loses employment as a result of a permanent plant closure and applies for preferential hire, the restrictions contained in Section C above are hereby waived.

- D) If the applicant has any current disabling restrictions on his or her record, the applicant will be deemed "acceptable" if he or she is capable, with or without reasonable**

accommodations, of performing the essential functions of the job.

Disciplinary records of preferential hires will transfer to the new location.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

LETTER "R"

Master Letter #26

May 9, 1997

Mr Richard H Davis  
International VP/Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr Davis:

During the course of the 1997 Company wide negotiations, the parties affirmed the importance of Union participation in developing a highly skilled, effective maintenance workforce. As a result, the Skilled Trades Representative of each plant will take on the role of advisor regarding the development and improvement of the programs and processes implemented to improve our competitive advantage. These activities include, but are not limited to, technical skills enhancement, education of safe work practices and procedures, project review, new employee indoctrination and productivity improvement.

Therefore, during Interim Meetings, a joint review of the plant's plan will be made. Components of this review may include:

- a. review of management's staffing analysis information including rates of attrition and future needs;
- b. review entry requirements preferencing current employees who meet defined criteria; and
- c. address upgrading skills, access for production associates, performance based training and basic skills remediation opportunities.

Whereas it is the desire of the parties to establish additional programs consistent with the above to further the skills and effectiveness of the skilled trades organization, the parties recognize the objectives stated herein are of mutual interest and can be accomplished through a joint cooperative effort.

Sincerely,

J M Warren  
Director  
Global Labor Relations

Agreed: (sgd) Richard H Davis

## LETTER "S"

### Master Letter 30

August 20, 2003

Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm:

During the course of the 2003 Master negotiations the subject of the "lead hand" concept was discussed.

#### A. Number of Lead Hands and Targeted Savings Value

*Within forty-five (45) days following ratification of the 2003 master Agreement the local parties shall reach agreement on the number of Lead Hands at the respective plants, given the terms of Approved Tool Kit Item 2 of the Improvement Agreement of the 2003 master Agreement. Failing agreement, such issues shall become part of the Final Offer Arbitration Submission provided for in the Improvement Agreement.*

#### B. Implementation Guidelines:

1. The selection criteria will be established jointly with minimum standards set for attendance and work history. The application of bargaining unit service will be the determining factor only when all other selection criteria are considered equal.
2. Specific job duties will be determined jointly at the local level and may include but not limited to such duties as the direction of work as required, alignment of labor, canvassing for overtime, various administrative duties including payroll within their respective work areas, ordering stock and requisitioning items from stores.
3. The rate of the job will be established at the local level and will be no less than an additional ten (10) percent above the rate of the job of their assigned job classification.
4. The lead hand will not be permitted to administer discipline.

The parties agree that a joint oversight committee will be established locally to monitor implementation of this concept and periodically discuss any issues that may arise out of this process.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

LETTER "T"

Master Letter 24

August 20, 2003

Mr. Andrew V Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm,

During the 2003 Master negotiations, the subject of deductions for USWA/PAC contributions was discussed. In accordance with Federal Election Commission guidelines, the Company will agree to weekly PAC deductions from earnings for each active union member, provided they sign a USWA/PAC authorization form. The Company also agrees to a monthly PAC deduction from retiree's pensions who were Union members, provided they sign a USWA/ PAC authorization form.

In addition, the Company will deduct Steelworkers Organization of Active Retirees (SOAR) dues from retiree's pensions who were union members, provided they sign a duly executed authorization form for this purpose.

In consideration, the Union agrees to:

- 1) Provide to the Company a duly executed authorization form signed by the individual employees who wish to have contributions deducted from their earnings.
- 2) Provide to the Company a duly executed authorization form signed by the individual retirees who wish to have contributions deducted from their pension payments.
- 3) Indemnify, defend and save harmless the Company from any claims, suits, judgements, fines, penalties, attachments and from any other form of liability as a result of implementation of this Agreement.

The pay from which the deduction and the date on which the remittance check is to be delivered to the Union shall be determined by the parties once the deduction system is available.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

## LETTER "U"

Master LETTER 35

August 20, 2003

Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm:

**Subject: Improvement Agreement**

During the course of the 2003 Master negotiations the parties discussed and recognized the need to improve the competitive position of the North American operations. The parties agree that plant productivity can only be substantially affected through a well-defined and jointly controlled structure designed for this purpose. Local Improvement Plans will be determined at each location pursuant to the procedures set forth in this Improvement Agreement using the Approved Tool Kit Items set forth below.

The parties may discuss any mutually agreeable items. Any such items upon which the parties agree shall become part of the Local Improvement Plan, and the value of such items shall be credited against the Targeted Savings applicable to the plant in question. However, should the parties fail to reach complete agreement and be required to use the interest arbitration procedure provided for herein, only Approved Tool Kit Items can be included in the final submission of either party. Nothing in a Local Improvement Plan shall require employees to work unsafely or to perform operations on which they have not been adequately trained. Inclusion of items other than Approved Tool Kit Items in a Final Offer Submission will disqualify such Submission.

No Tool Kit item shall change master contract language.

### APPROVED TOOL KIT ITEMS

- 1 Development of incentive plans and/or gain sharing plans throughout the plant, provided that such plans are consistent with the principles set forth in Attachment A.
- 2 Utilization of Lead Hands in all plants valued at no less than one staffing unit (valued at \$74,500 each) reduction for each three (3) Lead Hands, such utilization to be a mandatory Tool Kit Item and not subject to the veto provisions herein provided. Lead Hand implementation shall be consistent with revised master Agreement Letter 30.

- 3 Restriction adjustments for available labor/temporary transfers
- 4 Waste reduction, task redesign, work reorientation, computer technology, and other employee involved cost reduction efforts
- 5 Changes in light/modified duty work assignments
- 6 Reduction of assigned manning through acceptable work design
- 7 Revise job vacancy (job posting), job surplus and/or transfer language to generate productivity savings

Targeted Savings for each USWA plant are set forth in Attachment B. It is understood that each individual plant's Targeted Savings will be included as part of the 2003 master Agreement.

No later than thirty (30) days following ratification of the master Agreement, each of the identified plants will establish a Joint Committee consisting of members of the Local Union Bargaining Committee, who shall be compensated by the Company for all joint meetings, and members of the local plant management to jointly review each parties' specific plan for realizing the savings objective using the Approved Tool Kit Items as well as any other mutually acceptable items. Savings can be achieved through staffing reductions or other cost savings. Savings achieved through staffing reductions will take place no later than the time frames indicated in the plan. Staffing reductions are expected to occur through attrition; however the following must be achieved:

- 30% of the proposed staffing reductions must be accomplished by July 1, 2004 exclusive of any incentive system savings included in the Local Improvement Plan that have not been installed as of April 1, 2004
- 65% of the proposed staffing reductions must be accomplished by January 1, 2005
- 100% of the proposed staffing reductions must be accomplished by July 1, 2005

The Joint Committees shall promptly enter into discussions at each plant in an effort to develop jointly a Local Improvement Plan. Such discussions shall be completed no later than sixty (60) days following the date of ratification of the master Agreement, and upon mutual agreement these local discussions will be in lieu of local negotiations.

Should the parties be unable to reach agreement on a joint plan, the matter shall promptly be referred to impartial arbitration. The parties will exchange Final Offers which must satisfy the requirements of this Improvement Agreement and its Attachments. Such exchange shall be effected prior to submission of the Final Offers to the arbitrator. Once exchanged, Final Offers may not be changed, except pursuant to the veto procedure set forth immediately below.

The Union shall have the right to veto Approved Tool Kit Item 1 (incentive and / or gainsharing plans) and not more than one of the other Approved Tool Kit Items. This veto right is exercisable after the exchange of Final Offers but before submission of Final Offers to the arbitrator. The Company shall have up to fourteen (14) days to substitute non-vetoed, Approved Tool Kit Items and/or to revise non-vetoed Items contained in the Company's Final Offer, in either case the total value of such substitutions and/or revisions not to exceed the value of the vetoed Item or Items. It is agreed that the increased value of any Item previously in the Company's Final Offer and revised after the exercise of the Union's veto rights may not exceed 25% of the value attributed to such Item in the Company's offer.

In a case, however, where an item appears in both Final Offers but is vetoed because the Union disagrees with the Company regarding its value, the Company may resubmit such item at a value equal to the value attributed to such item by the Union. If the Company elects instead in such a case to substitute a different item for the vetoed item that was in both Final Offers, that item shall be stricken also from the Union's Final Offer, and the Union must substitute another Approved Tool Kit Item of the same value as the stricken item.

The arbitrator shall have authority only to select in its entirety either the Union's or the Company's Final Offer as modified pursuant to the veto procedure (a "Submission"). Following a hearing in which the parties shall present evidence and arguments in support of their respective Submissions and/or in opposition to that of the other party, the arbitrator shall make his/her selection based on his/her determination that such Submission, utilizing only the approved Tool Kit Items, best satisfies the requirements of this Improvement Agreement and its Attachments.

Implementation of a Local Improvement Plan that has been developed either by agreement of the parties or by final offer arbitration shall commence no later than six months following

ratification of this Agreement. It is understood, however, that implementation of new incentive or gain sharing plans will require feasibility studies and that such plans will be implemented as soon as practical.

Following the finalization of the Local Improvement Plan under the process described above, the parties shall, at least once every six months, meet to review the implementation of the Plan and the progress toward achievement of the Productivity Targets. In the event the Company believes that insufficient progress is being made at any particular plant, it may provide the Union with information substantiating its concern and any information requested by the Union regarding this matter. The parties shall then meet and attempt to reach an agreement on the steps necessary to facilitate the progress. If the parties are unable to reach an agreement, and the Plan had been previously arbitrated, the original arbitrator shall retain jurisdiction over any disagreement over the progress of the Plan.

In a case where the Company believes that the Union is making insufficient effort in implementing a Plan developed pursuant to joint agreement, it shall provide the Union with information substantiating its concern and any information requested by the Union regarding this matter. The local parties shall then meet and attempt to reach an agreement on the steps necessary to facilitate the progress. If the local parties cannot resolve the matter, the parties shall submit the dispute to a joint committee consisting of Akron Labor Relations and USWA International personnel who will attempt to assist the local parties in resolving the dispute. If the matter is not thereby resolved, the dispute may be submitted to an arbitrator who may, if he or she finds that the Union is making insufficient effort in implementing the Plan, fashion a remedy regarding enforcement of the jointly developed Plan. In such a case, the fact that the Company has taken action which inhibits progress shall be a defense to a claim of insufficient effort.

It is understood that staffing reductions as a result of ticket reductions shall not be credited toward achieving any Targeted Savings.

Sincerely yours,

J. L. Allen

Director

Global Labor Relations

Agreed: (sgd) Andrew V. Palm

## **LETTER 35 – ATTACHMENT A**

The following principles must be adhered to in the establishment of any new incentive or gainsharing systems:

### **Incentive Systems**

- New incentive systems must be in conformity with Article VIII of the master Agreement.
- Increase in earnings results in decrease in labor cost of product.
- The application of average hourly earnings (AHE) shall be as provided for in Letter 38
- Earnings opportunity of at least 120% - 125% of adjusted base rate (i.e., incorporating COLA) for individual incentive plans.
- Earnings opportunity of at least 110% - 115% of adjusted base rate (i.e., incorporating COLA) for group incentive plans.
- Incentives should compensate for performance above acceptable day work standards.
- No employee may have both an incentive system and a gainsharing system.

### **Gainsharing Systems**

- New gainsharing systems must be established utilizing mutually acceptable, recognized industrial engineering methodology.
- Increase in earnings results in decrease in labor cost of product.
- No employee may have both an incentive system and a gainsharing system.
- Any Tire plant whose Conversion Cost was below \$70 per 100 pounds for the year 2002, may immediately develop and agree to a gainsharing plan that uses their year-end 2002 Conversion Cost as a base from which gainsharing begins. Any Tire plant with a Conversion Cost above \$70 per 100 pounds for the year 2002 may develop and agree to a gain-sharing plan that uses \$70 per 100 pounds as a base from which gainsharing begins.

- The baseline for *Engineered Products Plants* will be either the total hourly compensation as a percent of conversion cost, or the output per labor hour based on the individual plant product measurement for the year 2002. A gainsharing plan may be developed for savings beyond a 10% improvement from each plant's baseline. The *Sun Prairie* gainsharing plan shall be used as a model in the development of a new gainsharing plan.
- The maximum individual bonus in any given quarter will be 3.0% of the individual's eligible earnings.

**LETTER 35 - ATTACHMENT B**

<b>PLANT</b>	<b>STAFFING REDUCTION</b>	<b>TARGETED SAVINGS</b>
Fayetteville	220	\$20,680,000
Gadsden	123	\$11,562,000
Union City	254	\$23,876,000
Buffalo	133	\$12,502,000
Danville	236	\$22,184,000
Freeport	27	\$2,538,000
Topeka	150	\$14,100,000
Tyler	194	\$18,236,000
Akron	37	\$3,478,000
Lincoln	65	\$6,110,000
Marysville	10	\$940,000
St Marys	35	\$3,290,000
Sun Prairie	16	\$1,504,000
<b>GRAND TOTAL</b>	<b>1,500</b>	<b>\$141,000,000</b>

Targeted savings can be achieved through staffing reductions or other cost savings.

LETTER "V"

Master Letter 37

August 20, 2003

Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm:

During the course of the 2003 Master negotiations, there was considerable discussion between the parties concerning employee eligibility for SUB if return to work is refused and the job is filled with a new hire. As a result, it was agreed by the parties that if an existing vacancy is filled with a new hire, a laid off employee who elects not to accept recall to any bargaining job for which he is eligible will waive any existing right to benefits as described in Article VIII (4) of the SUB Agreement during the applicable SUB period. However, this disqualification from benefits will not apply to a laid off employee who is recalled but is not capable of performing the job due to medical restrictions or to a maintenance employee who refuses production work as specified in Article I, Section 4 (b) (3) of the SUB Agreement.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

**LETTER "W"**

**Master Letter 41**

August 20, 2003

**Mr. Andrew V Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222**

**Dear Mr. Palm:**

During the course of the 2003 Master negotiations, the subject of successorship was discussed at great length. As a result of these discussions, the following was agreed to for the Master Contract plants and Kelly-Springfield plants:

The Company agrees that it will not sell, convey, assign or otherwise transfer any plant, operation or significant part thereof covered by this Collective Bargaining Agreement between the Company and the United Steelworkers of America that has not been permanently shut down for at least six months, to any other party (buyer) who intends to continue to operate the business as the Company had unless the following conditions have been satisfied prior to the closing date of the sale:

- (a) the buyer shall have entered into an agreement with the Union recognizing it as the bargaining representative for the employees within the existing bargaining unit.
- (b) the buyer shall have entered into an agreement with the Union establishing the terms and conditions of employment to be effective as of the closing date.

This provision is not intended to apply to any transactions solely between the Company and any of its subsidiaries or affiliates, or its parent Company including any of its subsidiaries or its affiliates, nor is it intended to apply to transactions involving the sale of stock except if a plant or a significant part thereof, which is covered by this Collective Bargaining Agreement is sold to a third party pursuant to a transaction involving the sale of stock or a transaction or series of transactions that results in a change in control of the Company.

A permanent shutdown for six months shall mean that for six (6) months following the final closure date:

- (1) bargaining unit work has been discontinued other than tasks associated with the shutdown of operations including but not limited to maintenance of the facility and property, and disposition of equipment, inventory or work in progress; and
- (2) the Company is processing and/or paying any applicable shutdown benefits under the labor and benefits agreement.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

**LETTER "X"**

**Master LETTER 43**

August 20, 2003

Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm:

During the 2003 Master negotiations, the following understanding was reached concerning the USWA/Goodyear Institute For Career Development.

1. *Establishment*

Effective January 1, 2006, the Union and the Company hereby establish the USWA/Goodyear Institute for Career Development (the Institute) which, in conjunction with similar programs negotiated by the Union with various other employers, will be administered under the rules and procedures of the Institute for Career Development (ICD).

2. *Purpose*

The purpose of the Institute is to provide resources and support services for the education, training and personal development of the Employees of the Company, including upgrading their basic skills and educational levels.

3. *Guiding Principles*

The Institute and ICD shall be administered in a manner consistent with the following principles:

- a. workers must play a significant role in the design and development of their jobs, their training and education and their working environment;
- b. workers should be capable of reacting to change, challenge and opportunity and this requires ongoing training, education and growth; and
- c. worker growth and development can only succeed in an atmosphere of voluntary participation in self-designed and self-directed training and education.

4. *Financing*

The Institute will be financed by a contribution of:

- a. 4.0 cents for each tire sold by the North America Tire Business Unit; and
- b. .075% of the revenue generated by the Engineered Products Division's North American Business.

The amount generated through the above formula shall be allocated to the program at each of the facilities covered by this Agreement on the basis of the number of bargaining unit employees at each such facility in relation to the total number of bargaining unit employees.

The parties will also seek and use funds from federal, state and local governmental agencies.

5. Administration

- a. The Institute will be administered jointly by the Company and the Union in accordance with procedures, rules, regulations and policies agreed to by the parties.
- b. Training is separately provided for in the Agreement. The Company may, however, contract with the Institute to provide services and resources in support of such training.
- c. The Company agrees to participate fully as a member of ICD in accordance with policies, rules and regulations established by the ICD. The Company's financial contributions to the Institute will continue to be separately tracked. ICD will continue to be under the joint supervision of the Union and participating employers with a Governing Board consisting of an equal number of Union and employer appointees.

6. Reporting, Auditing, Accountability and Oversight

The following minimum requirements shall govern reporting, auditing, accountability and oversight of the funds provided for in Paragraph 4.

a. Reporting

- (1) For each calendar year quarter, and within thirty (30) days of the close of such quarter, the Company shall account to the Institute, the ICD, the International Union President and the Chair of the Union Negotiating

Committee for all changes in the financial condition of the Institute. Such reports shall be on form(s) developed by the Institute broken down by plant and shall include at least the following information:

- (a) The Company's contribution, an explanation thereof and the cumulative balance; and
  - (b) a detailed breakdown of actual expenditures related to approved program activities during said quarter.
- (2) The Union Co-Chairs of each of the Local Joint Committees shall receive a report with the same information for their plant or Local Union, as the case may be.

b. Auditing

The Company or the Union may, for good reason, request an audit of the Company reports described in Paragraph 6(a) above and of the underlying Institute activities made in accordance with the following: (1) the Company and the Union shall jointly select an independent outside auditor; (2) the reasonable fees and expenses of the auditor shall be paid from ICD funds and (3) the scope of audits may be Company-wide, plant-specific, or on any other reasonable basis.

c. Approval and Oversight

Each year, the Local Joint ICD Committees shall submit a proposed training/education plan to the Chairs of the Union and Company Negotiating Committees or their designees. Upon their approval, said plans shall be submitted to the Institute. The Institute must approve the plan before any expenditure in connection with any activities may be charged against the funds provided for in this Agreement. An expenditure shall not be charged against such funds until such expenditure is actually made.

7. Dispute Resolution Mechanism

Any dispute regarding the administration of the Institute at the Company or plant level shall be subject to expedited resolution by the Chairs of the Union and

Company Negotiating Committees and the Executive Director of ICD who shall apply the policies, rules and regulations of the Governing Board and the provisions of this Section in ruling on any such dispute. Rulings of the Executive Director may be appealed to the Governing Board, but shall become and remain effective unless stayed or reversed by the Governing Board.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

**LETTER "Y"**

**Master Letter 45**

**August 20, 2003**

**Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222**

**Dear Mr. Palm:**

**During the 2003 Master negotiations, the following understanding was reached concerning the Workforce Training Program.**

**1. Commitments**

**The parties are committed to:**

- a. the Company's workforce being sufficiently skilled so that all bargaining unit work can be performed in accordance with this Agreement by employees; and**
- b. Employees receiving sufficient training to allow for all reasonable opportunities to progress within the Bargaining Unit where practical and maximize their skills to the greatest extent possible.**

**2. Plant Training Committees**

**a. Appointment and Composition**

**The parties shall establish a Plant Training Committee at each of the Company's facilities. The Committee shall be composed of not less than four (4) and not more than six (6) representatives, half of whom shall be Union representatives and half of whom shall be Company representatives. The Company members of the Committee shall be selected and serve at the pleasure of the Company. The Union members of the Committee shall be selected and serve at the pleasure of the Local Union President/Unit Chair at the plant.**

**b. Staff**

**Effective January 1, 2006, each Plant Training Committee shall have one (1) full time Training Coordinator who will be responsible for coordina-**

tion and oversight of the Training Program for bargaining unit employees. The Training Coordinator will be an employee selected by and serving at the pleasure of the Chair of the Union Negotiating Committee, in consultation with the Local Union President(s)/Unit Chair(s) at the plant, subject to the reasonable approval of the Company. The Training Coordinator shall be compensated in accordance with standard local plant understandings.

### 3. Study of Workforce Training Needs

Within six (6) months of the Effective Date, each Plant Training Committee shall complete a report (Report) of the expected training needs of the workforce over the term of the Agreement, given the Commitments outlined in Paragraph 1 above. Such Report shall include Findings and Recommendations as described below:

#### a. Findings

- (1) an age and service profile and the anticipated attrition rates of the workforce over the short term and long term future, it being understood that the study is performed solely for the purpose of determining attrition rates.
- (2) an assessment of the current skill requirements (both competencies and force levels) of the plant, the availability of such skill requirements within the existing workforce and any training necessary to bring the competencies and/or force levels of the current workforce into prompt conformity with the plant's current skill requirements;
- (3) an evaluation of the appropriateness of existing training and the necessity of developing additional training, giving due consideration to emerging and changing patterns and trends in technology and future skill needs;
- (4) an examination of current overtime levels and an assessment of whether employees in certain positions are working excessive overtime;
- (5) an examination of methods by which productivity can be improved through additional training of employees;

- (6) an examination of the plant's business plan, including projected capital spending, planned or potential new technology or technological change and other relevant factors over the term of the Agreement; and
- (7) an assessment of the work practices and the training practices at the plant.

b. **Recommendations**

Based on its Findings, the Plant Training Committee shall develop a comprehensive training program, including a detailed implementation plan and all necessary resources for administration, implementation, delivery and evaluation (Training Program) designed to, on a practical and timely basis, meet the commitments outlined in Paragraph 1 above.

c. **Update**

Each year the Plant Training Committee shall prepare an Update that reviews the Findings and modifies them based on changed circumstances, measures the success of the Training Program against its objectives and modifies the Training Program accordingly.

d. **Separate Statements**

The Report and each Update will include separate statements by the parties with respect to any Finding or Recommendation as to which they disagree.

4. **Action by the Chairs of the Negotiating Committee**

- a. Within thirty (30) days of receipt of the Report or an Update, the Chair of the Union Negotiating Committee and the Plant Manager shall approve a Training Program or Update (including modifications upon which they can agree) or submit those matters on which they do not agree to Arbitration, pursuant to procedures to be agreed upon by the parties.
- b. The dispute will be resolved expeditiously on the basis of a final offer submission by the parties at a hearing. The arbitrator will determine which of the submissions best meets the Commitments outlined

in Paragraph 1 above, in light of the Findings referred to in Paragraph 3(a) above. The arbitrator shall have the power to determine the procedures pursuant to which the hearing is conducted.

**5. Administration and Union Role**

Each Plant Training Committee shall jointly oversee the administration and delivery of its Training Program, the expenditure of training funds necessary for its operation, and an annual audit of such activity.

- a. With respect to any aspect of the administration, delivery or implementation of the Plant Training Program, the Union members of the Plant Training Committee shall be free to propose that the Union or its designee take any or all responsibility for such administration, delivery or implementation, subject to the approval of the Company members.
- b. In the event the Union does take such approved responsibility, the Company shall fully cooperate with the Union or its designee with the resources required for any administration, implementation or delivery for which the Union receives approved responsibility.

**6. Safeguards and Resources**

- a. The Company shall provide the members of the Plant Training Committee and the Training Coordinator with such training as is necessary to enable them to perform their responsibilities under this Section. Employee participation in the Plant Training Committee shall normally occur during normal work hours. All meeting time and necessary and reasonable expenses of the Plant Training Committee shall be paid for by the Company and Employees attending such meetings shall be compensated in accordance with standard local plant understandings.
- b. Union members of the Plant Training Committee shall be entitled to reasonable opportunity on Company time to caucus for purposes of study, preparation, consultation and review, and shall be compensated in the same manner as set forth in Paragraph (a) above. Requests for caucus time shall be made to the appropriate Company representative and shall be held within two working

days of the request, unless mutually agreed otherwise.

- c. To the extent that Company facilities are available and appropriate for Training Program activities, they will be made available.

7. **Dispute Resolution**

In addition to the matters covered by the dispute resolution procedure described in Paragraph 4 above, in the event that the Plant Training Committee is unable to reach agreement on any matter involving the Training Program, the Plant Training Committee shall appoint the arbitrator referred to in Paragraph 4(a) to resolve such dispute. Further details of this procedure shall be as agreed to by the Plant Training Committee unless they are unable to reach such agreement, in which case they shall be determined by the arbitrator.

Sincerely yours,

J.L. Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V. Palm

LETTER "Z"

Master LETTER 46

August 20, 2003

Mr. Andrew V. Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222

Dear Mr. Palm:

During the 2003 Master negotiations, the following understanding was reached concerning Employment Security.

1. Layoff Minimization Plan

The Company agrees that, prior to implementing any layoffs, it shall review and discuss with the Union:

- a. documentation of the business need for the layoffs (Need);
- b. the impact of the layoffs on the bargaining unit, including the number of employees to be laid off and the duration of the layoffs (Impact); and
- c. a plan designed to reduce the need for and level of layoffs in the affected classifications (a Layoff Minimization Plan) which shall contain at least the following elements:
  - (1) a substantial reduction in the use of outside contractors in the affected classifications;
  - (2) the absolute minimal use of daily overtime in the affected classifications;
  - (3) any strategy to purchase products or services that would normally be provided by bargaining unit employees;
  - (4) a program of voluntary layoffs as provided in Article X;
  - (5) the use of alternate work assignments for affected individuals;
  - (6) a meaningful program of shared sacrifice by management,

2. Employee Protections

Reference to the elements of a Layoff Minimization Plan in Paragraph 1 above shall not be construed to impair in any way any protection afforded to Employees under other provisions of this Agreement.

3. Union Response

The Union shall be provided with sufficient information to reach its own judgement on whether there is a Need, the appropriate Impact and to develop its own proposed Layoff Minimization Plan.

4. Dispute Resolution

- a. In the event the Parties cannot reach agreement on whether there is a Need, the appropriate Impact and the terms of a Layoff Minimization Plan, the Company may implement its plan and the Union may submit their dispute to an expedited final offer arbitration under the procedures to be developed by the Parties. If the Company lays off Employees in violation of this Article, such Employees shall be made whole.
- b. The arbitrator's ruling shall address whether the Company demonstrated a Need, and if it did, whose proposed Impact and Layoff Minimization Plan was more reasonable, given all the circumstances and the objectives of the Parties.

Sincerely yours,

J L Allen  
Director  
Global Labor Relations

Agreed: (sgd) Andrew V Palm

**LETTER "AA"**

**Master Letter 47**

August 20, 2003

**Mr. Andrew V Palm  
International Vice President of Administration  
United Steelworkers of America  
Five Gateway Center  
Pittsburgh, PA 15222**

**Dear Mr. Palm:**

**During the 2003 Master negotiations, the subject of Executive Compensation was discussed.**

**The Company agrees that:**

- 1. The average base salaries of the executive officers as a group will not exceed the average salaries of similarly situated executives at comparably sized industrial companies.**
- 2. All future (including the amendment of existing plans) stock purchase, stock option, stock appreciation or other similar programs (Stock Programs) shall:**
  - a. reward only long-term appreciation in the value of the Company's stock and**
  - b. not, once granted, directly or indirectly be "re-priced" or similarly adjusted, subject to the New York Stock Exchange definition of "re-pricing".**

**Sincerely yours,**

**J.L. Allen  
Director  
Global Labor Relations**

**Agreed: (sgd) Andrew V. Palm**

May 19, 1995

Mr. Les Wilson, President  
Local #745, URCL & PWA  
Freeport, Illinois 61032

Dear Mr. Wilson:

During the course of 1995 negotiations, the parties agreed to continue steps take to minimize problems in administration of benefits provided under the Pension, Insurance and Service Award Agreement and the Supplemental Unemployment Benefits Plan. Further, the parties also agreed to cooperate to minimize unnecessary cost due to over-utilization of medical care benefits in our community.

To help accomplish these objectives the Company will provide compensation for a Benefit Representative to be selected by the Local Union after consultation with the Company. It is understood that the Benefit Representative will not be a member of the Union Grievance Committee nor will he or she be permitted to hold a Union office while serving as Benefit Representative.

The Benefits Representative will assist active bargaining unit employees, retired former employees and spouse of employees and retirees when requested by such employees, spouses, or the Company, in processing claims for benefits.

The Employee designated as Benefit Representative will be paid his current hourly rate for forty-eight (48) hours per week plus 2% of previous year's earnings as vacation pay. The employee will be considered to be on a leave of absence for the period of time he or she serves as Benefit Representative.

Sincerely,  
J C Garber  
Mgr., Human Relations

## **RULES OF CONDUCT**

### **Listed Below Are Typical Examples of Violations of Rules Which May Result in Disciplinary Action Including Dismissal**

It is not intended that this list be regarded as being the only violations which may result in disciplinary action. It is a representative list only and is included in this booklet in order that all employees may know the plant management's policy concerning conduct in the plant:

1. Violation of safety rules, including running on plant premises.
2. Horseplay, fighting, wrestling, throwing objects, etc.
3. Any degree of intoxication or possession of intoxicating substances, including beverages, drugs or any other controlled substance, in the plant or on company property.
4. Handling or ringing another employee's clock card.
5. Irregular attendance or repeated tardiness.
6. Stealing company property or that of a fellow employee.
7. Reporting production falsely.
8. Sabotage or carelessness resulting in damage to equipment or product.
9. Insubordination.
10. Physical condition as determined by the Medical Department, making it unsafe for an employee to continue employment.
11. Refusal to work on job assigned.
12. Disorderly or immoral conduct in plant.
13. Absent more than six (6) days because of jail sentence.
14. Abuse of lunch or personal time.
15. Misrepresentation of facts in employment.

16. Leaving the plant during the shift without authorization.
17. Defective workmanship or low production.
18. Smoking in areas where smoking is prohibited.
19. The distribution of any type of literature within the plant or on company property without the approval of the Manager of Industrial Relations.
20. Gambling in the plant or on company property.
21. Damaging or defacing company property.

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## 2004

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	8	9	10	11	12	13	14			8	9	10	11	12	13	14
<b>Feb</b>	15	16	17	18	19	20	21		<b>Aug</b>	15	16	17	18	19	20	21
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	18	19	20	21	22	23	24		<b>Oct</b>	17	18	19	20	21	22	23
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## 2006

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<b>Apr</b>	16	17	18	19	20	21	22		<b>Oct</b>	15	16	17	18	19	20	21
	23	24	25	26	27	28	29			22	23	24	25	26	27	28
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	7	8	9	10	11	12	13		5	6	7	8	9	10	11	
<b>May</b>	14	15	16	17	18	19	20		<b>Nov</b>	12	13	14	15	16	17	18
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	18	19	20	21	22	23	24	<b>Dec</b>	17	18	19	20	21	22	23	
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## 2007

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	4	5	6	7	8	9	10		5	6	7	8	9	10	11
Feb	11	12	13	14	15	16	17	Aug	12	13	14	15	16	17	18
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Mar	11	12	13	14	15	16	17	Sep	9	10	11	12	13	14	15
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Apr	15	16	17	18	19	20	21	Oct	14	15	16	17	18	19	20
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									30	31					



**UNITED STEELWORKERS OF AMERICA  
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